SUMMIT BOARD OF EDUCATION

SUMMIT, NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Summit Board of Education

Summit, New Jersey

For The Fiscal Year Ended June 30, 2010

Prepared by

Business Office

SUMMIT BOARD OF EDUCATION
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INTRODUCTORY SECTION

Board of Education
14 Beekman Terrace
Summit, New Jersey 07901-1702
Tel: (908) 273-3025

Summit Public Schools

Louis J. Pepe, RSBA, School Business Administrator/Board Secretary

November 15, 2010

Honorable President and
Members of the Board of Education
City of Summit Public Schools
County of Union
Summit, NJ 07901

RE: ***Comprehensive Annual Financial Report - 2010***

Dear Board Members:

The comprehensive annual financial report of the City of Summit Board of Education for the fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon including the Management Discussion and Analysis. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Summit Board of Education's MD&A can be found immediately following the report of the independent auditors.

(1) REPORTING ENTITY AND ITS SERVICES: The City of Summit School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The City of Summit Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through grade 12. These include regular, as well as special education for impaired and disabled students. The District completed the 2009-2010 fiscal year with an enrollment of 3,900 students, representing continuous ADE growth with 85 students more than the previous year's enrollment.

In addition to the increased student enrollment experienced throughout the District, Special Education needs continue to place an additional burden on the District's financial budget with 45 Out of District Placements continuing the growth trend associated with the increase in Special Education Costs. Of particular note is the increase in tuition associated with these placements with one such tuition exceeding $100,000 in the 2009-10 school year.

The following details the changes in the student enrollment of the District over the last ten years.

Fiscal Year	Average Daily Enrollment	Present Change
2009/10	3,900.9	2.25%
2008/09	3,815.0	0.55%
2007/08	3,794.0	1.17%
2006/07	3,730.3	1.54%
2005/06	3,673.4	1.49%
2004/05	3,619.6	3.76%
2003/04	3,488.5	4.17%
2002/03	3,349.0	1.27%
2001/02	3,307.1	4.13%
2000/01	3,176.0	2.96%

(2) ECONOMIC CONDITION AND OUTLOOK: Summit, a Union County treasure has over 21,000 residents comprised of an international group speaking 39 languages with a broad economic and ethnic cross-section, largely mirroring the makeup of the nation as a whole. This tree-dense suburban community is nestled in the hills of the Watchung Reservation with six square miles of broken hills at a 450-foot elevation. The City of Summit sits above Springfield, to the east of Millburn, and just northwest, Chatham joins Summit to pinch the broad valley of the Passaic River.

The landscape has had a definite influence in the development of Summit. Summit Housing is available to all levels of income including subsidized housing for senior citizens, and low- and middle-income families. Summit is a family-oriented residential community with light industry. Many Summit settlers and current residents have attributed significantly to the world's business, industrial and government affairs. More importantly, their relentless dedication for volunteerism has made the Summit community a leader in civic mindedness.

(2) ECONOMIC CONDITION AND OUTLOOK: (Continued)

The governing body has sought out experts on economics, communications, education, government administration, physical and mental health, recreation, social planning, transportation and safety, all adding to the great growth of Summit, then and now.

Major Transportation Hub
Rail and bus links to Newark and Manhattan, Routes 24 and 78 and the Garden State Parkway and Newark-Liberty International Airport, commuters find this thriving community a perfect place to settle. The Summit Train Station has the Mid-Town Direct train -a less than 30 minute ride - from Summit to Penn Station. The City of Summit has numerous parking garages and lots supplying ample parking for resident commuters and downtown employees.

Summit grows with the times - State-of-the Art Downtown
In 1925, way a head of its time, Summit was the first city to bury utility wires underground. More recently, in 2000, the city's downtown business district underwent a complete utility infrastructure and beautification project. Upgrade of underground utility wiring, widening of sidewalks for pedestrian traffic, improved street and sidewalk lighting, festive space for markets and special events with street-lined trees and seasonal plantings. Summit recognizes the importance of the downtown business district to the overall quality of life in the community. The project cost over 4 million dollars with more than 50% funding acquired from state, county grants and zero-interest loans.

Summit's Downtown Business District is a tapestry of retail and commercial businesses with an abundance of specialty and gift shops, clothing stores, home furnishings, restaurants, bakeries, fine wine outlets, movie theatre and ample free parking all within short walking distances.

Education is a priority for Summit
Each year, the graduating class of Summit High School, Summit, New Jersey, is profiled extensively, summarizing postsecondary plans, performance on national tests, college placements, employment plans and demographic information on the members of the class.

For the Class of 2010, several points are noteworthy:

- Students continue to achieve at historically high levels on Advanced Placement exams, with more students than ever before taking the exams and scoring at or above the 3 level.
- College placements continued to be diverse with students accessing admission to many highly selective institutions. Two hundred forty students attended one hundred forty different four year colleges.
- The percent of students pursuing further education (97.2%) approached historical highs.
- The performance on SAT testing remained significantly above state and national levels, but with a major shift from SAT to use of the ACT as a college admissions "test of choice." Over the past five years, the number of students utilizing the ACT has increased 300%.
- The stability of the student body over 13 years of schooling remains extremely high: 55% of the graduates began their Summit education in Kindergarten.

(2) ECONOMIC CONDITION AND OUTLOOK: (Continued)

Summit's public education system now includes two new state of the art Primary Center Facilities, Jefferson a $7.9 million capital project, and Wilson an $8.1 million capital project, both of which were opened to the community in the 2008-09 school year to accommodate increased enrollment growth. The District secured state funding for these two projects in the amount of $3.98 million through the State of New Jersey in accordance with Section 5 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

In addition, the district contains five elementary schools (Brayton, Franklin, Jefferson, Lincoln Hubbard and Washington) grades 1 – 5. Lawton C. Johnson Summit Middle School, which also received major alterations in the 2007-08 school year yielding six new classrooms, a new art room and the relocation of the vice principal's office for increased supervision throughout the building. This $798,287 capital project was offset by $319,315 of state funding through a successful application of the Board of Education.

The Summit High School rounds out the complement of nine schools providing a top-rated education and state-of-the-art school facilities for Summit's children. In 2003, the newly renovated Summit High School was dedicated after a $22.4 million capital expansion project. The project comprised of a new wing, library/media center, gymnasium, and the addition of academic courses, cultural arts, athletic and social club programs; all providing an enriched educational experience for all current and future Summit students.

(3) MAJOR INITIATIVES: High student achievement and a quality educational program remain the hallmarks of The Summit Public Schools. Educational, facilities, and funding decisions support these goals, and the Board of Education, the administrators, the teachers, and the staff demonstrate unwavering commitment to excellence in the District. Recently the district embarked on a number of facilities projects to address major infrastructure needs through the State Regular Operating Districts (RODS) Grants securing over $8.8 million dollars in State Grants.

(4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure 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 assistance through No Child Left Behind (NCLB) and Individuals with Disabilities Act (IDEA) grants, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure 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 the adequacy of the internal control structure, 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.

(5) BUDGETARY CONTROLS:

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

Budget Analysis Reports are reviewed to determine any anticipated deficits to any line item accounts. Transfers are approved at monthly meetings to ensure that these accounts are not over-expended.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

(6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds are explained in "Notes to the Basic Financial Statements".

(7) DEBT ADMINISTRATION: Summit is a Type I school district. All school debt is reflected in the city's budget.

(8) CASH MANAGEMENT: Bank balances are insured up to $250,000 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories.

The Summit Board of Education invests all surplus funds for appropriate periods of time as determined by the School Business Administrator.

The Summit Board of Education maintains an on line computerized accounting system to record all financial transactions. During the fiscal year, financial reports are prepared monthly and are distributed to the Board of Education Members. The reports detail the monthly transactions and detail the appropriation balances.

(9) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, automobile liability and comprehensive/collision, property and theft insurance on all buildings and contents, and fidelity bonds.

In an effort to confirm competitive pricing and to insure that the Board's coverage's were the most comprehensive available, quotations were obtained from New Jersey School Boards Insurance Group for the following lines of coverage:

- Commercial Property
- Commercial General Liability
- Educators Legal Liability
- Commercial Auto
- Commercial Umbrella Excess
- Student Accident

After a thorough review it was determined that our current pricing was very competitive and the coverage's provided by Diploma Joint Insurance Fund and Bollinger were superior to the alternative. In addition the Diploma Joint Insurance Fund program allows the Board to benefit from the pooling concept that allows for reduced risk in the Board's overall protection.

In addition new lines of coverage were added effective July 1, 2008 to provide additional protection:

1) Public Official Bond covering Mr. Louis J. Pepe, RSBA - $150,000
2) Supplemental Workers Compensation Coverage to assist the Board in offsetting additional payroll expenses associated with injured employees covered by Public Law 18A.
3) Excess Catastrophe Liability $50,000,000

(10) OTHER INFORMATION:

A) Independent Audit - State statues require an annual audit be conducted by an independent certified public accountant. The accounting firm of Lerch, Vinci & Higgins, LLP was re-appointed at the Annual Reorganization Meeting in this capacity. In addition to meeting the requirements of the Single Audit Act and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB, the auditor's reports related specifically to the single audit are included in the single audit section of this report.

(11) ACKNOWLEDGMENTS:

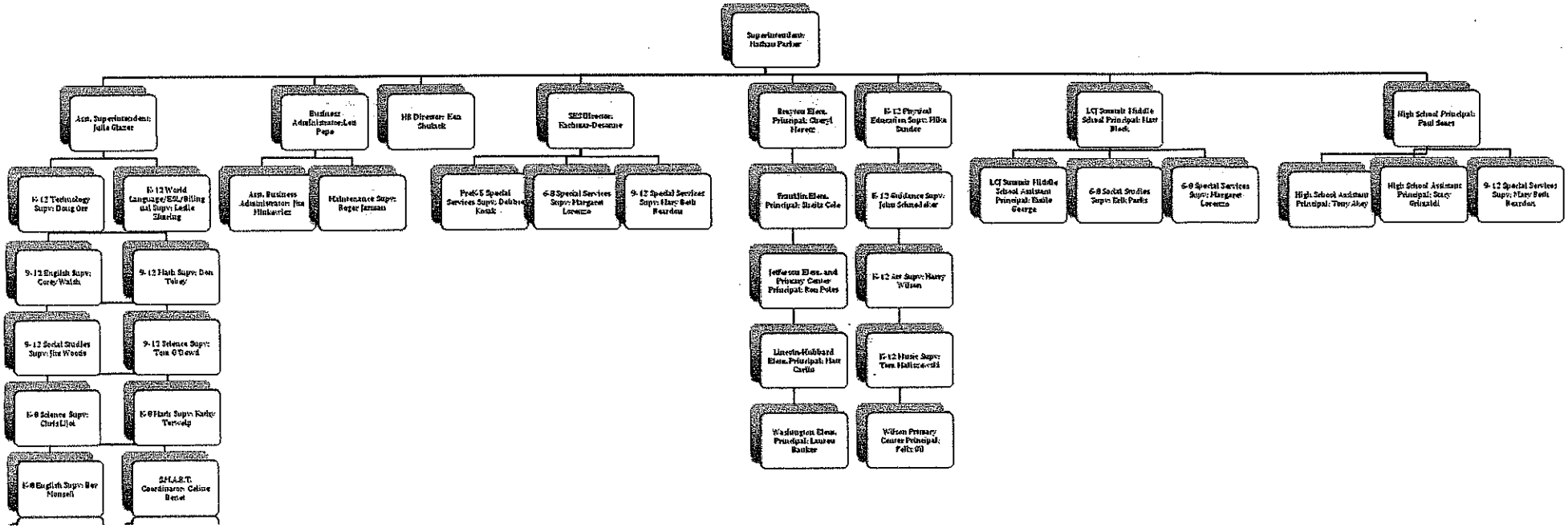
We express our appreciation to the Members of the Summit Board of Education who successfully balance funding realities of public education and the need to provide Summit's students with a world-class educational program of studies. Our appreciation is also extended to the administrative team who, also, are integral to the development and implementation of both the budget and the District's educational plan.

Together these groups of dedicated professionals contribute their full support to the development and maintenance of our financial operation.

Respectfully submitted,

Louis J. Pepe, RSBA
Business Administrator/
Board Secretary

SUMMIT PUBLIC SCHOOLS
Chain of Command



Summit Public Schools

Board of Education
Administrative Offices
14 Beekman Terrace
Summit, New Jersey 07901-1702

BOARD OF EDUCATION
CITY OF SUMMIT
PUBLIC SCHOOL DISTRICT

ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Mr. John Lyness, President	2011
Ms. Michelle Stevenson, Vice President	2013
Mr. Tom O'Rourke	2012
Ms. Eleanor Doyle	2013
Ms. Gloria Ron-Fornes	2012
Mr. George Lucaci	2012
Ms. Celia Colbert	2012

OTHER OFFICIALS

Dr. Nathan Parker, Superintendent of Schools

Ms. Julie Glazer, Assistant Superintendent

Mr. Louis J. Pepe, RSBA School Business Administrator/Board Secretary

Mr. Ronald Angelo, Treasurer of School Monies - 7/1/09-3/1/10
Mr. Scott Olsen, Treasurer of School Monies – 3/1/10-6/30/10

Vito A. Gagliardi, Jr., Esq.

Summit
Public
Schools

Board of Education
Administrative Offices
14 Beekman Terrace
Summit, New Jersey 07901-1702

BOARD OF EDUCATION
SUMMIT PUBLIC SCHOOL DISTRICT

ROSTER OF CONSULTANTS AND ADVISORS
JUNE 30, 2010

Attorney

PORZIO, BROMBERG & NEWMAN
100 Southgate Parkway
Morristown, New Jersey 07962

Auditor

LERCH, VINCI & HIGGINS, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Official Depository

BANK OF AMERICA
208 Harristown Road
Glen Rock, NJ 07452

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Trustees
Summit Board of Education
Summit, New Jersey

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 Summit Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Summit Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 Summit Board of Education as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 12, 2010 on our consideration of the Summit Board of Education'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Summit Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 12, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE CITY OF SUMMIT BOARD OF EDUCATION

Management's Discussion and Analysis
for the Fiscal Year Ended June 30, 2010

This discussion and analysis of the Summit School District's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2010. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- District-Wide - General revenues for governmental activities accounted for $57,188,986 or 78 percent of all revenues. Program specific revenues in the form of operating grants and contributions and capital grants and contributions accounted for $16,449,795 or 22 percent of total revenues of $73,638,781.

- District-Wide - The governmental activities had $64,892,705 in expenses; only $16,449,795 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of $57,188,986 were adequate to provide for these programs.

- Fund Financials - Among governmental funds, the General Fund had $64,415,227 in revenues and $63,894,081 in expenditures. At the close of the fiscal year the General Fund's fund balance is $3,508,241 an increase of $661,542 - from 2009. This is a result of the District's sound fiscal management.

- Fund Financials - At the end of June 30, 2010, the District's unreserved fund balance for the General Fund was $810,119 an increase from 2009 of $73,058.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Summit Board of Education's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the Summit Board of Education, reporting the Summit Board of Education's operation in more detail than the district-wide statements.

  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.

  - Proprietary fund statements offer short and long-term financial information about the activities the Summit Board of Education operates like a business.

  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Summit Board of Education's financial statements, including the portion of the Summit Board of Education's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses, and Changes in Fund Net Assets Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Summit Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Summit Board of Education's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.*

District-wide Statements (Continued)

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities-* Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.

- *Business-type activities-* The District charges fees to customers to help it cover the costs of the District's Food Service Fund and Summer Flash Program.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental Funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund.

Proprietary Funds. The District maintains two types of Proprietary Funds, an Enterprise Fund, which is used to report the activity of the Food Service Fund and the Summer Flash Program. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund, Critchfield Scholarship Trust and the Student Activity Funds. 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 accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE SUMMIT BOARD OF EDUCATION AS A WHOLE

The District's financial position is the product of several 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.

Table A-1 provides a summary of the school district's net assets for fiscal years 2010 and 2009.

Net assets. The District's combined net assets for 2010 and 2009 were $51,448,710 and $45,906,293, respectively. (See Table A-1).

A significant portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Statement of Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	$ 23,587,734	$ 13,852,009	$ 628,824	$ 606,250	$ 24,216,558	$ 14,458,259
Capital Assets	47,967,426	42,223,943	137,150	136,139	48,104,576	42,360,082
Total Assets	71,555,160	56,075,952	765,974	742,389	72,321,134	56,818,341
Current Liabilities	18,918,794	7,981,009	188,139	235,095	19,106,933	8,216,104
Non-Current Liabilities	1,765,491	2,695,944	-	-	1,765,491	2,695,944
Total Liabilities	20,684,285	10,676,953	188,139	235,095	20,872,424	10,912,048
Net Assets:						
Invested in capital assets, net of related debt	47,595,041	40,894,131	137,150	136,139	47,732,191	41,030,270
Restricted	1,177,690	3,374,302			1,177,690	3,374,302
Unrestricted	2,098,144	1,130,566	440,685	371,155	2,538,829	1,501,721
Total Net Assets	$ 50,870,875	$ 45,398,999	$ 577,835	$ 507,294	$ 51,448,710	$ 45,906,293

Governmental activities. Governmental activities increased the District's net assets by $8,746,076. Key elements of this increase are as follows:

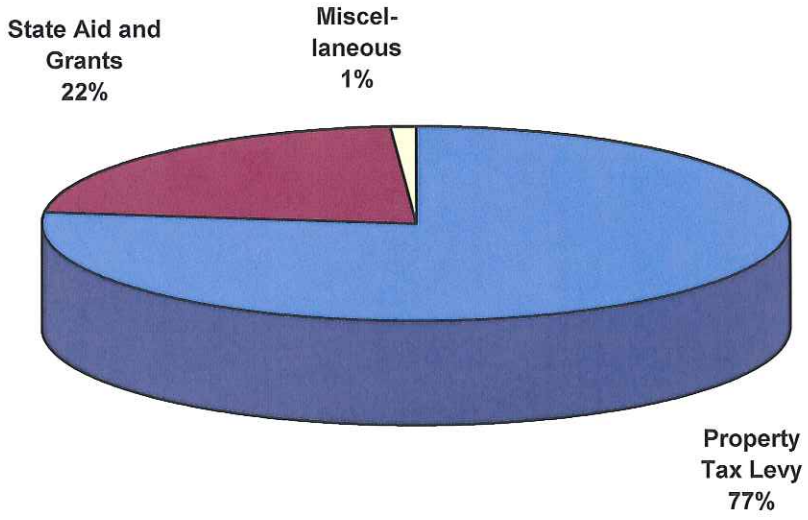
Table A-2
Changes in Net Assets
For the Fiscal Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Services			$ 1,273,466	$ 1,215,181	$ 1,273,466	$ 1,215,181
Operating Grants and Contributions	$ 9,502,734	$ 8,301,900	288,896	266,505	9,791,630	8,568,405
Capital Grants and Contributions	6,947,061				6,947,061	
General Revenues						
Property Taxes	56,808,725	55,419,648			56,808,725	55,419,648
Federal and State Aid		15,828			-	15,828
Other General Revenues	380,261	4,598,021	-	-	380,261	4,598,021
Total Revenues	73,638,781	68,335,397	1,562,362	1,481,686	75,201,143	69,817,083
Expenses						
Instruction						
Regular	30,266,224	29,380,082			30,266,224	29,380,082
Special Education	9,655,370	8,711,060			9,655,370	8,711,060
Other Instruction	1,862,999	1,920,361			1,862,999	1,920,361
School Sponsored Activities and Athletics	1,508,797	1,583,790			1,508,797	1,583,790
Support Services						
Student and Instruction Related Serv.	5,287,762	4,741,485			5,287,762	4,741,485
Health Services	974,556	914,710			974,556	914,710
Educational Media/School Library	1,393,968	1,358,833			1,393,968	1,358,833
School Administrative Services	3,911,979	3,940,227			3,911,979	3,940,227
General Administrative Services	1,375,967	1,470,247			1,375,967	1,470,247
Plant Operations and Maintenance	6,217,401	6,200,892			6,217,401	6,200,892
Pupil Transportation	971,030	871,795			971,030	871,795
Central Services	1,402,625	1,397,147			1,402,625	1,397,147
Interest on Long-Term Debt	64,027	52,905			64,027	52,905
Food Services			1,304,953	1,155,810	1,304,953	1,155,810
Summer Flash Program	-	-	186,868	193,999	186,868	193,999
Total Expenses	64,892,705	62,543,534	1,491,821	1,349,809	66,384,526	63,893,343
Increase (Decrease) in Net Assets	8,746,076	5,791,863	70,541	131,877	8,816,617	5,923,740
Net Assets, Beginning of Year	45,398,999	39,607,136	507,294	375,417	45,906,293	39,982,553
Prior Year Adjustment	(3,274,200)	-	-	-	(3,274,200)	-
Net Assets - Beginning as Adjusted	42,124,799	39,607,136	507,294	375,417	42,632,093	39,982,553
Net Assets - End of Year	$ 50,870,875	$ 45,398,999	$ 577,835	$ 507,294	$ 51,448,710	$ 45,906,293

Table A-2 shows the changes in net assets for fiscal years ended June 30, 2010 and 2009.

