

**SUMMIT
PUBLIC SCHOOLS**



**Summit Public Schools
Summit, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

Annual Comprehensive Financial Report

of the

**Summit
Public Schools**

Summit, New Jersey

For the Fiscal Year Ended June 30, 2024



Prepared by

**Summit Public Schools
Board Office**

Finance Department

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INTRODUCTORY SECTION
(UNAUDITED)



SUMMIT PUBLIC SCHOOLS

Board of Education • 14 Beekman Terrace • Summit New Jersey 07901-1702 • 908-273-3025

Derek J. Jess, RSBA, School Business Administrator/Board Secretary

October 28, 2024

The Honorable President and Members of
the Board of Education and Citizens
Summit Public Schools
County of Union, New Jersey

Dear Board Members and Citizens:

It is with pleasure that we submit the Annual Comprehensive Financial Report (ACFR) of the Summit Public Schools (the "District") for the fiscal year ended June 30, 2024. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

Generally Accepted Accounting Principles require 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). The transmittal letter is designed to be read in conjunction with the MD&A. The MD&A section provides an overview of factors that impact the District's financial position.

1) **REPORTING ENTITY AND ITS SERVICES:** The Summit Public Schools District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Summit Public Schools District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for impaired and disabled students.

2) ENROLLMENT: The District completed the 2023-2024 school year with an enrollment of 4,032 students, representing an increase of 1.4%, or 54 students, more compared to the previous year's enrollment.

3) SCHOOLS BUILDINGS AND CAPITAL IMPROVEMENTS: The District's buildings were built in the following years: Brayton (1911), Franklin (1927), Jefferson (1931), Jefferson Primary (2008), Lincoln-Hubbard (1953), Washington (1922), Wilson Primary Center (2008), Lawton C. Johnson Summit Middle School (1922) and Summit High School (1962).

4) ECONOMIC CONDITION AND OUTLOOK: Summit, a Union County treasure, has over 22,000 residents comprised of an international group speaking 40 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.

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 – With 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 ahead of its time, Summit was the first city to bury utility wires underground. 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 parking all within short walking distances.

Education Remains a Priority – 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.

4) ECONOMIC CONDITION AND OUTLOOK: (Cont'd)

For the Class of 2024, several points are noteworthy:

During the 2022-2023 school year, students enrolled in AP courses were required to take the AP exam in that course. There were 1,186 exams taken by 426 students in May 2024. This year we had 406 students earn a score of 3 or better on at least one of their AP Exams (95.3%).

There were 242 students identified for their excellent performance on AP exams. 84 students earned the honor of AP Scholar (average AP score of 3.53). These students earned a score of 3 or higher on three or more AP exams during their time in high school.

37 students were recognized as an AP Scholar with Honors (average AP score of 3.89). These students earned a score of 3 or higher on four or more AP exams.

121 students were recognized as AP Scholars with Distinction (average AP score of 4.35) for earning a score of 3 or higher on five or more AP exams.

New for the 2023-2024 school year, Summit High School earned a Silver Award on the AP School Honor Roll. The AP School Honor Roll recognizes schools that have done outstanding work to welcome more students into the AP courses and support them on the path to college success.

The percentage of students pursuing further education (94.1%).

- 87.8% are attending four-year institutions and 6.3% are attending two-year institutions.
- The performance on SAT testing remained significantly above state and national levels.

Summit's public education system includes two Primary Center Facilities, Jefferson and Wilson, which house students in grades Pre-K and K and were opened to the community in the 2008-09 school year to accommodate increased enrollment growth.

In addition, the district contains five elementary schools (Brayton, Franklin, Jefferson, Lincoln Hubbard and Washington) which house students in grades 1 – 5; Lawton C. Johnson Summit Middle School, which houses students in grades 6-8 and Summit High School, which houses students in grades 9-12 and rounds out the complement of nine schools providing a top-rated education and state-of-the-art school facilities for Summit's children.

5) MAJOR INITIATIVES: During the 2023-24 school year, the district continued to focus on the STEAM Initiative which began in the 2022-2023 school year. Through our expanded Science curriculum with a focus on STEAM, the district continues to ensure that our students have access to the most recent innovations, ideas, and materials to foster critical thinking, imagination and to show students what is available to them. STEAM education offers students one of the best opportunities to make sense of the world holistically rather than in bits and pieces. STEAM education removes the traditional barriers erected between the four disciplines and integrates them into one cohesive teaching and learning paradigm.