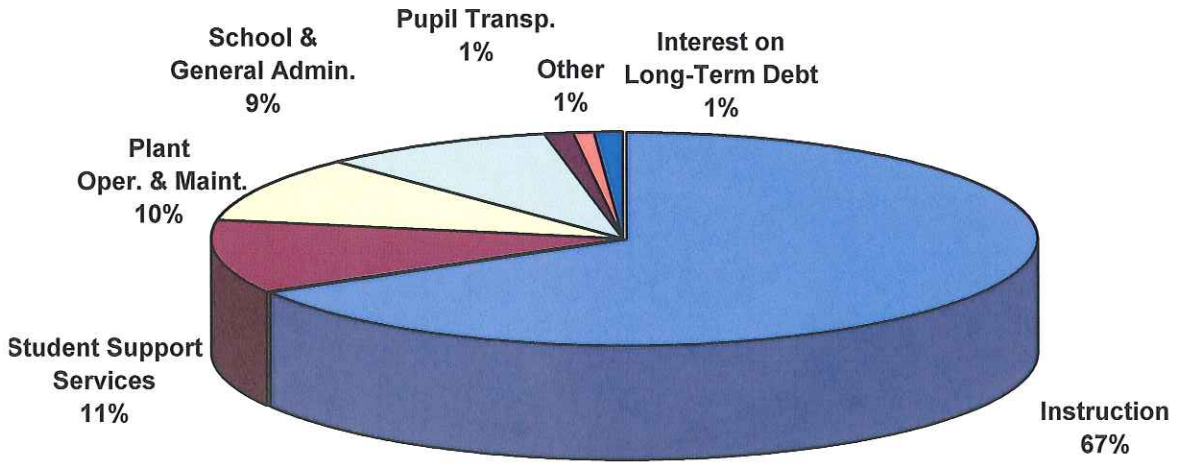
Governmental activities. The District's total governmental revenues were $73,638,781. The local share of the revenues, that included property taxes, interest, and miscellaneous revenue, amounted to $57,188,986 or 78% of total revenues. Funding from state and federal sources amounted to $16,449,795 or 22%.

Table A-3 Revenues by Source- Governmental Activities
For Fiscal Year 2010



The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled $43,293,390 (67%) student support services totaled $21,535,288 (32%) and interest on long-term debt total $64,027 (1%) of total expenditures. (See Table A-5.)

Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2010



Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2010 and 2009

Functions/Programs	Cost of Services 2010	Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
Governmental Activities				
Instruction				
Regular	$ 30,266,224	$ 29,380,082	$ 20,108,846	$ 26,366,432
Special Education	9,655,370	8,711,060	6,001,694	5,355,718
Other Instruction	1,862,999	1,920,361	1,608,158	1,590,830
School Sponsored Activities and Athletics	1,508,797	1,583,790	1,395,576	1,480,793
Support Services				
Tuition				
Student and Instruction Related Svcs.	5,287,762	4,741,485	4,013,772	4,002,474
Health Services	974,556	914,710	894,945	845,214
Educational Media/School Library	1,393,968	1,358,833	1,288,542	1,262,478
General Administrative Services	1,375,967	1,470,247	1,305,069	1,409,763
School Administrative Services	3,911,979	3,940,227	3,555,379	3,600,606
Plant Operations and Maintenance	6,217,401	6,200,892	5,953,440	6,109,655
Pupil Transportation	971,030	871,795	850,837	767,619
Central Services	1,402,625	1,397,147	1,402,625	1,397,147
Charter Schools				
Interest on Long-Term Debt	64,027	52,905	64,027	52,905
Total Governmental Activities	$ 64,892,705	$ 62,543,534	$ 48,442,910	$ 54,241,634

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2010 was $1,491,821. These costs were funded by operating grants, charges for services (Detailed on Table A-2). The operations resulted in an increase in net assets of $70,541.

Table A-5 shows the net cost of governmental activities for fiscal years ended June 30, 2010 and 2009.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of $4,668,940. In 2008-2009 the fund balance was $2,596,800, an increase of $2,072,140.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund) presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to $73,626,821 and expenditures were $72,028,087.

General Fund

The following schedule presents a summary of the general fund revenues for the fiscal year ended June 30, 2010 and 2009.

Revenues

	Years Ended 2010	Years Ended 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Local Sources	$ 57,188,986	$ 55,944,953	$ 1,244,033	2.22%
State Sources	7,164,889	6,439,971	724,918	11.26%
Federal Sources	61,342	-	61,342	100%
Total Revenues	$ 64,415,217	$ 62,384,924	$ 2,030,293	3.25%

The following schedule represents a summary of general fund expenditures for the fiscal years ended June 30, 2010 and 2009.

Expenditures

	Years Ended 2010	Years Ended 2009	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current				
Instruction	$ 41,323,474	$ 39,034,202	$ 2,289,272	5.86%
Undistributed Expenditures	20,273,449	20,024,369	249,080	1.24%
Capital Outlay	802,298	622,151	180,147	28.96%
Debt Service				
Principal	1,430,833	676,965	753,868	111.36%
Interest	64,027	52,905	11,122	21.02%
Total Expenditures	$ 63,894,081	$ 60,410,592	$ 3,483,489	5.77%

General Fund

Budgetary Highlights

The District's budget is prepared according to New Jersey law governing Type I schools and is based on generally accepted accounting principles on the basis of receipts, disbursements and encumbrances. The primary fund is the General Fund.

The Summit School District, like many surrounding districts in the Tri-County area continues to provide a comprehensive educational program amidst the continuous budgetary constraints from the State of New Jersey with regard to State Aid. 2010 was marked by the elimination of State aid for "high wealth[1]" district's such as Summit. This resulted in a loss of revenue of ($2,587,433). This action had a significant impact on development of the 2010-11 school budget requiring budgetary cuts and further reductions in order to meet the 4% CAP on budgetary tax levy. Absent State Aid, the bulk of revenue funding resides with the local property taxpayers against the backdrop of increased State and Federal mandates such as Special Education programs and services, Facility requirements and Long Range Planning, and now new Safety and Security requirements.

In this climate along with limited funding and diminishing revenues, the district finds itself relying more and more on the taxpayers, civic groups, school partnerships and local area foundations in order to fund the tax levy established each year. As such, the Board of Education and Administration continues to explore cost saving initiatives designed to offset rising fixed costs associated with the general fund such as salaries, health insurance, tuition, transportation, energy costs, etc. Major initiatives in the 2009-10 year included:

- Renewed membership through various consortiums and shared services designed to promote cost savings in areas such as energy, transportation, and special education services. These activities include: ACES "Alliance for Competitive Energy Savings," the district continued as a member and once again entered into public bids for gas and electric, participating in joint transportation agreements and shared services with the MUJ "Morris Union Jointure" Commission – 29 Morris and Union County districts, and continued participation in the Union Educational Services Commission.

- Exploration and increased shared services with the City of Summit receiving support for maintenance of athletic fields and ***new initiatives such as aeration/seeding/topdressing application*** at all school properties. New maintenance programs for sidewalks, paving and tree removal. Continued dialogue designed to provide reciprocal services to the City of Summit through the school district's maintenance specialists such as electrician, black seals and other disciplines as needed. This continuing exploration has lead to potential savings for the City through purchasing and pricing discounts. Another such operational area savings through shared services has been the disposal of vehicles through the City's online auction program.

- Completion of two new state of the art Primary Center Facilities opened September 2008: Jefferson a $7.9 million capital project, and Wilson an $8.1 million capital project, both of which will be operational for the upcoming 2008-09 school year to accommodate increased enrollment growth. The District secured state funding for these two projects in the amount of $3.98 million through the State of New Jersey in accordance with Section 5 of the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

- Completion of major alterations in the 2007-08 school year yielding six new classrooms, a new art room and the relocation of the vice principal's office at the Lawton C. Johnson Summit Middle School. This $798,287.00 capital project was offset by $319,315.00 of state funding through a successful application of the Board of Education.

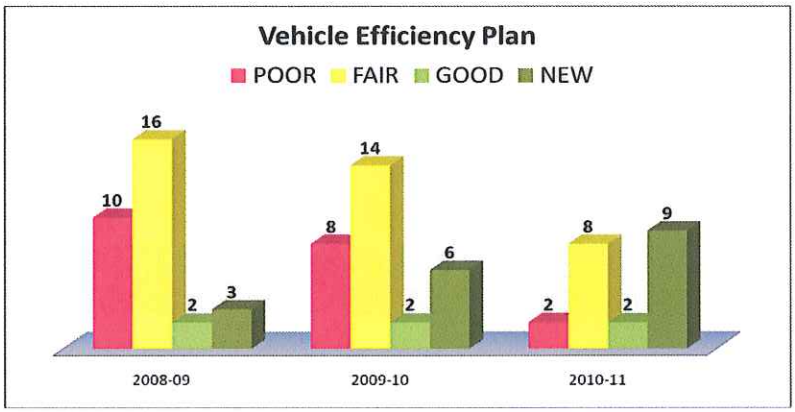
[1] The DOE uses DFG data to analyze the relationship between student achievement and the socioeconomic status of the communities in which they reside.

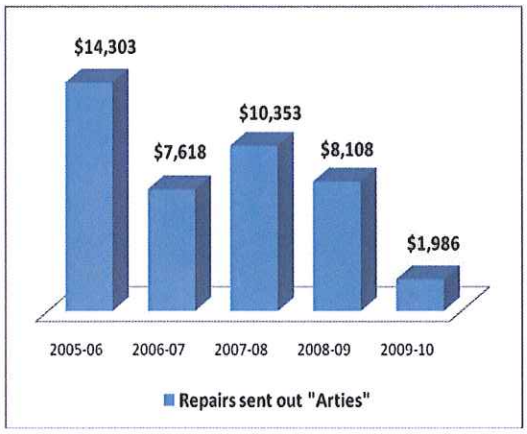
- Retiring of five leases through early repayment saving $31,158 in interest over three years while reducing short term debt by $890,097.

3 Year Reduction - $890,097		
2010-11	**2011-12**	**2012-2013**
357,718.00	286,488.00	118,301.00

- Continued our goal of using technology to improve student achievement by providing students with current state of the art computer technology equipment and peripherals acquired through a completive bid process five year lease in the amount of $473,406.00.

- Vehicle Fleet Maintenance and Acquisition - Ongoing review of transport needs and application specific work has been central to our operational plan of improving both quality and reliability of our utility work vehicles in the area of custodial maintenance. Working within the budgetary constraints of competing interests and reduced CAPs, we have made a commitment to ensure against unnecessary vehicle maintenance and unplanned replacement. ***By addressing aging inefficient vehicles over a planned purchase program we have moved the fleet both by efficiency through a reduction of ten vehicles[2] over three years and acquisition of nine vehicles during the same three year period.***





As a direct result of the program we have seen a marked reduction in the area of repairs with 2009-10 reporting less than $2,000 expended compared to over $40,000 in the prior four years.

Lower-price Alternative with Better Gas Mileage

By standardizing the fleet through tight bid specifications designed to identify and select vehicles that met district needs for cost-effectiveness yet also provided the versatility to tackle the jobs associated with building and grounds we are able to save on State Contracting as well as parts and repairs. Likewise, the knowledge and familiarity of staff from vehicle to vehicle provides easy transition and training. ***Bottom line… "The replacements came with a lower price tag and better fuel economy, without compromising driver tasks or safety."***

- Completion and introduction of a State of the Art Media Literacy Studio at the Summit High School through the vision, partnership and diligent efforts of the Media Literacy Steering and Action Committees along with a $200,000 donation from the Summit Education Foundation and $300,000 of Capital Reserve.

- 2009-10 marked a major achievement in the area of Food Service Management with the RFP process the introducing Pomptonian Food Service to the district replacing Chartwells; resulting in a State award in nutrition through the *Eat Right, Move More* ***campaign - a joint effort between the Jets, the New Jersey Department of Agriculture and the American Dairy Association;*** and a $107,000 profit through increased sales and participation.

[2] Vehicles taken out of service based on review of need and disposed of through public auction; however, not replaced.

Budgetary Highlights (Continued)

The 2009-2010 fiscal year ended with respect to the minimum premium policy between Summit Board of Education and CIGNA HealthCare as of June 30th, 2010 as follows:

1. The District's liability for claims that were filed but unpaid as of June 30th, 2010 was $138,395.
2. The District's liability for termination as of June 30th, 2010 is $1,499,074.

The Board of Education re-appointed LDP Consulting Group, Inc. as Broker of Record at its May 13, 2010 Regular Meeting. ***As a direct result of their detailed analysis and market plan option review, the District's renewal of 6.8% was in line with our experience and well below the current trend of 12% - 14%.***

Special Education remains a significant expense as enrollments continue to rise. Many mandated services and requirements such as OT/PT (Occupation and Physical Therapy), speech, resource room, evaluations, one-on-one aides and other related services continue to be in demand. The current year's budget expense resulted in appropriations of over ***$8.87 million*** as follows:

Special Education Instruction	= 4,566,132
Tuition (Out of District Special Ed.)	= 2,362,345
Child Study Team Services	= 1,177,088
Related Services	= 768,442

The District continues to explore capital improvement plans that would afford the necessary space to bring out of district special education students back in district to meet their needs in district at a significant cost savings in the area of tuition and transportation.

Capital Assets - The Summit Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2010 and June 30, 2009 amounts to $48,104,576 and $42,360,082, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and building improvements, machinery, equipment and vehicles.

Management's Discussion and Analysis for the Fiscal Year Ended June 30, 2010

Table A-6

Capital Assets at June 30, 2010 and 2009

(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 1,758,661	$ 1,758,661			$ 1,758,661	$ 1,758,661
Construction In Progress	4,594,806	272,790			4,594,806	272,790
Land Improvements	4,957,029	4,926,662			4,957,029	4,926,662
Buildings and Building Improvements	47,926,855	46,077,382			47,926,855	46,077,382
Machinery and Equipment	3,850,426	3,082,860	$ 446,079	$ 419,899	4,296,505	3,502,759
Total	63,087,777	56,118,355	446,079	419,899	63,533,856	56,538,254
Less: Accumulated Depreciation	15,120,351	13,894,412	308,929	283,760	15,429,280	14,178,172
Total	$ 47,967,426	$ 42,223,943	$ 137,150	$ 136,139	$ 48,104,576	$ 42,360,082

Additional information on Summit Board of Education's capital assets can be found in the notes of this report.

Debt Administration. The City of Summit Board of Education is a Type I District pursuant to N.J.S.A. 18A:22-1. Bonds and notes to fund capital projects are approved by the Board of School Estimate. Such capital expenditures are general obligations of the City of Summit and are reported on the balance sheet of the City of Summit's General Capital Fund.

As of June 30, 2010 and 2009, had outstanding long-term liabilities of $1,765,491 and $2,695,944, respectively, as stated in Table A-7.

Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities
as of June 30, 2010 and 2009

	2010	2009
Capital Leases	$ 372,385	$ 1,329,812
Compensated Absences Payable	1,393,106	1,366,132
Total	$ 1,765,491	$ 2,695,944

Additional information on Summit Board of Education's long-term debt can be found in the notes of this report.

For the Future

The District remains in excellent financial condition. Everyone associated with the City of Summit Public School District is grateful for the continued community support of the schools. A major concern remains continued involvement in State control and direction regarding educational adequacy and funding.

The district will continue to face budgetary obstacles in the ensuing years resulting from the passage of S-1701 regarding permissible surplus. S-1701 required all districts to reduce surplus to the greater of 2% or $100,000 in 2005-06. The law maintained a reduced surplus of 2% in the 2006-07 fiscal year. In planning budgets, school districts take into the account the possibility of unanticipated costs – ranging from utility increases to the mid-year relocation into the community of those special education students who receive high-cost private school services. For many school districts, these unanticipated costs could outstrip the surplus permitted under S-1701. Since school districts cannot operate at a deficit, the only choice available to meet federal and state requirements and fixed costs (such as special education and heat/utilities) would be to cut other areas, such as regular education programming or maintenance.

The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term district planning. Until enactment of S-1701, statute permitted non-Abbott school districts to establish surplus accounts that ranged between 3% and 6%. Further, the New Jersey State Department of Education's previous policy and, more recently, administrative code required school districts to obtain state permission to budget surplus below the 3% minimum.

Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to budgetary crisis. Furthermore; drawing down district surplus's through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets, and drives the need to offset such shortfalls through increased tax levy.

Given these conditions, the Summit School District remains committed to financial excellence for many years. Its system for financial planning, budgeted, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Summit Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Mr. Louis J. Pepe, MBA, RSBA
School Business Administrator/Board Secretary

At the:

City of Summit Board of Education,
Administrative Offices
14 Beekman Terrace
Summit, New Jersey 07901

BASIC FINANCIAL STATEMENTS

SUMMIT BOARD OF EDUCATION
STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,917,671	$ 588,039	$ 4,505,710
Receivables, net			
Receivables from Other Governments	19,619,747	19,892	19,639,639
Other	56,681		56,681
Internal Balances	(6,365)	6,365	-
Inventory		14,528	14,528
Capital Assets, net:			
Being Depreciated	41,613,959	137,150	41,751,109
Not Being Depreciated	6,353,467	-	6,353,467
Total Assets	71,555,160	765,974	72,321,134
LIABILITIES			
Accounts Payable and Other Current Liabilities	7,538,785	35,266	7,574,051
Payable to State Government	6,745		6,745
Payable to Federal Government	2,263		2,263
Unearned Revenue	11,371,001	152,873	11,523,874
Noncurrent Liabilities			
Due Within One Year	216,996		216,996
Due Beyond One Year	1,548,495	-	1,548,495
Total Liabilities	20,684,285	188,139	20,872,424
NET ASSETS			
Invested in Capital Assets, net of related debt	47,595,041	137,150	47,732,191
Restricted for:			
Capital Projects	1,177,690		1,177,690
Unrestricted	2,098,144	440,685	2,538,829
Total Net Assets	$ 50,870,875	$ 577,835	$ 51,448,710

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

SUMMIT BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 30,266,224		$ 3,210,317	$ 6,947,061	$ (20,108,846)		$ (20,108,846)
Special Education	9,655,370		3,653,676		(6,001,694)		(6,001,694)
Other Instruction	1,862,999		254,841		(1,608,158)		(1,608,158)
School Sponsored Activities and Athletics	1,508,797		113,221		(1,395,576)		(1,395,576)
Support Services:							
Student & Instruction Related Services	5,287,762		1,273,990		(4,013,772)		(4,013,772)
Health Services	974,556		79,611		(894,945)		(894,945)
Educational Media/School Library	1,393,968		105,426		(1,288,542)		(1,288,542)
School Administrative Services	3,911,979		356,600		(3,555,379)		(3,555,379)
General Administrative Services	1,375,967		70,898		(1,305,069)		(1,305,069)
Plant Operations and Maintenance	6,217,401		263,961		(5,953,440)		(5,953,440)
Pupil Transportation	971,030		120,193		(850,837)		(850,837)
Central Services	1,402,625				(1,402,625)		(1,402,625)
Interest on Long Term Debt	64,027	-	-	-	(64,027)	-	(64,027)
Total Governmental Activities	64,892,705	-	9,502,734	6,947,061	(48,442,910)	-	(48,442,910)
Business-Type Activities:							
Food Service	1,304,953	$ 1,079,175	288,896			$ 63,118	63,118
Summer Flash Program	186,868	194,291	-	-	-	7,423	7,423
Total Business-Type Activities	1,491,821	1,273,466	288,896	-	-	70,541	70,541
Total Primary Government	$ 66,384,526	$ 1,273,466	$ 9,791,630	$ 6,947,061	(48,442,910)	70,541	(48,372,369)
General Revenues:							
Property Taxes, levied for general purposes,net					56,808,725		56,808,725
Miscellaneous Income					380,261	-	380,261
Total General Revenues and Other Items					57,188,986	-	57,188,986
Change in Net Assets					8,746,076	70,541	8,816,617
Net Assets—Beginning of Year					45,398,999	507,294	45,906,293
Prior Period Adjustment					(3,274,200)	-	(3,274,200)
Net Assets- Beginning as Adjusted					42,124,799	507,294	42,632,093
Net Assets—End of Year					$ 50,870,875	$ 577,835	$ 51,448,710

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

FUND FINANCIAL STATEMENTS

SUMMIT BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 3,917,671			$ 3,917,671
Receivables, Net				
Receivables from Other Governments	240,894	$ 1,644,103	$ 17,734,750	19,619,747
Other		56,681		56,681
Due from Other Funds	1,202,874	-	-	1,202,874
Total Assets	$ 5,361,439	$ 1,700,784	$ 17,734,750	$ 24,796,973
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable and Other Liabilities	$ 336,062	$ 161,354	$ 5,542,295	$ 6,039,711
Accrued Liability for Insurance Claims	1,499,074			1,499,074
Payable to State Government		6,745		6,745
Payable to Federal Government		2,263		2,263
Due to Other Funds	6,365	528,221	674,653	1,209,239
Deferred Revenue	11,697	1,002,201	10,357,103	11,371,001
Total Liabilities	1,853,198	1,700,784	16,574,051	20,128,033
Fund Balances:				
Reserved for:				
Encumbrances	421,209		5,980,934	6,402,143
Capital Reserve Account	16,991			16,991
Waiver Offset Designated for Subsequent Year's Expenditures	1,605,314			1,605,314
Excess Surplus	654,608			654,608
Unreserved, reported in:				
General Fund	810,119			810,119
Capital Projects Fund	-	-	(4,820,235)	(4,820,235)
Total Fund Balances (Deficit)	3,508,241	-	1,160,699	4,668,940
Total Liabilities and Fund Balances	$ 5,361,439	$ 1,700,784	$ 17,734,750	

Amounts reported for *governmental activities* in the statement of net assets (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 $63,087,777 and the accumulated depreciation is $15,120,351.	$ 47,967,426
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:	
Capital Leases	(372,385)
Compensated Absences	(1,393,106)
Net assets of governmental activities (Exhibit A-1)	$ 50,870,875

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

SUMMIT BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	$ 56,808,725			$ 56,808,725
Miscellaneous	380,261	$ 472,559	$ 30,367	883,187
Total - Local Sources	57,188,986	472,559	30,367	57,691,912
State Sources	7,164,899	224,452	6,904,734	14,294,085
Federal Sources	61,342	1,579,482	-	1,640,824
Total Revenues	64,415,227	2,276,493	6,935,101	73,626,821
EXPENDITURES				
Current:				
Regular Instruction	29,319,553	257,557		29,577,110
Special Education Instruction	8,800,475	697,498		9,497,973
Other Instruction	1,723,323	100,618		1,823,941
School Sponsored Activities and Athletics	1,480,123			1,480,123
Support Services and Undistributed Costs:				
Student & Instruction Related Services	4,306,063	882,569		5,188,632
Health Services	954,394			954,394
Educational Media/School Library	1,367,268			1,367,268
School Administrative Services	3,821,668			3,821,668
General Administrative Services	1,358,012			1,358,012
Plant Operations and Maintenance	6,125,214			6,125,214
Pupil Transportation	969,126			969,126
Central Services	1,371,704			1,371,704
Debt Service				
Principal	1,430,833			1,430,833
Interest	64,027			64,027
Capital Outlay	802,298	338,251	5,857,513	6,998,062
Total Expenditures	63,894,081	2,276,493	5,857,513	72,028,087
Excess of Revenues Over Expenditures	521,146	-	1,077,588	1,598,734
OTHER FINANCING SOURCES (USES)				
Transfer-In			333,010	333,010
Transfer-Out	(333,010)			(333,010)
Capital Lease (Non-Budget)	473,406	-	-	473,406
Total Other Financing Sources and Uses	140,396	-	333,010	473,406
Net Change in Fund Balances	661,542	-	1,410,598	2,072,140
Fund Balance , Beginning of Year	2,846,699	-	3,024,301	5,871,000
Prior Period Adjustment	-	-	(3,274,200)	(3,274,200)
Fund Balance, Beginning as Adjusted	2,846,699	-	(249,899)	2,596,800
Fund Balance, End of Year	$ 3,508,241	$ -	$ 1,160,699	$ 4,668,940

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

SUMMIT BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (Exhibit B-2)		$ 2,072,140
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which capital outlay exceeds exceeds depreciation.		
Capital Outlay	$ 6,998,062	
Depreciation Expense	(1,266,539)	
		5,731,523
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources		11,960
Some of the district assets acquired this year were financed with capital leases. The amount financed by the lease is reported in the governmental funds as a source of financing. On the other hand, the lease proceeds are not revenues in the statement of activities but rather constitute long-term liabilities in the statement of net assets.		
Capital Leases		(473,406)
In the statement of activities, certain operating expenses - compensated absences and claims and judgments for self insurance claims - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):		
Compensated Absences		(26,974)
The issuance of long-term debt (leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets.		
Reduction of Long-Term Debt		1,430,833
Change in net assets of governmental activities (Exhibit A-2)		$ 8,746,076

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

SUMMIT BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Services	Business-Type Activities Enterprise Fund Summer Flash Program	Business-Type Activities Enterprise Fund Totals
ASSETS			
Current Assets			
Cash	$ 296,637	$ 291,402	$ 588,039
Intergovernmental Receivable			
State	1,227		1,227
Federal	18,665		18,665
Due from Other Funds	6,365		6,365
Inventories	14,528	-	14,528
Total Current Assets	337,422	291,402	628,824
Noncurrent Assets			
Equipment	446,079	-	446,079
Less: Accumulated Depreciation	(308,929)	-	(308,929)
Total Noncurrent Assets	137,150	-	137,150
Total Assets	474,572	291,402	765,974
LIABILITIES			
Current Liabilities			
Accounts Payable	35,266	-	35,266
Unearned Revenue	308	152,565	152,873
Total Current Liabilities	35,574	152,565	188,139
NET ASSETS			
Invested in Capital Assets	137,150	-	137,150
Unrestricted	301,848	138,837	440,685
Total Net Assets	$ 438,998	$ 138,837	$ 577,835

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

SUMMIT BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Services	Business-Type Activities Enterprise Fund Summer Flash Program	Business-Type Activities Enterprise Fund Totals
OPERATING REVENUES			
Charges for Services			
Daily Sales	$ 1,050,836		$ 1,050,836
Special Functions	28,339		28,339
Program Fees	-	$ 194,291	194,291
Total Operating Revenues	1,079,175	194,291	1,273,466
OPERATING EXPENSES			
Salaries and Employee Benefits	447,374	164,516	611,890
Cost of Sales	609,797		609,797
Depreciation	25,169		25,169
Other Purchased Services	124,023		124,023
Supplies and Materials	98,590	22,352	120,942
Total Operating Expenses	1,304,953	186,868	1,491,821
Operating Income (Loss)	(225,778)	7,423	(218,355)
NONOPERATING REVENUES			
State Sources			
School Lunch Program	14,828		14,828
School Breakfast Program	228		228
Federal Sources			
School Breakfast Program	3,408		3,408
National School Lunch Program	220,106		220,106
Food Distribution Program- Non-Cash Assistance	50,326	-	50,326
Total Nonoperating Revenues	288,896	-	288,896
Net Income	63,118	7,423	70,541
Change in Net Assets	63,118	7,423	70,541
Total Net Assets - Beginning of Year	375,880	131,414	507,294
Total Net Assets - End of Year	$ 438,998	$ 138,837	$ 577,835

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

SUMMIT BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Business-Type Activities Enterprise Fund Food Services	Business-Type Activities Enterprise Fund Summer Flash Program	Business-Type Activities Enterprise Fund Totals
Cash Flows from Operating Activities			
Cash Received from Customers	$ 1,079,175	$ 168,270	$ 1,247,445
Cash Payments for Employees' Salaries and Benefits	(447,374)	(164,516)	(611,890)
Cash Payments to Suppliers for Goods and Services	(809,214)	(22,352)	(831,566)
Net Cash Provided/(Used) by Operating Activities	(177,413)	(18,598)	(196,011)
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimburseme	264,956	-	264,956
Net Cash Provided by Noncapital Financing Activities	264,956	-	264,956
Cash Flows from Capital Financing Activities			
Acquisition of Fixed Assets	(26,180)	-	(26,180)
Net Cash (Used) by Noncapital Financing Activities	(26,180)	-	(26,180)
Net Increase (Decrease) in Cash and Cash Equivalents	61,363	(18,598)	42,765
Cash and Cash Equivalents, Beginning of Year	235,274	310,000	545,274
Cash and Cash Equivalents, End of Year	$ 296,637	$ 291,402	$ 588,039
Reconciliation of Operating Loss to Net Cash Provided/ (Used) by Operating Activities			
Operating Income/(Loss)	$ (225,778)	$ 7,423	$ (218,355)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities			
Depreciation	25,169		25,169
Food Distribution Program - Non-Cash Assistance	50,326		50,326
Change in Assets and Liabilities			-
(Increase)/Decrease in Accounts Receivable			-
Increase/(Decrease) in Accounts Payable	(18,053)		(18,053)
Increase/(Decrease) in Deferred Revenue	(2,883)	(26,021)	(28,904)
(Increase)/Decrease in Inventory	(6,194)	-	(6,194)
Total Adjustments	48,365	(26,021)	22,344
Net Cash Provided/(Used) by Operating Activities	$ (177,413)	$ (18,598)	$ (196,011)

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

SUMMIT BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
AS OF JUNE 30, 2010

	Unemployment Trust Fund	Critchfield Scholarship Trust Fund	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 30,927	$ 27,804	$ 669,149
Total Assets	30,927	27,804	$ 669,149
LIABILITIES			
Payroll Deductions and Withholdings			$ 53,609
Intergovernmental Accounts Payable	8,237		
Accounts Payable		1,000	
Summer Net Pay			305,169
Due to Student Groups	-	-	310,371
Total Liabilities	8,237	1,000	$ 669,149
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	$ 22,690	$ 26,804	

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

EXHIBIT B-8

SUMMIT BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Unemployment Trust Fund	Critchfield Scholarship Trust Fund
ADDITIONS		
Contributions		
Employee	$ 92,640	
Investment Earnings		
Interest	-	$ 290
Total Additions	92,640	290
DEDUCTIONS		
Unemployment Claims	151,157	
Scholarship Payments	-	1,000
Total Deductions	151,157	1,000
Change in Net Assets	(58,517)	(710)
Net Assets, Beginning of Year	81,207	27,514
Net Assets, End of Year	$ 22,690	$ 26,804

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Summit Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Summit Board of Education this includes general operations, food service, summer flash program and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is considered a component unit of the City of Summit.

The accompanying basic financial statements present the activities of the School District. As a Type I School District, the City is responsible for the issuance of general obligation debt for the purpose of providing funds for the District's major capital expenditures. The City is also responsible for the payment of interest and principal on such debt and provides for these payments through appropriations in its annual budget.

B. District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. District-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the Agency Fund which does not have a measurement focus. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal and state financial programs, with the exception of grants for major capital projects and the school breakfast, milk and lunch programs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of major capital facilities and other capital assets.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *summer flash program fund* accounts for the activities of the District's summer program which provides cultural and athletic programs for the students.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and the summer flash program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

> *Tuition Revenues* - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.
>
> *Tuition Expenditures* - Tuition charges for the fiscal years 2008-2009 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred revenues. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of $2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings and Building Improvements	20-50
Heavy Equipment	10-20
Office Equipment and Furniture	5-15
Computer Equipment	5

5. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

6. Long-term obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Assets or Equity (Continued)

7. Fund Equity

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

Reserved for Encumbrances - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

Reserved for Excess Surplus – This reserve was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2010 audited excess surplus that is required to be appropriated in the 2011/2012 original budget certified for taxes.

Reserved for Capital Reserve Account – This reserve was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 3.)

Reserved for Waiver Offset Reserve Designated for Subsequent Year's Expenditures – This reserve was created to represent the surplus generated at June 30, 2009 from Commissioner approved tax levy waivers in the 2008/2009 budget that is required to be appropriated in the 2010/2011 original budget certified for taxes.

8. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2009/2010. During 2009/2010 the Board increased the original budget by $2,686,175. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	Budget	Actual	Unfavorable Variance
General Fund			
Speech, OT/PT and Related Services			
Purchased Professional and Educational Services	$ 75,000	$ 82,652	$(7,652)
Central Services			
Other Objects	64,980	65,229	(249)
Custodial Services			
Energy (Heat and Electricity)	626,565	638,529	(11,964)

The above variances were caused by audit adjustments.

C. Capital Reserve Account

A capital reserve account was established by the District on October 12, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve Account (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2010 is as follows:

Balance, July 1, 2009	$ 350,001
Decreased by:	
Approve by Board Resolution -	
Transfer to Capital Projects	333,010
Balance, June 30, 2010	$ 16,991

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2010 is $654,608. $654,608 will be appropriated in the 2011/2012 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge plus collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds for all deposits not covered by the FDIC.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Deposits and Investments (Continued)

Deposits (Continued)

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At June 30, 2010, the book value of the Board's deposits was $5,233,590 and balances of the Board's cash and deposits amounted to $6,608,644. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account	
Insured	$ 6,608,644

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2010 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2010, the Board had no outstanding investments.

B. Receivables

Receivables as of year-end for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Special Revenue	Capital Projects	Food Service	Total
Receivables:					
Accounts					
Intergovernmental	$ 240,894	$ 1,644,103	$ 17,734,750	$ 19,892	$ 19,639,639
Other	-	56,681	-	-	56,681
Gross Receivables	240,894	1,700,784	17,734,750	19,892	19,696,320
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	$ 240,894	$ 1,700,784	$ 17,734,750	$ 19,892	$ 19,696,320

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables (Continued)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unearned
General Fund	
Tuition Charges Receivable	$ 11,697
Special Revenue Fund	
Unencumbered grant draw downs	1,002,201
Capital Projects Fund	
Unrealized Revenue on Type I Projects	10,357,103
Total deferred revenue for governmental funds	$11,371,001

C. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,758,661			$ 1,758,661
Construction In Progress	272,790	$ 4,322,016	-	4,594,806
Total capital assets, not being depreciated	2,031,451	4,322,016	-	6,353,467
Capital assets, being depreciated:				
Land Improvements	4,926,662	30,367		4,957,029
Buildings and Building Improvements	46,077,382	1,849,473		47,926,855
Machinery and Equipment	3,082,860	808,166	$ (40,600)	3,850,426
Total capital assets being depreciated	54,086,904	2,688,006	(40,600)	56,734,310
Less accumulated depreciation for:				
Land Improvements	(1,433,728)	(236,850)		(1,670,578)
Buildings and Building Improvements	(10,729,759)	(847,295)		(11,577,054)
Machinery and Equipment	(1,730,925)	(182,394)	40,600	(1,872,719)
Total accumulated depreciation	(13,894,412)	(1,266,539)	40,600	(15,120,351)
Total capital assets, being depreciated, net	40,192,492	1,421,467	-	41,613,959
Government activities capital assets, net	$ 42,223,943	$ 5,743,483	$ -	$ 47,967,426

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

	Balance, July 1, 2009	Increases	Balance, June 30, 2010
Business-type activities:			
Capital assets, being depreciated:			
Machinery and Equipment	$ 419,899	$ 26,180	$ 446,079
Total capital assets being depreciated	419,899	26,180	446,079
Less accumulated depreciation for:			
Machinery and Equipment	(283,760)	(25,169)	(308,929)
Total accumulated depreciation	(283,760)	(25,169)	(308,929)
Total capital assets, being depreciated, net	136,139	1,011	137,150
Business-type activities capital assets, net	$ 136,139	$ 1,011	$ 137,150

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Instruction	
Regular	$ 662,140
Special	157,397
Other	39,058
School Sponsored/Other Instructional	28,674
Total Instruction	887,269
Support Services	
Student and Instruction Related Services	99,130
Health Services	20,162
Educational Media School Library	26,700
General Administration	17,955
School Administration	90,311
Operation and Plant Maintenance	92,187
Pupil Transportation	1,904
Central and Other Support Services	30,921
Total Support Services	379,270
Total Depreciation Expense - Governmental Activities	$ 1,266,539
Business-type activities:	
Food Service Fund	$ 25,169
Total Depreciation Expense - Business-Type Activities	$ 25,169

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

Construction commitments

The District has the following active construction projects as of June 30, 2010:

Project	Spent-to-Date	Remaining Commitment
Jefferson Elementary School Addition		
Wilson Primary School Renovations		
Middle School Rehabilitation	$ 16,748,184	
High School Field Improvements	2,342,678	
School Improvements	5,628,219	$ 8,515,744
Windows/Doors	149,671	2,968,203
Media Literacy Center	322,046	-
Total	$ 25,190,798	$ 11,483,947

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	$ 674,653
General Fund	Special Revenue Fund	528,221
Enterprise Fund- Food Service	General Fund	6,365
Total		$ 1,209,239

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	Transfer In: Capital Projects
Transfer Out:	
General Fund	$ 333,010

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

E. Leases

Capital Leases

The District is leasing technology, transportation and equipment totaling $2,908,026 under capital leases. The leases are for terms of 5 years. As of June 30, 2010, the District has paid off all their leases except for the new issue in 2009/2010 for technology equipment and upgrades.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

Year Ending June 30	Governmental Activities
2011	$ 101,021
2012	101,021
2013	101,021
2014	101,021
Total minimum lease payments	404,084
Less: Amount representing interest	31,699
Present value of minimum lease payments	$ 372,385

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds – Type I School Debt

The District is a Type I School District and as required by law, the City of Summit ("City") authorizes and issues all general obligation debt of the District. Type I school debt service is included in the City's budget and the outstanding bonds are reported on the City's financial statements.