5) MAJOR INITIATIVES (Cont'd): During the 2023-24 school year, the district began construction on additions to the Lawton C. Johnson Summit Middle School and Summit High School. These additions, which are part of the district's \$37,429,555 bond project, will enhance the district's educational programs at the high school and middle school levels. The project will house new STEAM Innovation Labs, a new industrial arts lab, a student wellness center, an expanded cafeteria and new kitchen, new learning labs and enhanced security area, renovated and realignment of existing classrooms, the installation of HVAC throughout the building and a renovation of the athletic field and track at the middle school. At Summit High School, the addition will be constructed to house new STEAM Innovation Labs, as well as the TV studio, additional learning and collaboration spaces. The existing media center will be renovated and the lower high school athletic field will be renovated to include a multi-use turf field and a new fence/facade fronting Morris Avenue. Tatlock Field House will receive a face-lift to include additional spaces for use by district athletic teams, gym classes and the community. The last part of the bond project will be the installation of new windows and lintels at Brayton Elementary School's original wing. Upon completion of this project, Summit Public Schools will cement its place at the forefront of education in the State of New Jersey.

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

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

7) ACCOUNTING SYSTEM BUDGETARY CONTROLS: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report.

The District's accounting records include an expanded minimum chart of accounts using dimensions to define area and location. Board approval for most budgetary transfers is required at the state minimum level, which is the dimension object within program. Additional approval from the New Jersey State Department of Education is required for transfers from unassigned fund balance, all transfers from any account line that on a cumulative basis exceed 10% of the budgeted appropriations, transfers to General Administration, School Administration, Central Services and Administrative Information Technology account lines that on a cumulative basis exceed 10% of the budgeted appropriations and any transfer to capital outlay except for equipment.

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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2024.

7) ACCOUNTING SYSTEM BUDGETARY CONTROLS (Cont'd): 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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

The District's budget is developed annually by the administration with input from all stakeholders in the District. Once compiled, it is presented to the District's Board of Education and the New Jersey Department of Education's Executive County Superintendent of Schools in March of each year. It is then advertised for public input and a budget hearing is scheduled. Public comment at the hearing may result in modifications. The final budget must be posted to the District's website forty-eight hours after the public hearing.

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 Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

9) DEBT ADMINISTRATION: Summit is a Type I school district and component unit of the City of Summit. All debt associated with school improvements is authorized and issued by the City of Summit.

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

11) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds. Workers' compensation insurance coverage is provided, in conjunction with a group of other school districts, through a joint insurance fund. A schedule of insurance coverage is found on Exhibit J-20.

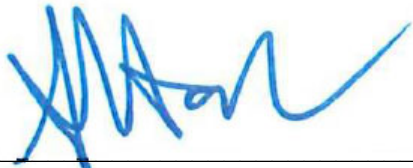
12) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes,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

The Honorable President and Members of
the Board of Education
Summit Public Schools
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October 28, 2024

13) AWARDS AND ACKNOWLEDGMENTS: The Association of School Business Officials (ASBO) awarded a Certificate of Achievement and Excellence in Financial Reporting to the Summit Public Schools for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the twelfth straight year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized ACFR. This report satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