Bonds payable on the City of Summit's financial statements at December 31, 2009 are comprised of the following issues:

$3,200,000, School Improvement Bonds, due in annual installments of $275,000 through April 2011, interest at 5.00%	$ 550,000
$4,700,000, School Improvement Bonds, due in annual installments of $350,000 to $375,000 through December 1, 2013, interest at various	1,410,000
$13,155,000, School Refunding Bonds, due in annual installments of $45,000 to $1,370,000 through June 1, 2020, interest at various	12,600,000
$5,465,000, School Improvement Bonds, due in annual installments of $200,000 to $290,000 through May 1, 2023, interest at 3.75%	4,265,000
$12,500,000, School Improvement Bonds, due in annual installments of $625,000 through November 1, 2026, interest at 4.00%	11,250,000
	$30,075,000

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt (Continued)

General Obligation Bonds – Type I School Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Calendar Year	School Bonds Principal	Interest	Total
2010	$ 2,360,000	$ 1,306,645	$ 3,666,645
2011	2,395,000	1,203,908	3,598,908
2012	2,265,000	1,099,370	3,364,370
2013	2,320,000	995,470	3,315,470
2014	2,035,000	886,895	2,921,895
2015	2,095,000	792,745	2,887,745
2016	2,155,000	695,445	2,850,445
2017	2,210,000	594,995	2,804,995
2018	2,270,000	499,848	2,769,848
2019	2,335,000	401,610	2,736,610
2020	2,320,000	299,328	2,619,328
2021	950,000	197,750	1,147,750
2022	950,000	160,563	1,110,563
2023	915,000	123,375	1,038,375
2024	625,000	87,500	712,500
2025	625,000	62,500	687,500
2026	625,000	37,500	662,500
2027	625,000	12,500	637,500
	$ 30,075,000	$ 9,457,947	$ 39,532,947

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2010 was as follows:

4% of Equalized Valuation Basis (Municipal)	$ 306,785,116
Less: Net Debt	35,588,406
Remaining Borrowing Power	$ 271,196,710

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Balance, July 1, 2009	Additions	Reductions	Balance, June 30, 2010	Due Within One Year
Governmental activities:					
Capital Leases	$ 1,329,812	$ 473,406	$ 1,430,833	$ 372,385	$ 88,546
Compensated absences	1,366,132	151,164	124,190	1,393,106	128,450
Governmental activity Long-term liabilities	$ 2,695,944	$ 624,570	$ 1,555,023	$ 1,765,491	$ 216,996

For the governmental activities, compensated absences and capital leases are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District has established a minimum premium health benefits plan for its employees. Pursuant to the State Department of Education transactions related to the plan are accounted for in the general fund. Under the plan the District pays the insurance carrier based upon actual claims plus an administration fee. As of June 30, 2010 all claims payable have been accrued as a liability. Additionally, an accrued liability for insurance claims in the amount of $1,499,074 has been recorded as a liability in the general fund as of June 30, 2010. This estimate was based upon claim information provided by the District's insurance carrier and would be utilized for runout claims if the plan was discontinued.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

Diploma Joint Insurance Fund provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

Year Ended	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010		$ 92,640	$ 151,157	$ 22,690
2009		72,310	111,499	81,207
2008		85,330	100,524	120,396

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2010, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS 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 State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funding Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of $34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and $23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and $11.4 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the June 30, 2008 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 5.5% for PERS, 5.5% for TPAF and 5.5% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2010, 2009 and 2008 the Board was required to contribute for PERS and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Year Ended June 30,	PERS	On-behalf TPAF
2008	$ 355,833	$ 1,998,683
2009	539,672	94,348
2010	543,419	101,052

During 2009/2010 and 2008/2009 school years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State only contributed $101,052 and $94,348 during 2009/2010 and 2008/2009, respectively, for the NCGI premium. During 2008/2009 school year, the Board contributed only 50% of its normal and accrued liability components of the PERS obligation and deferred the remaining 50%. The deferred amount will be paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligation at any time. A long-term liability of the deferred pension obligation for PERS has been recorded in the governmental activities in the district-wide financial statements.

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $2,508,463 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a $55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to $19.8 billion for state active and retired members and $36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed $837.7 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were $1,897,889, $1,799,931 and $1,538,270, respectively, which equaled the required contributions for each year . The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 PRIOR PERIOD ADJUSTMENT

It was discovered during the current year audit that the revenue realized in the Capital Projects Fund for Type I School District Project was overstated by $3,274,200 in the prior year. The revenue realized in the prior year for the school improvement project that was authorized on April 7, 2009 was based upon the amount of a bond anticipation note issued by the City to temporarily finance the District project in lieu of issuing bonds. It was discovered in the current year audit that the revenue realized should have been based upon the amount the City paid to the School District for their expenses incurred on the school improvement project. An adjustment was made decreasing beginning net assets at the governmental activities by $3,274,200.

BUDGETARY COMPARISONS

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Taxes	$ 56,808,725		$ 56,808,725	$ 56,808,725	
Miscellaneous	225,000	-	225,000	380,261	$ 155,261
Total Local Sources	57,033,725	-	57,033,725	57,188,986	155,261
State Sources					
Special Education Aid	2,113,935		2,113,935	2,113,935	-
Security Aid	317,048		317,048	284,306	(32,742)
Transsportation Aid	156,450		156,450	101,692	(54,758)
Extraordinary Special Education Costs Aid	139,073		139,073	190,534	51,461
TPAF Pension and Annuity Fund- Post Ret.Medical (Non-Budget)				1,897,889	1,897,889
TPAF Pension and Annuity Fund (Non-Budget)				101,052	101,052
TPAF Social Security Contributions (Non-Budget)	-	-	-	2,508,463	2,508,463
Total State Sources	2,726,506	-	2,726,506	7,197,871	4,471,365
Federal Sources					
Medicaid Reimbursement	20,912	-	20,912	61,342	40,430
Total Federal Sources	20,912	-	20,912	61,342	40,430
Total Revenues	59,781,143	-	59,781,143	64,448,199	4,667,056
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool/Kindergarten	614,857	$ (39,638)	575,219	575,217	2
Grades 1-5	8,176,617	(430,066)	7,746,551	7,746,547	4
Grades 6-8	4,811,748	69,536	4,881,284	4,881,282	2
Grades 9-12	6,850,545	(114,905)	6,735,640	6,735,639	1
Home Instruction		-			
Salaries and Wages	4,272	9,718	13,990	13,990	
Pur. Prof. and Ed. Svs.	10,000	17,585	27,585	27,585	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	632,076	(75,751)	556,325	556,324	1
Purchased Technical Services	9,800	6,050	15,850	15,850	
Other Purchased Services	200,179	(23,168)	177,011	175,731	1,280
General Supplies	913,603	76,941	990,544	976,783	13,761
Textbooks	233,774	27,791	261,565	260,560	1,005
Total Regular Programs	22,457,471	(475,907)	21,981,564	21,965,508	16,056

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	$ 228,432	$ (46,562)	$ 181,870	$ 181,870	
General Supplies	5,000	(1,047)	3,953	3,921	$ 32
Total Learning and/or Language Disabilities	233,432	(47,609)	185,823	185,791	32
Resource Room/Resource Center					
Salaries of Teachers	2,928,752	138,580	3,067,332	3,067,331	1
Other Salaries for Instruction	980,404	129,434	1,109,838	1,109,837	1
General Supplies	32,000	(977)	31,023	30,770	253
Total Resource Room/Resource Center	3,941,156	267,037	4,208,193	4,207,938	255
Preschool Disabilities - Part-Time					
Salaries of Teachers	197,312	23,435	220,747	220,746	1
Other Salaries for Instruction	296,088	(675)	295,413	295,413	-
General Supplies	10,000	-	10,000	9,987	13
Total Preschool Disabilities - Part-Time	503,400	22,760	526,160	526,146	14
Total Special Education	4,677,988	242,188	4,920,176	4,919,875	301
Basic Skills/Remedial Instruction					
Salaries of Teachers	802,654	(13,702)	788,952	788,952	-
Other Purchased Services	4,875	(3,132)	1,743	1,743	-
General Supplies	5,835	-	5,835	5,815	20
Total Basic Skills/Remedial Instruction	813,364	(16,834)	796,530	796,510	20
Bilingual Education					
Salaries of Teachers	439,967	(19,146)	420,821	420,821	-
Purchased Professional-Educational Services	1,200	1,233	2,433	2,350	83
General Supplies	3,600	(3,600)	-	-	-
Total Bilingual Education	444,767	(21,513)	423,254	423,171	83
School Sponsored Co-Curricular Activities					
Salaries	223,903	22,005	245,908	245,443	465
Purchased Services	19,000	-	19,000	3,075	15,925
Supplies and Materials	15,000	-	15,000	12,811	2,189
Total School Sponsored Co-Curricular Activities	257,903	22,005	279,908	261,329	18,579
School Sponsored Athletics					
Salaries	658,604	(15,909)	642,695	642,695	-
Purchased Services	143,318	(28,483)	114,835	114,834	1
Supplies and Materials	78,560	69,349	147,909	147,909	-
Other Objects	2,700	(284)	2,416	708	1,708
Total School Sponsored Athletics	883,182	24,673	907,855	906,146	1,709

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Other Instructional Programs - Instruction					
Salaries	$ 14,899	$ 20,809	$ 35,708	$ 35,707	$ 1
Purchased Services	3,000	(1,350)	1,650	1,538	112
Supplies and Materials	3,500	(1,900)	1,600	1,600	-
Other Objects	3,000	(2,608)	392	-	392
Total Community Service Programs	24,399	14,951	39,350	38,845	505
Summer School - Instruction					
Salaries of Teachers	48,277	(13,957)	34,320	34,319	1
General Supplies	1,800	(1,800)	-	-	-
Total Summer School - Instruction	50,077	(15,757)	34,320	34,319	1
Total Instruction	29,609,151	(226,194)	29,382,957	29,345,703	37,254
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State- Special	424,463	(69,855)	354,608	354,607	1
Tuition to County Voc. School Dist.-Regular	86,920	(30,670)	56,250	56,250	-
Tuition to County Voc. School Dist.-Special	25,440	18,475	43,915	43,900	15
Tuition to CSSD & Reg. Day Schools	591,996	(3,794)	588,202	588,202	-
Tuition to Priv. Sch. For the Disabled W/I State	1,161,667	(104,233)	1,057,434	1,053,090	4,344
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S State	82,578	23,464	106,042	106,041	1
Total Undistributed Expenditures - Instruction	2,373,064	(166,613)	2,206,451	2,202,090	4,361
Attendance and Social Work					
Salaries	2,163		2,163		2,163
Other Purchased Services	1,000	(1,000)	-	-	-
Total Attendance and Social Work	3,163	(1,000)	2,163	-	2,163
Health Services					
Salaries	600,320	24,975	625,295	624,494	801
Purchased Professional & Technical Services	31,000	-	31,000	25,433	5,567
Other Purchased Services	1,200	-	1,200		1,200
Supplies and Materials	32,625	(10,744)	21,881	17,790	4,091
Total Health Services	665,145	14,231	679,376	667,717	11,659
Speech, OT/PT and Related Serv.					
Salaries	505,620	3,894	509,514	502,180	7,334
Purchased Professional/Educational Services	75,000	-	75,000	82,652	(7,652)
Total Other Supp.Serv. Student - Related Serv.	580,620	3,894	584,514	584,832	(318)
Guidance					
Salaries of Other Professional Staff	892,925	(60,700)	832,225	832,224	1
Salaries of Secretarial & Clerical Assistants	173,049	705	173,754	173,413	341
Supplies and Materials	14,500	-	14,500	13,767	733
Total Guidance	1,080,474	(59,995)	1,020,479	1,019,404	1,075

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	$ 1,067,812	$ 111,341	$ 1,179,153	$ 1,179,153	
Salaries of Secretarial & Clerical Assistants	147,457	831	148,288	148,288	-
Purchased Professional- Educat. Services	10,000	-	10,000	9,996	$ 4
Other Purchased Professional and Technical Svcs.		-			-
Miscellaneous Purchased Services	9,500	(5,742)	3,758	3,757	1
Supplies and Materials	20,000	564	20,564	19,752	812
Total Child Study Teams	1,254,769	106,994	1,361,763	1,360,946	817
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	114,005	995	115,000	115,000	-
Other Salaries	55,450	(5,556)	49,894	49,894	-
Purchased Professional - Educational Services	9,300	(5,295)	4,005		4,005
Supplies and Materials	66,000	(36,299)	29,701	29,701	-
Other Objects	-	5,171	5,171	5,170	1
Total Improvement of Instruction Services	244,755	(40,984)	203,771	199,765	4,006
Educational Media/School Library					
Salaries	841,813	(7,666)	834,147	826,996	7,151
Supplies and Materials	159,458	9,387	168,845	160,636	8,209
Total Educational Media/School Library	1,001,271	1,721	1,002,992	987,632	15,360
Instructional Staff Training Services					
Salaries of Other Professional Staff	6,857	(3,550)	3,307	247	3,060
Other Objects	74,238	(25,930)	48,308	48,308	-
Total Instructional Staff Training Services	81,095	(29,480)	51,615	48,555	3,060
Support Services General Administration					
Salaries	556,037	107	556,144	556,143	1
Legal Services	106,604	88,699	195,303	195,303	-
Audit Fees	35,000	46,120	81,120	46,444	34,676
Other Purchased Professional Services	15,000	(7,967)	7,033	6,655	378
Communications/Telephone	289,000	(85,111)	203,889	203,889	-
BOE Other Purchased Services	14,952	(6,244)	8,708	8,708	-
Other Purchased Services	41,274	4,732	46,006	46,006	-
General Supplies	33,000	(17,076)	15,924	15,923	1
BOE In-House Training/Meeting Supplies	6,000	(5,623)	377	377	-
Judgements Against the School District		23,760	23,760	23,760	-
BOE Membership Dues and Fees	35,000	5,833	40,833	40,832	1
Total Support Services General Administration	1,131,867	47,230	1,179,097	1,144,040	35,057
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,523,750	(29,539)	1,494,211	1,494,211	-
Salaries of Other Professional Staff	340,727	(1,694)	339,033	339,033	-
Salaries of Secretarial and Clerical Assistants	962,648	1,392	964,040	964,039	1
Other Purchased Services	45,250	(20,812)	24,438	18,561	5,877
General Supplies	20,000	(14,289)	5,711	5,711	
Other Objects	8,575	6,823	15,398	15,398	-
Total Support Services School Administration	2,900,950	(58,119)	2,842,831	2,836,953	5,878

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Central Services					
Salaries	$ 817,779	$ 2,377	$ 820,156	$ 820,155	$ 1
Purchased Prof. Services		700	700	700	
Miscellaneous Purchased Services	18,500	(9,144)	9,356	9,344	12
Supplies and Materials	32,000	(6,769)	25,231	25,231	-
Interest on Lease Purchase Agreements	50,000	14,028	64,028	64,027	1
Other Objects	53,000	11,980	64,980	65,229	(249)
Total Central Services	971,279	13,172	984,451	984,686	(235)
Admin. Info. Tech.					
Salaries	138,169	(598)	137,571	137,571	-
Other Purchased Services	2,500	(1,972)	528	527	1
Supplies and Materials	-	248	248	248	-
Total Admin. Info. Tech.	140,669	(2,322)	138,347	138,346	1
Required Maintenance for School Facilities					
Salaries	731,587	(65,946)	665,641	665,641	-
Cleaning, Repair and Maintenance Services	75,000	42,015	117,015	117,002	13
Travel	82,000	(78,630)	3,370	3,370	
General Supplies	2,000	93,649	95,649	95,382	267
Total Required Maintenance for School Facilities	890,587	(8,912)	881,675	881,395	280
Custodial Services					
Salaries	2,073,451	(57,485)	2,015,966	2,015,889	77
Purchased Professional & Technical Services	90,997	7,934	98,931	98,930	1
Cleaning, Repair and Maintenance Services	466,855	(107,220)	359,635	329,975	29,660
Other Purchased Property Services	58,200	(2,700)	55,500	55,489	11
Travel		3,235	3,235	3,234	1
Insurance	265,227	(27,369)	237,858	237,857	1
Miscellaneous Purchased Services	3,000	(3,000)			
General Supplies	222,456	(1,480)	220,976	219,998	978
Energy (Heat and Electricity)	587,727	38,838	626,565	638,529	(11,964)
Other Objects	65,000	(8,797)	56,203	56,202	1
Energy (Natural Gas)	550,101	(111,181)	438,920	438,920	-
Total Custodial Services	4,383,014	(269,225)	4,113,789	4,095,023	18,766
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	53,000	(23,411)	29,589	27,294	2,295
General supplies	10,000	1,128	11,128	11,128	-
Total Care & Upkeep of Grounds	63,000	(22,283)	40,717	38,422	2,295

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Security					
Salaries		$ 173,872	$ 173,872	$ 173,872	-
Other Objects	$ 7,500	(5,500)	2,000	600	$ 1,400
Total Security	7,500	168,372	175,872	174,472	1,400
Student Transportation Services					
Salaries for Pupil Transport (Between Home and School)- Spec. Ed.	55,964	3,019	58,983	58,983	-
Cleaning Repair and Maint. Serv.	8,500	(6,000)	2,500	581	1,919
Contracted Services (Oth. Than Bet. Home & Sch)- Vendors	247,020	(70,872)	176,148	176,148	
Contracted Services (Special Ed. Students) - Vendors	74,875	(74,875)			-
Contracted Services (Special Ed. Students) - Joint Agreements		311	311	310	1
Contracted Services (Special Ed. Students) - ESCs & CTSAs	883,204	(169,896)	713,308	713,308	
Miscellaneous Purchased Services - Transportation		760	760	760	-
Supplies and Materials	8,500	(2,707)	5,793	5,792	1
Total Student Transportation Services	1,278,063	(320,260)	957,803	955,882	1,921
Unallocated Benefits- Employee Benefits					
Social Security Contributions	658,443	87,104	745,547	745,547	-
Other Retirement Contributions - Regular	476,578	67,079	543,657	543,419	238
Other Retirement Contributions - ERIP	3,768	(3,768)			-
Workers' Compensation	305,718	(11,633)	294,085	292,688	1,397
Health Benefits	8,422,470	(258,815)	8,163,655	7,646,356	517,299
Tuition Reimbursement	120,000	(621)	119,379	118,497	882
Other Employee Benefits	125,000	-	125,000	124,190	810
Total Unallocated Benefits	10,111,977	(120,654)	9,991,323	9,470,697	520,626
Reimbursed TPAF Pension Contributions- (Non-Budgeted)					
Post Retirement Medical				1,897,889	(1,897,889)
Pension & Annuity Fund				101,052	(101,052)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	2,508,463	(2,508,463)
Total Undistributed Expenditures	29,163,262	(744,233)	28,419,029	32,298,261	(3,879,232)
Total Current Expenditures	58,772,413	(970,427)	57,801,986	61,643,964	(3,841,978)

Continued

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
Equipment					
Grades 1-5		$ 32,685	$ 32,685		$ 32,685
Grades 6-8		126,813	126,813	$ 81,966	44,847
Grades 9-12		21,568	21,568	13,085	8,483
Undistributed					
School Administration	$ 28,525	(8,301)	20,224	20,223	1
Required Maintenance of School Facilities		106,664	106,664	106,664	-
Custodial Services	71,200	(71,200)	-	-	-
Total Equipment	99,725	208,229	307,954	221,938	86,016
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Svcs.	36,000	35,351	71,351	70,935	416
Construction Services	75,533	248,838	324,371	54,214	270,157
Lease Purchase Agreements-Principal	776,938	652,687	1,429,625	1,429,624	1
Total Facilities Acq. And Construction Services	888,471	936,876	1,825,347	1,554,773	270,574
Assets Acquired Under Capital Leases (Non-Budget)					
Technology Equipment	-	473,406	473,406	473,406	-
Total Assets Acquired Under Capital Leases (Non-Budget)	-	473,406	473,406	473,406	-
Total Capital Outlay	988,196	1,618,511	2,606,707	2,250,117	356,590
Transfer Funds To Charter School	20,534	(20,534)	-	-	-
Total General Fund	59,781,143	627,550	60,408,693	63,894,081	(3,485,388)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(627,550)	(627,550)	554,118	1,181,668
Other Financing Sources (Uses)					
Transfer Out - Capital Projects				(333,010)	(333,010)
Capital Leases (Non-Budget)	-	473,406	473,406	473,406	-
Total Other Financing Sources (Uses)	-	473,406	473,406	140,396	(333,010)

Continued

EXHIBIT C-1

SUMMIT BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	-	$ (154,144)	$ (154,144)	$ 694,514	$ 848,658
Fund Balance, Beginning of Year	$ 3,239,995	-	3,239,995	3,239,995	-
Fund Balance, End of Year	$ 3,239,995	$ (154,144)	$ 3,085,851	$ 3,934,509	$ 848,658
Recapitulation					
Reserved for:					
Encumbrances				$ 421,209	
Capital Reserve				16,991	
Waiver Offset Designated for Subsequent Year's Expenditures				1,605,314	
Excess Surplus				654,608	
Unreserved:					
Undesignated				1,236,387	
				3,934,509	
Reconciliation to Governmental Fund Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				235,734	
Extraordinary Aid Payment				190,534	
Fund Balances per Governmental Funds (GAAP)				$ 3,508,241	

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Intergovernmental					
State	$ 212,189	$ 49,336	$ 261,525	$ 224,452	$ (37,073)
Federal	1,037,341	1,475,786	2,513,127	1,579,482	(933,645)
Local Sources					
Miscellaneous	-	1,006,909	1,006,909	472,559	(534,350)
Total Revenues	1,249,530	2,532,031	3,781,561	2,276,493	(1,505,068)
EXPENDITURES					
Instruction					
Salaries of Teachers	999,507	126,833	1,126,340	339,044	787,296
Purchased Professional/Educational Services	58,534	23,251	81,785	80,184	1,601
Purchased Professional/Technical Services		47,641	47,641	36,782	10,859
Other Purchased Services	7,166	360,057	367,223	351,148	16,075
General Supplies	30,328	565,105	595,433	242,466	352,967
Textbooks	42,535	15,795	58,330	57,407	923
Other Objects	4,283	28,154	32,437	22,444	9,993
Total Instruction	1,142,353	1,166,836	2,309,189	1,129,475	1,179,714
Support Services					
Salaries of Other Professional Staff	-	36,026	36,026	15,000	21,026
Personal Services-Employee Benefits	-	257,939	257,939	60,120	197,819
Purchased Professional/Educational Services	33,206	58,492	91,698	85,083	6,615
Purchased Professional/Tech Services	-	579,699	579,699	575,797	3,902
Other Purchased Services	73,971	45,401	119,372	49,774	69,598
Supplies and Materials	-	43,343	43,343	22,993	20,350
					-
Total Support Services	107,177	1,020,900	1,128,077	808,767	319,310
		-			
Facilities Acquisition and Construction					
Building Improvements		237,390	237,390	237,389	1
Instructional Equipment	-	86,820	86,820	80,779	6,041
Non Instructional Equipment	-	20,085	20,085	20,083	2
Total Facilities Acq. & Construction	-	344,295	344,295	338,251	6,044
					-
Total Expenditures	1,249,530	2,532,031	3,781,561	2,276,493	1,505,068
Deficiency of Revenues Under Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

SUMMIT BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Funds 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 following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		General Fund C-1		Special Revenue Fund C-2
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	$ 64,448,199	(C-2)	$ 2,276,493
Difference - Budget to GAAP:				
State Aid and Extraordinary Aid payments (2008/2009) recognized forGAAP purposes not recognized for Budgetary statements		393,296		
State Aid and Extraordinary Aid payments and (2009/2010) recognized for budgetary purposes not recognized for GAAP statements		(426,268)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	(B-2)	$ 64,415,227	(B-2)	$ 2,276,493
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	$ 63,894,081	(C-2)	$ 2,276,493
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	$ 63,894,081	(B-2)	$ 2,276,493

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	EXHIBIT E-1A	EXHIBIT E-1B	EXHIBIT E-1C	EXHIBIT E-1D	Total
REVENUES					
Intergovernmental					
State			$ 62,037	$ 162,415	$ 224,452
Federal	$ 182,479	$ 1,360,176	36,827		1,579,482
Local Sources					
Miscellaneous	-	-	472,559	-	472,559
Total Revenues	182,479	1,360,176	571,423	162,415	2,276,493
EXPENDITURES					
Instruction					
Salaries of Teachers	45,374	214,348	79,322		339,044
Purchased Professional/Ed Services	-	1,573	9,439	69,172	80,184
Purchased Professional Tech Services	5,286	1,000	30,496		36,782
Other Purchased Services	-	351,148			351,148
General Supplies	34,510	110,903	97,053		242,466
Textbooks			57,407		57,407
Other Objects	720	2,666	19,058	-	22,444
Total Instruction	85,890	681,638	292,775	69,172	1,129,475
Support Services					
Salaries of Other Professional Staff		15,000			15,000
Personal Services-Employee Benefits	6,068	54,052			60,120
Purchased Professional/Educational Services	-	21,528	6,239	57,316	85,083
Purchased Professional/Tech Services	88,146	487,651		-	575,797
Other Purchased Services	1,674	12,173		35,927	49,774
Supplies and Materials	701	22,292	-		22,993
Miscellaneous Expenditures	-	-	-	-	-
Total Support Services	96,589	612,696	6,239	93,243	808,767
Facilities Acquisition and Construction					
Building Improvements			237,389		237,389
Instructional Equipment	-	45,759	35,020	-	80,779
Non-Instructional Equipment	-	20,083	-	-	20,083
Total Facilities Acq. & Construction	-	65,842	272,409	-	338,251
Total Expenditures	182,479	1,360,176	571,423	162,415	2,276,493
Deficiency of Revenues Under Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -	$ -

Continued

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	NCLB Title I	NCLB Title I Carryover	NCLB Title IIA	NCLB Title IIA Carryover	NCLB Title II D	NCLB Title III	NCLB Title III Carryover	Subtotal E-1A
REVENUES								
Intergovernmental								
State								
Federal	$ 38,714	$ 22,662	$ 43,068	$ 44,278	$ 818	$ 20,510	$ 12,429	$ 182,479
Miscellaneous- Local	-	-	-	-	-	-	-	-
Total Revenues	$ 38,714	$ 22,662	$ 43,068	$ 44,278	$ 818	$ 20,510	$ 12,429	$ 182,479
EXPENDITURES								
Instruction								
Salaries of Teachers	$ 28,086	$ 2,000				$ 15,288		$ 45,374
Purchased Professional and Technical Services	1,370						$ 3,916	5,286
Other Objects							720	720
General Supplies	5,329	16,811	$ 1,529	$ 2,340	-	2,099	6,402	34,510
Total Instruction	34,785	18,811	1,529	2,340	-	17,387	11,038	85,890
Support Services								
Personal Services-Employee Benefits	3,929					2,139		6,068
Purchased Professional and Technical Services		3,851	41,539	41,938	$ 818			88,146
Other Purchased Services						583	1,091	1,674
Supplies and Materials	-	-	-	-	-	401	300	701
Total Support Services	3,929	3,851	41,539	41,938	818	3,123	1,391	96,589
Total Expenditures	$ 38,714	$ 22,662	$ 43,068	$ 44,278	$ 818	$ 20,510	$ 12,429	$ 182,479

Continued

EXHIBIT E-1B

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	NCLB Title III Supp. Immigrant Carryover	NCLB Title IV	NCLB Title IV Carryover	IDEA Part B Basic	IDEA Part B Basic ARRA	IDEA Part B Basic Carryover	Subtotal E-1B
REVENUES							
Intergovernmental							
State							
Federal	$ 7,932	$ 4,649	$ 5,560	$ 768,490	$ 437,048	$ 136,497	$ 1,360,176
Miscellaneous- Local	-	-	-	-	-	-	-
Total Revenues	$ 7,932	$ 4,649	$ 5,560	$ 768,490	$ 437,048	$ 136,497	$ 1,360,176
EXPENDITURES							
Instruction							
Salaries of Teachers	$ 2,432				$ 210,044	$ 1,872	$ 214,348
Purchased Professional-Ed Services						1,573	1,573
Purchased Professional/Tech Services	1,000						1,000
Other Purchased Services	868			$ 250,000	100,280		351,148
Other Objects	2,201				465		2,666
General Supplies	1,431	$ 4,649	$ 2,147	17,997	7,656	77,023	110,903
Total Instruction	7,932	4,649	2,147	267,997	318,445	80,468	681,638
Support Services							
Salaries Other Professional Staff						15,000	15,000
Personal Services-Employee Benefits					52,761	1,291	54,052
Purchased Professional-Ed Services						21,528	21,528
Purchased Professional/Tech Services			2,287	482,764		2,600	487,651
Other Purchased Services			1,126	5,750		5,297	12,173
Supplies and Materials	-	-	-	11,979	-	10,313	22,292
Total Support Services	-	-	3,413	500,493	52,761	56,029	612,696
Facilities Acquisition and Construction							
Instructional Equipment					45,759		45,759
Non-Instructional Equipment	-	-	-	-	20,083	-	20,083
Total Facilities Acq. & Construction	-	-	-	-	65,842	-	65,842
Total Expenditures	$ 7,932	$ 4,649	$ 5,560	$ 768,490	$ 437,048	$ 136,497	$ 1,360,176

Continued

EXHIBIT E-1C

SUMMIT BOARD OF EDUCATION
COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	IDEA Preschool	IDEA Preschool Carryover	IDEA Self Assessment	Miscellaneous	NonPublic Textbooks	Nonpublic Home Instruction	Subtotal E-1C
REVENUES							
Intergovernmental							
State					$ 57,407	$ 4,630	$ 62,037
Federal	$ 28,688	$ 8,047	$ 92				36,827
Miscellaneous- Local	-	-	-	$ 472,559	-	-	472,559
Total Revenues	$ 28,688	$ 8,047	$ 92	$ 472,559	$ 57,407	$ 4,630	$ 571,423
EXPENDITURES							
Instruction							
Salaries				$ 79,322			$ 79,322
Purchased Professional/Tech Services	$ 28,688	$ 1,808					30,496
Purchased Professional/Educational Services				4,809		$ 4,630	9,439
General Supplies			$ 92	96,961			97,053
Textbooks					$ 57,407		57,407
Other Objects	-	-	-	19,058	-	-	19,058
Total Instruction	28,688	1,808	92	200,150	57,407	4,630	292,775
Support Services							
Purchased Professional- Educational Services	-	6,239	-	-	-	-	6,239
Total Support Services	-	6,239	-	-	-	-	6,239
Facilities Acquisition and Construction							
Building Improvements				237,389			237,389
Instructional Equipment	-	-	-	35,020	-	-	35,020
Total Facilities Acq. & Construction	-	-	-	272,409	-	-	272,409
Total Expenditures	$ 28,688	$ 8,047	$ 92	$ 472,559	$ 57,407	$ 4,630	$ 571,423

Continued

EXHIBIT E-1D

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Non Public Chapter 192/193						
	Nonpublic Nursing	Comp. Education	Transportation	Supplemental Instruction	Examination & Classification	Corrective Speech	Subtotal E-1D
REVENUES							
Intergovernmental							
State	$ 69,172	$ 6,718	$ 3,033	$ 23,893	$ 32,894	$ 26,705	$ 162,415
Federal							
Miscellaneous- Local	-	-	-	-	-	-	-
Total Revenues	$ 69,172	$ 6,718	$ 3,033	$ 23,893	$ 32,894	$ 26,705	$ 162,415
EXPENDITURES							
Instruction							
Purchased Professional/Educational Services	$ 69,172	-	-	-	-	-	69,172
Total Instruction	69,172	-	-	-	-	-	69,172
Support Services							
Purchased Professional/Educational Services		$ 6,718		$ 23,893		$ 26,705	$ 57,316
Other Purchased Services	-	-	$ 3,033	-	$ 32,894	-	35,927
Total Support Services	-	6,718	3,033	23,893	32,894	26,705	93,243
Total Expenditures	$ 69,172	$ 6,718	$ 3,033	$ 23,893	$ 32,894	$ 26,705	$ 162,415

EXHIBIT E-2

SUMMIT BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

CAPITAL PROJECTS FUND

EXHIBIT F-1

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Issue/Project Title	Approval Date	Modified Appropriations	Expenditures to Date Prior Years	Expenditures to Date Current Year	Unexpended Appropriations June 30, 2010
Type I School District Projects					
Various Type I School District Projects	1995-1999	$ 32,152,363	$ 31,957,568		$ 194,795
Jefferson Elementary School Addition, Wilson Primary School Renovations and Middle School Rehabilitation	3/21/2006	16,842,766	16,748,184		94,582
High School Synthetic Turf Field and Franklin Field Improvements	6/6/2007	2,420,990	2,312,311	$ 30,367	78,312
School Improvements	4/7/2009	14,143,963	272,790	5,355,429	8,515,744
Windows/Doors	12/15/2009	3,117,874		149,671	2,968,203
Local Projects-					
Lincoln-Hubbard Elementary School Windows	7/8/04	124,635	105,981		18,654
Jefferson Elementary School Windows	7/8/04	36,454	20,728		15,726
Washington Elementary School SGI	7/8/04	133,838	48,910		84,928
Jefferson Elementary School Façade	7/12/04	255,680	177,318		78,362
Washington Elementary School Roof Phase I	4/1/05	139,046	139,046		
Washington Elementary School Roof Phase II	4/25/05	273,438	250,877		22,561
Jefferson Elementary School Roof	4/25/05	94,100	94,100		
Middle School Roof	8/3/2005	386,507	386,507		
Jefferson Elementary School SGI	4/25/05	11,795	11,795		
Franklin Roof and Elementary Improvements	2007/08	300,000	260,423	-	39,577
Media Literacy Center	2009/10	333,010	-	322,046	10,964
		$ 70,766,459	$ 52,786,538	$ 5,857,513	$ 12,122,408

Project Balances	$ 12,122,408
Less: Unrealized Revenue on Type I Projects	(10,772,209)
Less: Unrealized Revenue on Local Projects	(189,500)
Fund Balance, June 30, 2010	$ 1,160,699

EXHIBIT F-2

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources	
State Sources - SDA Grants	$ 6,904,734
Funded by City of Summit	30,367
Transfer In from Capital Reserve	333,010
Total Revenues	7,268,111
Expenditures and Other Financing Uses	
Salaries	47,325
Other Purchased and Technical Services	1,349,245
Construction Services	4,460,943
Total Expenditures	5,857,513
Excess (deficiency) or Revenues over (under) Expenditures	1,410,598
Fund Balance- Beginning	3,024,301
Prior Period Adjustment	(3,274,200)
Fund Balance, Beginning as Adjusted	(249,899)
Fund Balance- Ending	$ 1,160,699

EXHIBIT F-2A

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
VARIOUS TYPE I SCHOOL DISTRICT PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 569,874		$ 569,874	$ 569,874
Funded by City of Summit	31,297,489		31,297,489	31,102,694
Transfer from Capital Outlay	285,000		285,000	285,000
Total Revenues	32,152,363	-	32,152,363	31,957,568
Expenditures and Other Financing Uses				
Equipment (73X)	3,992,117		3,992,117	3,992,117
Other Purchased and Technical Services (390)	4,759,758		4,759,758	4,759,758
Construction Services (450)	22,967,825		22,967,825	22,967,825
Other Objects (800)	237,868	-	237,868	237,868
Total Expenditures	31,957,568	-	31,957,568	31,957,568
Excess (deficiency) or Revenues over (under) Expenditures	$ 194,795	$ -	$ 194,795	$ -

Additional project information:	
Project Number	(City)
Grant Date	N/A
Bond Authorization Date	Various
Bonds Authorized	$ 30,896,490
Bonds Issued	$ 30,789,000
Original Authorized Cost	$ 32,154,515
Cancelled	$ 2,151
Revised Authorized Cost	$ 32,132,364
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/00
Revised Target Completion Date	9/1/00

EXHIBIT F-2B

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
LINCOLN-HUBBARD ELEMENTARY SCHOOL WINDOWS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 49,854		$ 49,854	$ 49,854
Transfer from Capital Outlay	74,781		74,781	74,781
Total Revenues	124,635	-	124,635	124,635
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	1,612		1,612	2,000
Construction Services (450)	93,894		93,894	110,635
Other Objects (800)	10,475	-	10,475	12,000
Total Expenditures	105,981	-	105,981	124,635
Excess (deficiency) or Revenues over (under) Expenditures	$ 18,654	$ -	$ 18,654	$ -

Additional project information:	
Project Number	5090-100-03-1008
Grant Date	7/8/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 124,635
Additional Authorized Cost	
Revised Authorized Cost	$ 124,635
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/05
Revised Target Completion Date	9/1/05

EXHIBIT F-2C

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
JEFFERSON ELEMENTARY SCHOOL WINDOWS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 14,582		$ 14,582	$ 14,582
Transfer from Capital Outlay	21,872		21,872	21,872
Total Revenues	36,454	-	36,454	36,454
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	1,697		1,697	2,000
Construction Services (450)	19,031		19,031	34,454
Total Expenditures	20,728	-	20,728	36,454
Excess (deficiency) or Revenues over (under) Expenditures	$ 15,726	$ -	$ 15,726	$ -

Additional project information:

Project Number	5090-090-03-1010
Grant Date	7/8/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 36,454
Additional Authorized Cost	
Revised Authorized Cost	$ 36,454
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/05
Revised Target Completion Date	9/1/05

EXHIBIT F-2D

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
WASHINGTON ELEMENTARY SCHOOL SGI
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 53,535		$ 53,535	$ 53,535
Transfer from Capital Outlay	80,303		80,303	80,303
Total Revenues	133,838	-	133,838	133,838
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	2,007		2,007	3,000
Construction Services (450)	46,903		46,903	130,838
Total Expenditures	48,910	-	48,910	133,838
Excess (deficiency) or Revenues over (under) Expenditures	$ 84,928	$ -	$ 84,928	$ -

Additional project information:	
Project Number	5090-120-04-1000
Grant Date	7/8/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 133,838
Additional Authorized Cost	
Revised Authorized Cost	$ 133,838
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/05
Revised Target Completion Date	9/1/05