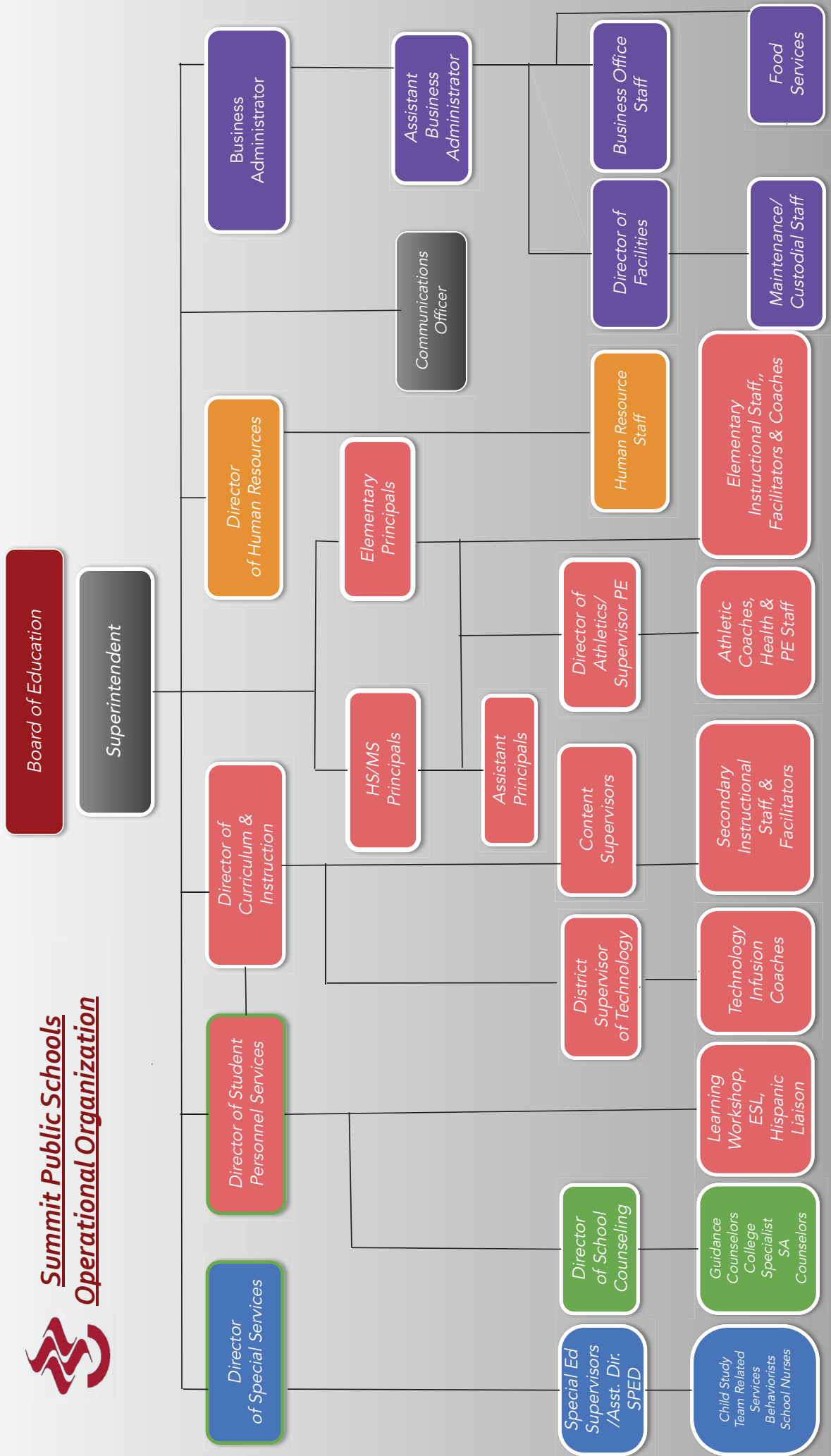
Respectfully submitted,



Scott Hough
Superintendent of Schools



Derek J. Jess
Business Administrator/Board Secretary



**SUMMIT PUBLIC SCHOOLS
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Walidah Justice, President	2027
Melanie Cohn, Vice President	2027
Yon Cho	2026
Jennifer Erday	2025
Eileen P. Kelly	2026
J. Carlos Mahecha	2027
Kelly Stanton	2025

<u>Other Officers</u>	<u>Title</u>
Mr. Scott Hough	Superintendent of Schools
Mr. Derek J. Jess	School Business Administrator/Board Secretary
Mrs. Kathy Sarno, CPA	Assistant School Business Administrator
Ms. Tammie Baldwin	Treasurer of School Monies
Mr. Vito Gagliardi, Jr., Esq.	

SUMMIT PUBLIC SCHOOLS
Consultants and Advisors

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, NJ 07856-1320

Attorneys

Porzio, Bromberg & Newman
100 Southgate Parkway
Morristown, NJ 07962

Comegno Law Group, P.C.
521 Pleasant Valley Avenue
Moorestown, NJ 08057

Chasan Lamparello Mallon & Cappuzzo
300 Lighting Way, Suite 300
Secaucus, NJ 07094

Architects of Record

EI Associates
8 Ridgedale Avenue
Cedar Knolls, NJ 07927

Parette Somjen Architects, LLC
439 Route 46 East
Rockaway, NJ 07866

Official Depository

Citizens Bank
51 JFK Parkway
Short Hills, NJ 07078



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Summit Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Summit Public Schools
County of Union, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Summit Public Schools (the “District”), in the County of Union, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