EXHIBIT F-2E

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
JEFFERSON ELEMENTARY SCHOOL FAÇADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 102,272		$ 102,272	$ 102,272
Transfer from Capital Outlay	153,408		153,408	153,408
Total Revenues	255,680	-	255,680	255,680
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	22,650		22,650	23,000
Construction Services (450)	154,668		154,668	232,680
Total Expenditures	177,318	-	177,318	255,680
Excess (deficiency) or Revenues over (under) Expenditures	$ 78,362	$ -	$ 78,362	$ -

Additional project information:

Project Number	5090-090-03-1004
Grant Date	7/12/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 255,680
Additional Authorized Cost	
Revised Authorized Cost	$ 255,680
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/05
Revised Target Completion Date	9/1/05

EXHIBIT F-2F

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
WASHINGTON ELEMENTARY SCHOOL ROOF PHASE I
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 51,850		$ 51,850	$ 51,850
Transfer from Capital Outlay	87,196		87,196	87,196
Total Revenues	139,046	-	139,046	139,046
Expenditures and Other Financing Uses				
Equipment (73X)				
Other Purchased and Technical Services (390)	6,621		6,621	6,621
Construction Services (450)	132,425		132,425	132,425
Total Expenditures	139,046	-	139,046	139,046
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ -	$ -	$ -

Additional project information:

Project Number	5090-120-03-1028
Grant Date	4/18/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 129,565
Additional Authorized Cost	$ 9,481
Revised Authorized Cost	$ 139,046
Percentage Increase over Original Authorized Cost	7.32%
Percentage Completion	100.00%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

EXHIBIT F-2G

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
WASHINGTON ELEMENTARY SCHOOL ROOF PHASE II
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 109,375		$ 109,375	$ 109,375
Transfer from Capital Outlay	164,063		164,063	164,063
Total Revenues	273,438	-	273,438	273,438
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	28,827		28,827	35,000
Construction Services (450)	222,050		222,050	238,438
Total Expenditures	250,877	-	250,877	273,438
Excess (deficiency) or Revenues over (under) Expenditures	$ 22,561	$ -	$ 22,561	$ -

Additional project information:	
Project Number	5090-120-04-2000
Grant Date	4/25/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 273,438
Additional Authorized Cost	
Revised Authorized Cost	$ 273,438
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/07
Revised Target Completion Date	9/1/07

EXHIBIT F-2H

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
JEFFERSON ELEMENTARY SCHOOL ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 19,288		$ 19,288	$ 19,288
Transfer from Capital Outlay	74,812		74,812	74,812
Total Revenues	94,100	-	94,100	94,100
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	5,000		5,000	5,000
Construction Services (450)	89,100		89,100	89,100
Total Expenditures	94,100	-	94,100	94,100
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ -	$ -	$ -

Additional project information:

Project Number	5090-090-04-2000
Grant Date	4/25/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 48,220
Additional Authorized Cost	$ 45,880
Revised Authorized Cost	$ 94,100
Percentage Increase over Original Authorized Cost	95.15%
Percentage Completion	100.00%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

EXHIBIT F-21

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
MIDDLE SCHOOL ROOF
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants	$ 148,495		$ 148,495	$ 148,495
Transfer from Capital Outlay	238,012		238,012	238,012
Total Revenues	386,507	-	386,507	386,507
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	8,784		8,784	8,784
Construction Services (450)	377,723		377,723	377,723
Total Expenditures	386,507	-	386,507	386,507
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ -	$ -	$ -

Additional project information:

Project Number	5090-060-04-1000
Grant Date	8/3/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 371,238
Additional Authorized Cost	$ 15,269
Revised Authorized Cost	$ 386,507
Percentage Increase over Original Authorized Cost	4.11%
Percentage Completion	100.00%
Original Target Completion Date	9/1/07
Revised Target Completion Date	9/1/07

EXHIBIT F-2J

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
JEFFERSON ELEMENTARY SCHOOL SGI
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Outlay	$ 11,795		$ 11,795	$ 11,795
Total Revenues	11,795	-	11,795	11,795
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)	11,574		11,574	11,574
Other Objects (800)	221	-	221	221
Total Expenditures	11,795	-	11,795	11,795
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ -	$ -	$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 11,795
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 11,795
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

EXHIBIT F-2K

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
JEFFERSON ELEMENTARY SCHOOL ADDITION, WILSON PRIMARY SCHOOL RENOVATIONS AND
MIDDLE SCHOOL REHABILITATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Funded by City of Summit	$ 16,842,766		$ 16,842,766	$ 16,842,766
Total Revenues	16,842,766	-	16,842,766	16,842,766
Expenditures and Other Financing Uses				
Equipment (73X)	384,217		384,217	384,217
Other Purchased and Technical Services (390)	1,910,230		1,910,230	1,910,230
Construction Services (450)	14,452,534		14,452,534	14,452,534
Other Objects (800)	1,203		1,203	1,203
Total Expenditures	16,748,184	-	16,748,184	16,748,184
Excess (deficiency) or Revenues over (under) Expenditures	$ 94,582	$ -	$ 94,582	$ 94,582

Additional project information:	
Project Number	(City)
Grant Date	N/A
Bond Authorization Date	03/21/06
Bonds Authorized	$ 16,842,766
Bonds Issued	$ 12,500,000
Original Authorized Cost	$ 16,842,766
Additional Authorized Cost	
Revised Authorized Cost	$ 16,842,766
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/08
Revised Target Completion Date	6/30/08

EXHIBIT F-2L

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
HIGH SCHOOL SYNTHETIC TURF FIELD AND FRANKLIN FIELD IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Funded by City of Summit	$ 2,390,623	$ 30,367	$ 2,420,990	$ 2,420,990
Total Revenues	2,390,623	30,367	2,420,990	2,420,990
Expenditures and Other Financing Uses				
Equipment (73X)	14,461	-	14,461	14,461
Other Purchased and Technical Services (390)	148,861	-	148,861	148,861
Construction Services (450)	2,148,989	30,367	2,179,356	2,179,356
Total Expenditures	2,312,311	30,367	2,342,678	2,342,678
Excess (deficiency) or Revenues over (under) Expenditures	$ 78,312	$ -	$ 78,312	$ 78,312

Additional project information:

Project Number	(City)
Grant Date	N/A
Bond Authorization Date	6/6/07
Bonds Authorized	$ 2,420,990
Bonds Issued	N/A
Original Authorized Cost	$ 2,420,990
Additional Authorized Cost	
Revised Authorized Cost	$ 2,420,990
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	9/1/2008
Revised Target Completion Date	9/1/2008

EXHIBIT F-2M

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
FRANKLIN ROOF AND ELEMENTARY IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Outlay	$ 300,000		$ 300,000	$ 300,000
Total Revenues	300,000	-	300,000	300,000
Expenditures and Other Financing Uses				
Construction Services (450)	260,423		260,423	300,000
Total Expenditures	260,423	-	260,423	300,000
Excess (deficiency) or Revenues over (under) Expenditures	$ 39,577	$ -	$ 39,577	$ -

Additional project information:	
Project Number	Local
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 300,000
Additional Authorized Cost	
Revised Authorized Cost	$ 300,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/31/07
Revised Target Completion Date	12/31/07

EXHIBIT F-2N

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants		$ 5,657,585	$ 5,657,585	$ 5,657,585
Funded by City of Summit	$ 8,486,378		8,486,378	8,486,378
Total Revenues	8,486,378	5,657,585	14,143,963	14,143,963
Expenditures and Other Financing Uses				
Salaries (10X)		47,325	47,325	47,325
Other Purchased and Technical Services (390)	272,790	877,529	1,150,319	1,150,319
Construction Services (450)	-	4,430,575	4,430,575	4,430,575
Total Expenditures	272,790	5,355,429	5,628,219	5,628,219
Excess (deficiency) or Revenues over (under) Expenditures	$ 8,213,588	$ 302,156	$ 8,515,744	$ 8,515,744

Additional project information:

Project Number	Multiple
Grant Date	Final Eligibility Cost Only
Bond Authorization Date	4/7/09&5/7/09
Bonds Authorized	$ 14,143,963
Bonds Issued	$ -
Original Authorized Cost	$ 14,143,963
Additional Authorized Cost	
Revised Authorized Cost	$ 14,143,963
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	12/31/2010
Revised Target Completion Date	12/31/2010

EXHIBIT F-2O

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
BUDGETARY BASIS
WINDOWS/DOORS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grants		$ 1,247,149	$ 1,247,149	$ 1,247,149
Funded by City of Summit	$ 1,870,725		1,870,725	1,870,725
Total Revenues	1,870,725	1,247,149	3,117,874	3,117,874
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)		149,671	149,671	149,671
Total Expenditures	-	149,671	149,671	149,671
Excess (deficiency) or Revenues over (under) Expenditures	$ 1,870,725	$ 1,097,478	$ 2,968,203	$ 2,968,203

Additional project information:

Project Number	Multiple
Grant Date	Final Eligibility Cost Only
Bond Authorization Date	12/15/2009
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 3,117,874
Additional Authorized Cost	
Revised Authorized Cost	$ 3,117,874
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	
Original Target Completion Date	6/30/2011
Revised Target Completion Date	6/30/2011

EXHIBIT F-2P

SUMMIT BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS-
BUDGETARY BASIS
MEDIA LITERACY CENTER
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Transfer from Capital Reserve		$ 333,010	$ 333,010	$ 333,010
Total Revenues	-	333,010	333,010	333,010
Expenditures and Other Financing Uses				
Other Purchased and Technical Services (390)		322,046	322,046	322,046
Total Expenditures	-	322,046	322,046	322,046
Excess (deficiency) or Revenues over (under) Expenditures	$ -	$ 10,964	$ 10,964	$ 10,964

Additional project information:

Project Number	Multiple
Grant Date	Final Eligibility Cost Only
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 333,010
Additional Authorized Cost	
Revised Authorized Cost	$ 333,010
Percentage Increase over Original Authorized Cost	
Percentage Completion	100.00%
Original Target Completion Date	12/31/2010
Revised Target Completion Date	12/31/2010

PROPRIETARY FUNDS

EXHIBIT G-1

SUMMIT BOARD OF EDUCATION
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

EXHIBIT G-4

SUMMIT BOARD OF EDUCATION
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-5

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

EXHIBIT G-6

INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

EXHIBIT H-1

SUMMIT BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF AGENCY FUND NET ASSETS
AS OF JUNE 30, 2010

	Student Activity	Payroll	Total Agency Funds
ASSETS			
Cash	$ 310,371	$ 358,778	$ 669,149
Total Assets	$ 310,371	$ 358,778	$ 669,149
LIABILITIES			
Payroll Deductions and Withholdings		$ 53,609	$ 53,609
Summer Net Payroll		305,169	305,169
Due to Student Groups	$ 310,371	-	310,371
Total Liabilities	$ 310,371	$ 358,778	$ 669,149

EXHIBIT H-2

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

EXHIBIT H-3

SUMMIT BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

School	Balance July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
ELEMENTARY SCHOOLS				
Brayton	$ 7,520	$ 29,606	$ 27,976	$ 9,150
Franklin	3,112	18,259	19,129	2,242
Jefferson	5,355	13,014	15,900	2,469
Lincoln - Hubbard	3,650	7,262	8,439	2,473
Washington	3,496	3,664	5,122	2,038
JUNIOR HIGH SCHOOLS				
Lawton C Johnson Middle School	173,130	233,566	231,932	174,764
SENIOR HIGH SCHOOL				
Summit High School	121,623	314,568	318,956	117,235
ATHLETICS				
High School Athletics	-	94,558	94,558	-
Total	$ 317,886	$ 714,497	$ 722,012	$ 310,371

EXHIBIT H-4

PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance, July 1, 2009	Cash Receipts	Cash Disbursements	Balance, June 30, 2010
Payroll Deductions and Withholdings	$ 20,413	$ 18,448,535	$ 18,415,339	$ 53,609
Accrued Summer Salaries and Wages	249,055	305,146	249,032	305,169
Accrued Salaries and Wages	-	25,331,971	25,331,971	-
Total	$ 269,468	$ 44,085,652	$ 43,996,342	$ 358,778

LONG-TERM DEBT

EXHIBIT I-1

SUMMIT BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

SUMMIT BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Series	Interest Rate Payable	Amount of Original Issue	Balance July 1, 2009	Issued Current Year	Payments	Balance June 30, 2010
Lighting Retrofit	2.93%	$ 698,250	$ 145,790		$ 145,790	-
Computers- 2005	4.85%	450,000	95,404		95,404	-
Computers- 2006	6.40%	450,000	187,229		187,229	-
Dark Fiber- 2007	4.06%	306,500	191,165		191,165	-
Computers 2007	4.02%	450,000	275,249		275,249	-
Computers 2008	3.41%	450,000	353,865		353,865	-
Student Transportation	3.35%	103,276	81,110	-	81,110	-
Technology Equipment	3.35%	473,406	-	$ 473,406	101,021	$ 372,385
			$ 1,329,812	$ 473,406	$ 1,430,833	$ 372,385

SUMMIT BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOT APPLICABLE

STATISTICAL SECTION

This part of the SUMMIT Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Exhibits
Financial Trends	
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	J-1 to J-5
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	J-14 and J-15
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

EXHIBIT J-1

SUMMIT BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,				Restated			
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities								
Invested In Capital Assets, Net Of Related Debt	$ 27,183,844	$ 29,424,869	$ 30,071,643	$ 32,295,645	$ 40,112,283	$ 50,945,383	$ 40,894,131	$ 47,595,041
Restricted	254,915	1,047,696	605,350	1,050,981	30,731	70,308	3,374,302	1,177,690
Unrestricted	728,190	241,376	(216,186)	508,162	(686,348)	(963,673)	1,130,566	2,098,144
Total Governmental Activities Net Assets	$ 28,166,949	$ 30,713,941	$ 30,460,807	$ 33,854,788	$ 39,456,666	$ 50,052,018	$ 45,398,999	$ 50,870,875
Business-Type Activities								
Invested In Capital Assets, Net Of Related Debt		$ 21,392	$ 19,447	$ 22,483	$ 42,225	$ 56,217	$ 136,139	$ 137,150
Restricted								
Unrestricted	$ 152,210	144,387	201,897	199,442	493,523	225,859	371,155	440,685
Total Business-Type Activities Net Assets	$ 152,210	$ 165,779	$ 221,344	$ 221,925	$ 535,748	$ 282,076	$ 507,294	$ 577,835
District-Wide								
Invested In Capital Assets, Net Of Related Debt	$ 27,183,844	$ 29,446,261	$ 30,091,090	$ 32,318,128	$ 40,154,508	$ 51,001,600	$ 41,030,270	$ 47,732,191
Restricted	254,915	1,047,696	605,350	1,050,981	30,731	70,308	3,374,302	1,177,690
Unrestricted	880,400	385,763	(14,289)	707,605	(192,825)	(737,814)	1,501,721	2,538,829
Total District Net Assets	$ 28,319,159	$ 30,879,720	$ 30,682,151	$ 34,076,714	$ 39,992,414	$ 50,334,094	$ 45,906,293	$ 51,448,710

Source: District financial records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-2

SUMMIT BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental Activities								
Instruction								
Regular	$ 20,632,002	$ 22,459,128	$ 23,863,851	$ 25,439,644	$ 29,149,306	$ 30,506,819	$ 29,380,082	$ 30,266,224
Special Education	3,051,560	3,956,654	4,861,824	5,259,782	6,518,307	8,572,883	8,711,060	9,655,370
Other Instruction	2,039,525	2,226,558	2,718,845	3,012,868	3,192,560	1,944,729	1,920,361	1,862,999
School Sponsored Activities & Athletics						1,740,836	1,583,790	1,508,797
Support Services:								
Tuition	1,399,765	1,512,262	1,767,281	1,752,393	1,622,870			
Student and Instruction Related Services	5,077,473	5,297,583	5,143,335	5,401,643	6,043,994	4,264,899	4,741,485	5,287,762
Health Services						758,553	914,710	974,556
Educational Media/School Library						1,295,886	1,358,833	1,393,968
School Administrative Services	2,380,743	2,495,990	3,043,955	3,171,450	3,624,973	3,723,390	3,940,227	3,911,979
General Administrative Services	2,062,415	2,027,946	2,657,477	2,493,439	-	1,356,768	1,470,247	1,375,967
Plant Operations And Maintenance	4,194,323	4,627,658	4,806,519	4,748,296	1	5,703,195	6,200,892	6,217,401
Pupil Transportation	484,611	477,584	751,486	705,410	1,622,870	818,962	871,795	971,030
Central Services						1,363,041	1,397,147	1,402,625
Interest in Long Term Debt						56,542	52,905	64,027
Charter Schools	-			4,153	8,609			
Total Governmental Activities Expenses	41,322,417	45,081,363	49,614,573	51,989,078	51,783,490	62,106,503	62,543,534	64,892,705
Business-Type Activities:								
Food Service	916,905	1,049,233	1,043,553	1,144,124	1,144,674	1,252,461	1,155,810	1,304,953
Summer Flash Program	120,186	141,627	145,941	133,210	157,610	181,139	193,999	186,868
Total Business-Type Activities	1,037,091	1,190,860	1,189,494	1,277,334	1,302,284	1,433,600	1,349,809	1,491,821
Total District-Wide Expenses	$ 42,359,508	$ 46,272,223	$ 50,804,067	$ 53,266,412	$ 53,085,774	$ 63,540,103	$ 63,893,343	$ 66,384,526
Program Revenues								
Governmental Activities:								
Operating Grants And Contributions	$ 5,717,248	$ 6,292,096	$ 6,620,616	$ 7,034,541	$ 9,041,147	$ 9,624,296	$ 8,301,900	$ 16,449,795
Total Governmental Activities Program Revenues	5,717,248	6,292,096	6,620,616	7,034,541	9,041,147	9,624,296	8,301,900	16,449,795
Business-Type Activities:								
Charges For Services								
Food Service	788,324	838,315	870,486	907,953	937,966	966,889	1,021,014	1,079,175
Summer Flash Program	135,525	151,003	159,602	148,317	171,090	202,480	194,167	194,291
Operating Grants And Contributions	198,362	215,111	214,971	221,644	237,312	261,110	266,505	288,896
Total Business Type Activities Program Revenues	1,122,211	1,204,429	1,245,059	1,277,914	1,346,368	1,430,479	1,481,686	1,562,362
Total District-Wide Program Revenues	$ 6,839,459	$ 7,496,525	$ 7,865,675	$ 8,312,455	$ 10,387,515	$ 11,054,775	$ 9,783,586	$ 18,012,157

EXHIBIT J-2

SUMMIT BOARD OF EDUCATION
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental Activities	$ (35,605,169)	$ (38,789,267)	$ (42,993,957)	$ (44,954,537)	$ (42,742,343)	$ (52,482,207)	$ (54,241,634)	$ (48,442,910)
Business-Type Activities	85,120	13,569	55,565	580	44,084	(3,121)	131,877	70,541
Total District-Wide Net Expense	$ (35,520,049)	$ (38,775,698)	$ (42,938,392)	$ (44,953,957)	$ (42,698,259)	$ (52,485,328)	$ (54,109,757)	$ (48,372,369)
General Revenues And Other Changes In Net Assets								
Governmental Activities:								
Taxes:								
Property Taxes Levied For General Purposes	$ 35,633,160	$ 38,861,386	$ 41,816,382	$ 46,034,366	$ 49,248,088	$ 51,641,731	$ 55,419,648	$ 56,808,725
State Aid not Restricted	74,079	160,789	726,948	555,134	164,354	353,756	15,828	
Tuition (Other than Special Schools)	4,400			71,310	99,942			
Investment Earnings	116,292	77,018	163,240	173,962	224,821			
Miscellaneous Income	1,145,359	2,094,622	257,242	1,513,748	7,344,306	10,305,852	4,598,021	380,261
N.J. Economic Development Authority Grants					(29,619)			
Adjustment to Amount Due from City					(300,003)			
Total Governmental Activities	36,973,290	41,193,815	42,963,812	48,348,520	56,751,889	62,301,339	60,033,497	57,188,986
Business-Type Activities:								
Investment Earnings								
Transfers						-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-
Total District-Wide General Revenues	$ 36,973,290	$ 41,193,815	$ 42,963,812	$ 48,348,520	$ 56,751,889	$ 62,301,339	$ 60,033,497	$ 57,188,986
Change in Net Assets								
Governmental Activities	$ 1,368,121	$ 2,404,548	$ (30,145)	$ 3,393,983	$ 14,009,546	$ 9,819,132	$ 5,791,863	$ 8,746,076
Business-Type Activities	85,120	13,569	55,565	580	44,084	(3,121)	131,877	70,541
Total District-Wide Change in Net Assets	$ 1,453,241	$ 2,418,117	$ 25,420	$ 3,394,563	$ 14,053,630	$ 9,816,011	$ 5,923,740	$ 8,816,617

Source: District financial records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-3

SUMMIT BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS,
LAST EIGHT FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	$ 101,821	$ 737,304	$ 204,467	$ 494,351	$ 503,475	$ 100,111	$ 2,109,638	$ 2,698,122
Unreserved	1,355,217	787,047	314,829	856,430	2,111	218,980	737,061	810,119
Total General Fund	1,457,038	1,524,351	519,296	1,350,781	505,586	319,091	2,846,699	3,508,241
All Other Governmental Funds								
Reserved	76,504	222,989	26,757		7,757,479	630,363	3,684,040	5,980,934
Unreserved, reported in:								
Special Revenue Fund	(11,260)	(4,189)	(3,920)	(3,825)	(4,191)	(4,191)		
Capital Projects Fund			338,006	560,454	(7,726,749)	(560,056)	(659,739)	(4,820,235)
Permanent Fund	87,849	91,592	40,039					
Total All Other Governmental Funds	153,093	310,392	400,882	556,629	26,539	66,116	3,024,301	1,160,699
Total Fund Balances	$ 1,610,131	$ 1,834,743	$ 920,178	$ 1,907,410	$ 532,125	$ 385,207	$ 5,871,000	$ 4,668,940

Source: District financial records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

SUMMIT BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues								
Tax Levy	$35,633,160	$38,861,386	$ 41,816,382	$46,034,366	$ 49,248,088	$ 51,641,731	$55,419,648	$ 56,808,725
Tuition Charges	4,400			71,310	99,942			
Interest Earnings	116,292	77,018	163,240	173,962	224,821			
Miscellaneous	491,591	201,057	284,941	262,482	329,977	10,569,602	5,195,800	883,187
Amount Due from City of Summit	749,847	1,893,565	138,323	1,251,266	7,014,329			
State Sources	4,896,501	5,554,200	6,252,565	6,729,085	8,273,744	8,409,350	6,680,924	14,294,085
Federal Sources	798,747	898,686	928,977	860,590	931,756	1,304,952	1,039,025	1,640,824
Total Revenue	42,690,538	47,485,912	49,584,428	55,383,061	66,122,657	71,925,635	68,335,397	73,626,821
Expenditures								
Instruction								
Regular Instruction	16,387,067	17,478,384	18,281,845	19,649,124	20,772,430	29,841,914	28,560,379	29,577,110
Special Education Instruction	2,277,844	3,044,673	3,832,660	4,166,589	4,539,342	8,446,774	8,524,375	9,497,973
Other Instruction	1,731,725	1,850,000	2,154,083	2,403,456	2,564,720	1,908,397	1,868,355	1,823,941
School Sponsored Activities & Athletics					-	1,707,992	1,548,066	1,480,123
Support Services:								
Tuition	1,399,765	1,512,262	1,767,281	1,752,393	1,622,870			
Student & Inst. Related Services	4,080,294	4,140,975	4,092,587	4,332,268	4,484,227	4,188,446	4,626,186	5,188,632
Health Services						741,952	890,606	954,394
Educational Media / School Library						1,269,450	1,325,412	1,367,268
School Administrative Services	1,866,910	1,879,202	2,391,758	2,454,334	2,546,012	3,637,987	3,822,430	3,821,668
General and Business Adm. Svs.	1,758,148	1,690,550	2,066,854	2,048,185	2,183,982	1,334,967	1,449,268	1,358,012
Plant Operations And Maintenance	3,622,518	3,952,952	4,092,323	4,053,167	4,522,199	5,616,668	6,087,234	6,125,214
Pupil Transportation	471,226	455,900	731,180	688,886	711,080	818,129	871,795	969,126
Central Services						1,330,426	1,358,031	1,371,704
Employee Benefits	7,431,879	8,896,986	9,895,833	10,290,018	15,056,404			
Charter Schools				4,153	8,609			
Debt Service								
Principal						666,531	676,965	1,430,833
Interest						56,542	52,905	64,027
Capital Outlay	1,858,669	2,771,180	2,092,629	3,028,476	8,908,447	10,956,378	1,740,873	6,998,062
Total Expenditures	42,886,045	47,673,064	51,399,033	54,871,049	67,920,322	72,522,553	63,402,880	72,028,087
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(195,507)	(187,152)	(1,814,605)	512,012	(1,797,665)	(596,918)	4,932,517	1,598,734

SUMMIT BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing Sources (Uses)								
Capital Leases (Non-Budgeted)	$ 442,914	$ 265,278	$ 1,123,029	$ 475,221	$ 752,000	$ 450,000	$ 553,276	$ 473,406
N.J. Economic Development Auth. Grants					(29,619)			
Adjustment to Amount Due from City					(300,003)			
Transfers In			216,741	300,000	200,000	300,000		333,010
Transfers Out			(216,741)	(300,000)	(200,000)	(300,000)		(333,010)
Total Other Financing Sources (Uses)	442,914	265,278	1,123,029	475,221	422,378	450,000	553,276	473,406
Net Change In Fund Balances	$ 247,407	$ 78,126	$ (691,576)	$ 987,233	$ (1,375,287)	$ (146,918)	$ 5,485,793	$ 2,072,140
Debt Service As A Percentage Of								
Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District financial records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only eight years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-5

SUMMIT BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Tuition	Interest	Gate Receipts	Summer School Fees	Rentals	E-Rate	Miscellaneous	Donations	Total
2001		$ 313,736	$ 10,653	$ 44,775	$ 8,831		$ 58,193	$ 8,076	$ 444,264
2002	$ 3,104	133,796	9,546	59,912	13,246		45,288	199,955	464,847
2003	4,400	111,833	18,555	101,955	10,522		81,874	176,405	505,544
2004		73,275	29,176	960	21,001		100,556	500	225,468
2005	69,855	161,557	9,620				39,445		280,477
2006	71,310	173,962	8,146				21,058		274,476
2007	99,942	224,821	7,408				7,970		340,141
2008		70,857							70,857
2009	95,832	47,390					382,083		525,305
2010	159,927	16,108	14,588			$ 45,019	144,619		380,261

Source: District financial records

SUMMIT BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate [a]
2001	$ 11,610,800	$ 2,324,247,700	$ 329,197,700	$216,490,400	$ 72,161,800	$ 2,953,708,400	$ 5,676,121	$ 2,959,384,521	$ 3,695,996,654	$ 1.066
2002	12,926,900	2,347,939,300	335,472,800	229,390,400	72,202,700	2,997,932,100	5,217,805	3,003,149,905	4,488,818,556	1.133
2003	11,815,200	2,371,544,700	332,564,500	239,265,900	71,757,900	3,026,948,200	5,429,738	3,032,377,938	5,104,864,197	1.229
2004	12,783,300	2,396,025,800	328,688,200	239,048,600	71,141,400	3,047,687,300	4,810,102	3,052,497,402	5,505,894,641	1.322
2005	15,387,600	2,415,514,900	322,967,000	238,177,900	70,877,100	3,062,924,500	4,124,987	3,067,049,487	5,576,453,613	1.432
2006	13,506,500	2,447,199,800	319,448,300	238,250,400	70,877,100	3,089,282,100	3,655,417	3,092,937,517	5,623,522,758	1.540
2007	10,419,600	2,481,875,600	322,466,600	234,816,200	71,195,700	3,120,773,700	2,982,124	3,123,755,824	5,953,058,928	1.615
2008	12,135,200	2,513,876,375	312,300,700	238,271,000	63,700,200	3,140,283,475	2,990,262	3,143,273,737	7,371,310,103	1.704
2009	12,452,000	2,516,055,800	314,123,600	238,271,000	61,705,200	3,142,607,600	3,052,456	3,145,660,056	7,470,379,510	1.784
2010	15,096,700	2,506,422,500	301,353,500	238,271,000	61,490,800	3,122,634,500	3,262,000	3,125,896,500	7,259,889,345	1.863

Source: County Abstract of Ratables

a Tax rates are per $100

EXHIBIT J-7

SUMMIT BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per $100 of assessed value)

Calendar Year	Total Direct School Tax Rate	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality	County	
2001	$ 1.066	$ 0.530	$ 0.556	$ 2.152
2002	1.133	0.619	0.646	2.398
2003	1.229	0.668	0.721	2.618
2004	1.322	0.709	0.727	2.758
2005	1.432	0.747	0.736	2.915
2006	1.540	0.805	0.758	3.103
2007	1.615	0.786	0.795	3.196
2008	1.704	0.941	0.790	3.435
2009	1.784	0.967	0.838	3.589
2010	1.863	0.987	0.889	3.739

Source: County Abstract of Ratables

SUMMIT BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

	2010		2000	
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
The Summit Property Company (Schering-Plough)	$ 225,888,004	7.18%		
Atlantic Health System	18,297,500	0.58%	Not Available	
Celgene Corporation	16,541,000	0.53%		
Bouras Properties, LLC	14,140,600	0.45%		
1st Union National Bank	14,000,000	0.45%		
Bassett Associates	9,835,000	0.31%		
The Maple Group, L.L.C.	8,241,400	0.26%		
Canoe Brook County Club	8,040,500	0.26%		
SHPI/CSL Summit, LLC	7,000,000	0.22%		
E. Coast Constantine Village	6,800,000	0.22%		
	$ 328,784,004	10.45%	$ -	0.00%

Source: Municipal Tax Assessor

EXHIBIT J-9

SUMMIT BOARD OF EDUCATION
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	Total Collections to Date
		Amount	Percentage of Levy		Amount
2001	$ 66,343,108	$ 65,860,984	99.27%	$ 467,488	$ 66,328,472
2002	72,315,592	71,773,750	99.25%	541,842	72,315,592
2003	79,622,865	79,052,069	99.28%	543,341	79,595,410
2004	84,530,763	83,962,398	99.33%	499,747	84,462,145
2005	89,802,833	89,070,381	99.18%	670,933	89,741,314
2006	46,034,366	46,034,366	100.00%		46,034,366
2007	42,248,088	42,248,088	100.00%	-	42,248,088
2008	51,641,731	51,641,731	100.00%		51,641,731
2009	55,419,648	55,419,648	100.00%		55,419,648
2010	56,808,725	56,808,725	100.00%		56,808,725

Source: District financial records

SUMMIT BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST FOUR FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Population	Per Capita
2007			$ 1,670,032			$ 1,670,032	20,522	$ 81
2008			1,453,501			1,453,501	20,522	70
2009			1,329,812			1,329,812	20,696	64
2010			372,385			372,385	20,696	18

Source: District financial records

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only four years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

EXHIBIT J-11

SUMMIT BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]

NOT APPLICABLE

Source: District financial records

Note: The district is a Type 1 District; all bonded debt is issued by the City.

SUMMIT BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2009
(Unaudited)

	Total Debt
Municipal Debt: (1)	
City of Summit	$ 35,588,406
City of Summit School District - Type I	53,740,683
	89,329,089
Overlapping debt Apportioned to the Municipality:	
Union County (2);(A):	
County of Union (A)	1,854,746
Total Direct and Overlapping Debt	$ 91,183,835

(A) The debt for this entity was apportioned to the City of Summit by dividing the Municipality's 2009 equalized value by the total 2009 equalized value for Union County.

Sources:
(1) City of Summit 2009 Annual Debt Statement
(2) Union County 2009 Annual Debt Statement

EXHIBIT J-13

SUMMIT BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	Equalized valuation basis
2009	$ 7,622,138,249
2008	8,093,514,111
2007	7,293,231,362
	$ 23,008,883,722
Average equalized valuation of taxable property	$ 7,669,627,907
Debt limit (4 % of average equalization value)	306,785,116 a
Total Net Debt Applicable to Limit	35,588,406
Legal debt margin	$ 271,196,710

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	$133,819,858	$ 142,160,229	$165,067,049	$183,591,527	$ 203,060,702	$223,841,726	$250,249,034	$ 272,903,590	$ 298,728,683	$ 306,785,116
Total Net Debt Applicable to Limit	29,217,465	28,908,465	28,812,241	27,952,115	25,809,641	40,900,692	40,847,856	39,788,846	38,773,846	35,588,406
Legal Debt Margin	$104,602,393	$ 113,251,764	$136,254,808	$155,639,412	$ 177,251,061	$182,941,034	$209,401,178	$ 233,114,744	$ 259,954,837	$ 271,196,710
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.83%	20.34%	17.45%	15.23%	12.71%	18.27%	16.32%	14.58%	12.98%	11.60%

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

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

EXHIBIT J-14

SUMMIT BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Year	Population	Personal Income	County Per Capita Personal Income	Unemployment Rate
2000	21,137	$ 845,691,370	$ 40,010	2.0%
2001	21,163	856,657,077	40,479	2.3%
2002	21,156	864,180,288	40,848	3.2%
2003	21,099	879,005,439	41,661	3.2%
2004	20,938	901,276,210	43,045	2.5%
2005	20,827	928,592,622	44,586	2.5%
2006	20,681	1,014,651,222	49,062	2.5%
2007	20,522	1,047,730,188	51,054	2.3%
2008	20,522	1,063,347,430	51,815	3.0%
2009	20,696	N/A	N/A	5.3%

Source: New Jersey State Department of Education

EXHIBIT J-15

SUMMIT BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2010		2001	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

EXHIBIT J-16

SUMMIT BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction										
Regular	269.05	258.17	266.64	272.08	287.09	303.81	304.32	284.29	290.19	300.32
Special education	81.82	78.51	81.09	82.74	87.30	92.39	109.07	107.68	119.88	124.11
School sponsored/other instructional	0.89	0.85	0.88	0.90	0.94	1.00	1.00	1.00	1.00	1.00
Support Services:										
Student & instruction related services	41.62	39.94	41.25	42.09	44.41	47.00	52.27	44.83	47.70	52.70
School administrative services	22.14	21.24	21.94	22.39	23.62	25.00	32.00	32.50	32.00	31.00
General administrative services	6.20	5.95	6.14	6.27	6.61	7.00	7.00	7.00	7.00	6.00
Central services	9.74	9.35	9.65	9.85	10.39	11.00	11.00	11.00	11.00	11.00
Administrative Information Technology	1.15	1.10	1.14	1.16	1.23	1.30	1.27	1.30	1.30	1.30
Plant operations and maintenance	35.95	34.50	35.63	36.36	38.37	40.60	43.01	43.50	44.83	48.83
Pupil transportation	1.24	1.19	1.23	1.25	1.32	1.40	1.16	1.16	0.90	0.90
Total	469.80	450.80	465.59	475.09	501.28	530.50	562.10	534.26	555.80	577.16

Source: District Personnel Records

SUMMIT BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2001	3,170	$ 35,986,414	$ 11,352	4.54%	263	1:18	1:18	1:18	3,154.1	3,022.6	2.25%	95.83%
2002	3,299	37,138,635	11,258	-0.83%	266	1:18	1:21	1:19	3,307.1	3,162.5	4.85%	95.63%
2003	3,349	41,027,376	12,251	8.82%	270	1:19	1:12	1:10	3,349.0	3,215.4	1.27%	96.01%
2004	3,505	44,901,883	12,811	4.57%	288	1:15	1:15	1:20	3,488.5	3,351.7	4.17%	96.08%
2005	3,632	49,306,403	13,576	5.97%	296	1:19	1:15	1:21	3,619.6	3,462.2	3.76%	95.65%
2006	3,670	51,842,573	14,126	4.06%	333	1:19	1:12	1:12	3,673.4	3,511.8	1.49%	95.60%
2007	3,732	59,011,874	15,812	11.94%	359	1:15	1:12	1:13	3,730.0	3,576.0	1.54%	95.87%
2008	3,794	60,843,102	16,037	1.42%	322	1:14	1:12	1:11	3,791.0	3,629.0	1.64%	95.73%
2009	3,804	60,932,137	16,018	-0.12%	374	1:11	1:10	1:10	3,815.0	3,642.7	0.63%	95.48%
2010	3,887	63,535,165	15,037	-6.12%	373	1:12	1:10	1:10	3,900.9	3,730.8	2.25%	95.64%

Sources: District records

a. Enrollment based on annual October district count.
b. Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay
c. Cost per pupil represents operating expenditures divided by enrollment

EXHIBIT J-18

SUMMIT BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST SIX FISCAL YEARS
(Unaudited)

	2005	2006	2007	2008	2009	2010
District Building						
Elementary						
Brayton Elementary (1911)						
Square Feet	53,737	53,737	53,737	53,737	53,737	53,737
Capacity (students)	415	415	415	415	415	415
Enrollment [a]	474	489	457	465	407	398
Franklin Elementary (1927)						
Square Feet	44,118	44,118	44,118	44,118	44,118	48,280
Capacity (students)	349	349	349	349	349	349
Enrollment	384	400	410	409	376	378
Jefferson Elementary (1931)						
Square Feet	38,851	38,851	38,851	38,851	38,851	44,890
Capacity (students)	263	263	263	263	263	263
Enrollment	225	233	241	230	215	211
Jefferson Primary Center (2008)						
Square Feet					17,453	21,000
Capacity (students)					137	137
Enrollment					130	160
Lincoln Elementary (1953)						
Square Feet	55,132	55,132	55,132	55,132	55,132	74,600
Capacity (students)	401	401	401	401	401	401
Enrollment	404	382	398	384	321	333
Washington Elementary (1922)						
Square Feet	48,093	48,093	48,093	48,093	48,093	53,340
Capacity (students)	373	373	373	373	373	373
Enrollment	340	350	356	408	325	323
Wilson Primary Center (2008)						
Square Feet					21,770	32,000
Capacity (students)					175	175
Enrollment					152	172
Middle School						
LCJ Summit Middle School (1922)						
Square Feet	143,029	143,029	143,029	143,029	143,029	149,720
Capacity (students)	1,023	1,023	1,023	1,023	1,023	1,023
Enrollment	849	843	826	849	843	867
High School						
Summit High School (1962)						
Square Feet	190,097	190,097	190,097	190,097	190,097	206,690
Capacity (students)	1,247	1,247	1,247	1,247	1,247	1,247
Enrollment	943	966	1,044	1,049	1,035	1,035

Number of Schools at June 30, 2010
Elementary = 7
Middle School = 1
Senior High School = 1

Source: District Records, ASSA

SUMMIT BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST NINE YEARS
(Unaudited)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES	Project #(s)	Gross Building Area (SF)	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
School Facilities												
Summit High School	N/A	206,690	$ 129,874	$ 154,275	$ 243,889	$ 301,051	$ 269,310	$ 241,574	$ 263,677	$ 308,273	$ 260,504	$ 265,976
Lawton C. Johnson Middle School	5090-060-04-1000	149,720	129,874	154,275	160,084	218,072	183,842	173,468	188,759	193,309	192,636	192,117
	5090-060-05-1000											
Brayton Elementary School	N/A	48,670	42,218	50,154	56,343	70,890	63,185	53,840	80,474	80,474	74,882	60,421
Franklin Elementary School	N/A	48,280	41,880	49,743	66,965	70,322	63,201	56,434	63,781	63,698	57,714	71,714
Jefferson Elementary School	5090-090-03-1010	44,890	38,940	46,282	73,183	65,384	55,106	50,820	59,770	59,770	76,138	92,824
	5090-090-03-1004											
	5090-090-04-2000											
	5090-090-04-3000											
Lincoln-Hubbard Elementary School	5090-100-03-1008	74,600	64,711	76,903	73,606	108,658	89,990	84,296	93,140	98,423	74,632	93,633
Washington Elementary School	5090-120-04-1000	53,340	46,269	54,964	63,533	77,692	70,022	63,696	70,066	70,373	70,243	64,683
	5090-120-03-1028											
	5090-120-04-2000		-	-	-	-	-	-	-	-		
Wilson Primary Center	N/A		-	-	-	-	-	-	-	4,232	23,372	25,204
Total School Facilities			493,766	586,596	737,603	912,069	794,656	724,128	819,667	878,552	830,121	866,572
Other Facilities												
Stadium						2,909	2,915	3,654	4,244	4,244	4,414	4,591
Administration			-	-	-	10,486	12,827	14,252	11,758	11,758	10,553	10,232
Total Other Facilities			-	-	-	13,395	15,742	17,906	16,002	16,002	14,967	14,823
Grand Total			$ 493,766	$ 586,596	$ 737,603	$ 925,464	$ 810,398	$ 742,034	$ 835,669	$ 894,554	$ 845,088	$ 881,395

Source: School District's Financial Statements

SUMMIT BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2010
(Unaudited)

	Coverage	Deductible
Commercial Package Policy - Diploma JIF		
Commercial General Liability		
Each Occurrence	$ 5,000,000	
General Aggregate	50,000,000	
Products/Completed Operations Agg.	Incl. in each occurrence	
Personal & Advertising Injury	Incl. in each occurrence	
Fire Damage	2,500,000	
Medical Expense	5,000	
Employee Benefits Liability	5,000,000	$ 1,000
Property - Diploma JIF		
Blanket Building	145,399,000	1,000
Blanket Personal Property	9,393,018	1,000
Blanket EDP	2,013,113	1,000
Blanket Miscellaneous Property	1,107,065	1,000
Employee Dishonesty	$1000,000 Per Person / $500,000 Per Loss	1,000
Business Automobile - Diploma JIF		
Liability	5,000,000	
Uninsured Motorist	$15,000/30,000/5,000	
Underinsured Motorist	$15,000/30,000/5,000	
Personal Injury Protection	Basic Statutory	
Comprehensive Deductible		1,000
Collision Deductible		1,000
Boiler and Machinery - DIPLOMA JIF		
Blanket Property Damage - Inc. in Property Limit		
Extra Expense - Actual Loss Sustained: 12 Consecutive Months		
Hazardous Substance Limitation	1,000,000	
Board of Education Liability - Diploma JIF		
Each Claim	5,000,000	
Annual Aggregate	5,000,000	
Excess Umbrella Policy - Diploma JIF		
Per Occurrence	5,000,000	
Annual Aggregate	5,000,000	
Workers Compensation Policy - Diploma JIF		
Employers Liability	5,000,000	
Excess Umbrella Policy - Fireman's Fund		
Per Occurrence	50,000,000	
Annual Aggregate	50,000,000	
**Excess Over Primary Limit of $10,000,00		
Bonds - Selective Insurance Co.		
Louis J. Pepe, Board Secretary/Business Administrator	150,000	
Ronald J. Angelo, Treasurer of School Moneys	325,000	
Scott Olsen, Treasurer of School Moneys	325,000	

Source: District records

SINGLE AUDIT SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

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 Trustees
Summit Board of Education
Summit, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Summit Board of Education as of and for the fiscal year ended June 30, 2010, which collectively comprise the Summit Board of Education's basic financial statements and have issued our report thereon dated November 12, 2010. We conducted our audit 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 and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Summit Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Summit Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Summit Board of Education's internal control over financial reporting.

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 Summit Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

However, we noted certain matters that we have reported to management of the Summit Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated November 12, 2010.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 12, 2010

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

EXHIBIT K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Trustees
Summit Board of Education
Summit, New Jersey

Compliance

We have audited the Summit Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Summit Board of Education's major federal and state programs for the fiscal year ended June 30, 2010. Summit Board of Education'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. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Summit Board of Education's management. Our responsibility is to express an opinion on Summit Board of Education's compliance based on our audit.

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; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Summit Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Summit Board of Education's compliance with those requirements.

In our opinion, Summit Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

Management of Summit Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Summit Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Lerch, Vinci & Higgins LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
November 12, 2010

SUMMIT BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal/Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2010 (Accounts Receivable)	June 30, 2010 Deferred Revenue/	June 30, 2010 Due to Grantor
U.S. Department of Education													
General Fund													
Medicaid Assistance Prrogram (SEMI)	93.778	N/A	7/1/09-6/30/10	$ 61,342	-	-	$ 50,069	$ 61,342	-	-	$ (11,273)	-	-
					-	-	50,069	61,342	-	-	(11,273)	-	-
U.S. Department of Agriculture													
Passed-through State Department													
of Education													
Food Distribution Program - Non Cash Assistance	10.550	N/A	7/1/08-6/30/09	50,989	$ 3,191			3,191					
Food Distribution Program - Non Cash Assistance	10.550	N/A	7/1/09-6/30/10	47,443			47,443	47,135				$ 308	
National School Lunch Program	10.555	N/A	7/1/08-6/30/09	198,189	(42,568)		42,568						
National School Lunch Program	10.555	N/A	7/1/09-6/30/10	220,106			201,749	220,106			(18,357)		
School Breakfast Program	10.553	N/A	7/1/08-6/30/09	2,927	(615)		615						
School Breakfast Program	10.553	N/A	7/1/09-6/30/10	3,408	-	-	3,100	3,408	-	-	(308)	-	-
Total U.S. Department of Agriculture					(39,992)	-	295,475	273,840	-	-	(18,665)	308	-
Special Revenue Fund													
I.A.S.A. Consolidated Grant/NCLB													
Title I, Carryover	84.010A	NCLB219009	09/1/08-8/31/09	152,187	(26,560)	$ (6,440)	41,756	22,662	$ 4,124		(9,782)		
Title I	84.010A	NCLB219010	09/1/09-8/31/10	98,757		6,440	10,370	38,714			(88,387)	66,483	
Title IIA, Carryover	84.367A	NCLB219009	09/1/08-8/31/09	63,633	-	(12,218)	4,405	44,278			(52,091)		
Title IIA	84.367A	NCLB219010	09/1/09-8/31/10	63,579	-	12,218	-	43,068			(63,579)	32,729	
Title II D, Carryover	84.318X	NCLB219009	09/1/08-8/31/09	753	51								$ 51
Title II D	84.318X	NCLB219010	09/1/09-8/31/10	818			818	818					
Title III, Carryover	84.365A	NCLB219009	09/1/08-8/31/09	36,504	2,976	(10,227)	3,317	12,429			(16,363)		
Title III	84.365A	NCLB219010	09/1/09-8/31/10	26,184		10,227	13,388	20,510			(12,796)	15,901	
Title III Immigrant, Carryover	84.365A	NCLB219009	09/1/08-8/31/09	47,122	7,932			7,932					
Title IV, Carryover	84.186A	NCLB219009	09/1/08-8/31/09	8,726	(300)	(12)	4,007	5,560	(573)		(3,700)		1,262
Title IV	84.186A	NCLB219010	09/1/09-8/31/10	7,149		12	1,019	4,649			(6,130)	2,512	
Title V, Carryover	84.298A	NCLB219009	09/1/08-8/31/09	5,204	950								950
I.D.E.A. Part B													
Basic Regular, Carryover	84.027	IDEA219009	9/1/08-8/31/09	787,058	(292,000)	(7,278)	433,370	136,497	5		(2,400)		
Basic Regular	84.027	IDEA219010	9/1/09-8/31/10	856,236		7,278	430,993	768,490			(425,243)	95,024	
Basic Regular - ARRA	84.391	IDEA219010	9/1/09-8/31/10	1,114,436			234,975	437,048			(879,461)	677,388	
Preschool, Carryover	84.173	IDEA219009	9/1/08-8/31/09	29,841	2,773	(3,141)		8,047			(8,415)		
Preschool	84.173	IDEA219010	9/1/08-8/31/10	30,737		3,141		28,688			(30,737)	5,190	
Preschool - ARRA	84.392	IDEA219010	9/1/08-8/31/10	40,297							(40,297)	40,297	
Self Assessment, Carryover	84.027A	IDEA219009	9/1/08-8/31/09	14,000	(1,948)		1,948						
Self Assessment	84.027A	IDEA219010	9/1/09-8/31/10	14,000	-	-	-	92	-	-	(92)	-	-
Total U.S. Department of Education					(306,126)	-	1,180,366	1,579,482	3,556	-	(1,639,473)	935,524	2,263
Total					$ (346,118)	$ -	$ 1,525,910	$ 1,914,664	$ 3,556	$ -	$ (1,669,411)	$ 935,832	$ 2,263

Adjustments represent cancellation of prior year orders.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

SUMMIT BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2010 (Accounts Receivable)	June 30, 2010 Deferred Revenue	Due to Grantor June 30, 2010	Memo Only GAAP Receivable	Memo Only Cumulative Total Expenditures
State Department of Education														
General Fund														
Special Education Aid	09-495-034-5120-089	7/1/08-6/30/09	2,075,843	$ (106,136)		$ 106,136								
Special Education Aid	10-495-034-5120-011	7/1/09-6/30/10	2,113,935			1,913,561	$ 2,113,935			$ (200,374)				$ 2,113,935
Transportation Aid	09-100-034-5120-014	7/1/08-6/30/09	128,941	(27,930)		27,930								
Transportation Aid	10-100-034-5120-014	7/1/09-6/30/10	101,692			92,263	101,692			(9,429)				101,692
Extraordinary Special Education Cost Ai	09-100-034-5120-473	7/1/08-6/30/09	253,644	(253,644)		253,644								
Extraordinary Special Education Cost Ai	10-495-034-5120-044	7/1/09-6/30/10	190,534			-	190,534			(190,534)				190,534
Security Aid	09-495-034-5120-084	7/1/08-6/30/09	96,823	(5,586)		5,586								
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	284,306			258,375	284,306			(25,931)				284,306
T.P.A.F. - Pension- Post Ret. Medical	10-495-034-5095-001	7/1/09-6/30/10	1,897,889			1,897,889	1,897,889			-				1,897,889
T.P.A.F. Pension & Annuity Fund	10-495-034-5095-006	7/1/09-6/30/10	101,052			101,052	101,052			-				101,052
T.P.A.F. - Social Security	09-495-034-5095-002	7/1/08-6/30/09	2,158,543	(281,883)		281,883								
T.P.A.F. - Social Security	10-495-034-5095-002	7/1/09-6/30/10	2,508,463	-	-	2,278,842	2,508,463	-	-	(229,621)	-	-	$ (229,621)	2,508,463
Total General fund				(675,179)	-	7,217,161	7,197,871	-	-	(655,889)	-	-	(229,621)	7,197,871
Special Revenue Fund														
New Jersey Nonpublic Aid:														
Textbook Aid	10-100-034-5120-064	7/1/09-6/30/10	58,330			58,330	57,407					$ 923		57,407
Textbook Aid	09-100-034-5120-064	7/1/08-6/30/09	50,041	1,644					$ 1,644					-
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	69,172			69,172	69,172							69,172
Technology Aid	09-100-034-5120-373	7/1/08-6/30/09	35,680	2,071					2,071					-
Auxiliary Services:														
Compensatory Education	10-100-034-5120-067	7/1/09-6/30/10	7,678			7,678	6,718					960		6,718
Transportation	10-100-034-5120-067	7/1/09-6/30/10	3,033			3,033	3,033							3,033
Home Instruction	N/A	7/1/08-6/30/09	366	(366)		366								-
Home Instruction	N/A	7/1/09-6/30/10	4,630				4,630			(4,630)			(4,630)	4,630
Handicapped Services:														
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	37,291			37,291	32,894					4,397		32,894
Corrective Speech	09-100-034-5120-066	7/1/08-6/30/09	23,250	2,440					2,440					-
Corrective Speech	10-100-034-5120-066	7/1/09-6/30/10	27,170			27,170	26,705					465		26,705
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10	23,893		-	23,893	23,893	-	-	-	-	-	-	23,893
Supplemental Instruction	09-100-034-5120-066	7/1/08-6/30/09	20,650	4,130	-	-	-	-	4,130	-	-	-	-	-
Total Special Revenue Fund				$ 9,919	-	226,933	224,452	-	10,285	(4,630)	-	6,745	(4,630)	224,452

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

Continued

SUMMIT BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	June 30, 2010 (Accounts Receivable)	Deferred Revenue	Due to Grantor June 30, 2010	Memo Only GAAP Receivable	Memo Only Cumulative Total Expenditures
State Department of Agriculture														
Enterprise Fund														
School Breakfast Program	09-100-010-3350-021	7/1/08-6/30/09	$ 218	$ (43)		$ 43								$ -
School Breakfast Program	10-100-010-3350-021	7/1/09-6/30/10	228			-	$ 228			$ (228)			(228)	228
National School Lunch Program	09-100-010-3350-023	7/1/08-6/30/09	14,182	(3,051)		3,051								-
National School Lunch Program	10-100-010-3350-023	7/1/09-6/30/10	14,828	-	-	13,829	14,828	-	-	(999)	-	-	(999)	14,828
Total Enterprise Fund				(3,094)	-	16,923	15,056	-	-	(1,227)	-	-	(1,227)	15,056
State of New Jersey- School Development Authority														
Capital Projects Fund	5090-100-03-1008		49,854	(49,854)						(49,854)			(49,854)	
	5090-090-03-1010		14,582	(5,034)						(5,034)			(5,034)	
	5090-120-04-1000		53,535	(53,535)						(53,535)			(53,535)	
	5090-090-03-1004		102,272	(31,490)						(31,490)			(31,490)	
	5090-120-03-1028		51,850	(51,850)						(51,850)			(51,850)	
	5090-120-04-2000		109,375	(109,375)						(109,375)			(109,375)	
	5090-060-04-1000		148,495	(132,903)						(132,903)			(132,903)	
	5090-060-05-1000		319,315	(317,718)						(317,718)			(317,718)	
School Improvements Ord. #2847/2853	Various	N/A	5,657,585				5,657,585			(5,657,585)			(5,657,585)	5,355,429
School Improvements Ord. #2888	Various	N/A	1,247,149	-	-	-	1,247,149	-	-	(1,247,149)	-	-	(1,247,149)	149,671
Total Capital Projects Fund				(751,759)	-	-	6,904,734	-	-	(7,656,493)	-	-	(7,656,493)	5,505,100
Grand Total				(1,420,113)	-	7,461,017	14,342,113	$ -	10,285	(8,318,239)	-	$ 6,745	(7,891,971)	12,942,479
Less On-Behalf TPAF Pension and Annuity Aid														
T.P.A.F. - Pension- Post Ret. Medical	10-495-034-5095-001	7/1/09-6/30/10	1,897,889			1,897,889	1,897,889			-	-	-	-	1,897,889
T.P.A.F. Pension & Annuity Fund	10-495-034-5095-006	7/1/09-6/30/10	101,052	-	-	101,052	101,052	-	-	-	-	-	-	101,052
				-	-	1,998,941	1,998,941	-	-	-	-	-	-	1,998,941
Total for State Financial Assistance Determination				$ (1,420,113)	$ -	$ 5,462,076	$ 12,343,172	$ -	$ 10,285	$ (8,318,239)	$ -	$ 6,745	$ (7,891,971)	$ 10,943,538

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and Expenditures of State Financial Assistance

SUMMIT BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Summit Board of Education. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal financial assistance received directly from federal 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 BASIS OF ACCOUNTING

The accompanying schedules are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of $32,972 for the general fund. See the Notes to Required Supplementary Information 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 revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	$ 61,342	$ 7,164,899	$ 7,226,241
Special Revenue Fund	1,579,482	224,452	1,803,934
Capital Projects Fund		6,904,734	6,904,734
Food Service Fund	273,840	15,056	288,896
Total Financial Assistance	$ 1,914,664	$ 14,309,141	$ 16,223,805

SUMMIT BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of $2,508,463 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, 2010. The amount reported as TPAF Pension System Contributions in the amount of $101,052 and TPAF Post-Retirement Medical Benefits Contributions in the amount of $1,897,889 represents the amount paid by the State on behalf of the District for the year ended June 30, 2010.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

SUMMIT BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued:	Unqualified	
Internal control over financial reporting:		
1) Material weakness(es) identified?	____ yes	X no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes	X none reported
Noncompliance material to the basic financial statements noted?	____ yes	X no

Federal Awards Section

Internal Control over compliance:		
1) Material weakness(es) identified?	____ yes	X no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes	X none reported
Type of auditor's report on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))?	____ yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027/84.173	IDEA Part B Basic/Preschool
84.391/84.392	ARRA IDEA Part B Basic/Preschool

Dollar threshold used to determine Type A Programs	$ 300,000	
Auditee qualified as low-risk auditee?	____ Yes	X No

SUMMIT BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part I – Summary of Auditor's Results

State Awards Section

Type of auditors' report on compliance for major programs:	Unqualified
Internal Control over compliance:	
1) Material weakness(es) identified?	____ yes __X__ no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	____ yes __X__ none reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04, as amended?	____ yes __X__ no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5095-002	TPAF Social Security Contributions
Various - Multiple Projects	School Development Authority

Dollar threshold used to determine Type A programs:	$ 300,000
Auditee qualified as low-risk auditee?	____ yes __X__ No

EXHIBIT K-6

SUMMIT BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards.*

There are none.

EXHIBIT K-6

SUMMIT BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Part 3 – Schedule of Federal and State Award Findings and 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 OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

SUMMIT BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing* Standards, U.S. OMB Circular A-133 (section .315(a)(b) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2009-1

Our audit of the contracts awarded revealed that there were five contracts awarded in the Capital Projects Fund that were not encumbered on the district's financial records. The financial statements have been adjusted to reflect these encumbrances for the contracts awarded in the Capital Projects Fund.

Current Status

Corrective action has been taken.

Finding 2009-2

Our audit of the Capital Projects Fund revealed that a school improvement authorization was adopted by the City on the behalf of the district. The financial transactions related to the new school improvement authorization was not recorded in the Capital Projects Fund. The financial statements have been adjusted to reflect the school improvement authorization.

Current Status

Corrective action has been taken.