October 28, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA LLP

Kathryn L. Mantell
Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section of Summit Public School's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

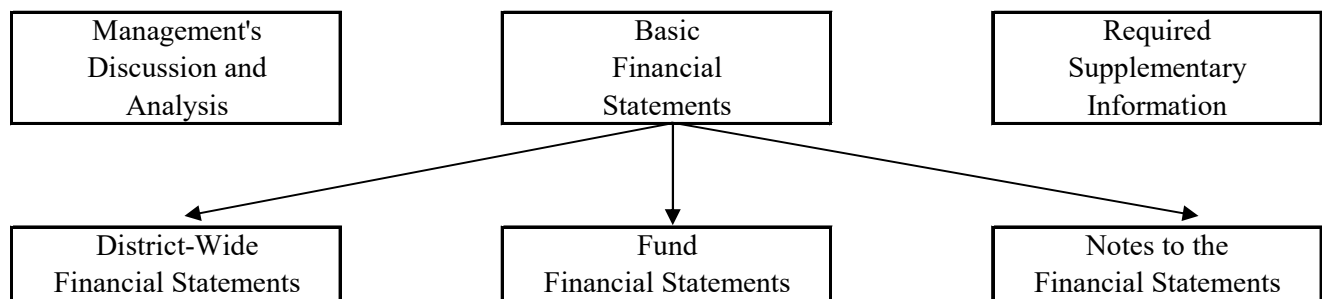
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

Figure A-1

Organization of the School District's Financial Report



**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$10,657,981. Net position from governmental activities increased by \$10,479,917 and net position from business-type activities increased by \$178,064. Net investment in capital assets increased by \$9,336,891, restricted net position increased by \$430,295, and unrestricted net position increased by \$890,795.

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Current and							
Other Assets	\$ 17,056,145	\$ 16,632,653	\$ 927,318	\$ 736,288	\$ 17,983,463	\$ 17,368,941	
Capital Assets, Net	46,780,061	37,604,521	116,764	115,513	46,896,825	37,720,034	
Lease Assets, Net	642,905	845,932			642,905	845,932	
Total Assets	<u>64,479,111</u>	<u>55,083,106</u>	<u>1,044,082</u>	<u>851,801</u>	<u>65,523,193</u>	<u>55,934,907</u>	17.14%
Deferred Outflows of Resources	<u>2,632,074</u>	<u>3,503,688</u>			<u>2,632,074</u>	<u>3,503,688</u>	-24.88%
Other Liabilities	2,897,840	3,392,672	268,940	254,723	3,166,780	3,647,395	
Long-Term Liabilities	20,881,891	20,814,284			20,881,891	20,814,284	
Total Liabilities	<u>23,779,731</u>	<u>24,206,956</u>	<u>268,940</u>	<u>254,723</u>	<u>24,048,671</u>	<u>24,461,679</u>	-1.69%
Deferred Inflows of Resources	<u>1,313,091</u>	<u>2,841,392</u>			<u>1,313,091</u>	<u>2,841,392</u>	-53.79%
Net Position:							
Net Investment in							
Capital Assets	46,588,995	37,253,355	116,764	115,513	46,705,759	37,368,868	
Restricted	12,072,203	11,641,908			12,072,203	11,641,908	
Unrestricted/(Deficit)	<u>(16,642,835)</u>	<u>(17,356,817)</u>	<u>658,378</u>	<u>481,565</u>	<u>(15,984,457)</u>	<u>(16,875,252)</u>	
Total Net Position	<u>\$ 42,018,363</u>	<u>\$ 31,538,446</u>	<u>\$ 775,142</u>	<u>\$ 597,078</u>	<u>\$ 42,793,505</u>	<u>\$ 32,135,524</u>	33.17%

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Net Position. The District's combined net position was \$42,793,505 on June 30, 2024, an increase of \$10,657,981 or 33.17% over the previous year (see Figure A-3). Net position in the Governmental Activities increased due primarily to the maturity of long term liabilities, capital assets additions offset by depreciation expense, an increase in excess surplus, an increase in encumbrances, and changes in net pension liability and related deferred outflows and inflows; offset by an increase in compensated absences, an increase in designated for subsequent year's expenditures and a decrease in the capital and maintenance reserves. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,096,514	\$ 1,461,770	\$ 1,970,995	\$ 1,724,180	\$ 3,067,509	\$ 3,185,950	
Operating Grants and Contributions	20,581,445	22,742,131	625,859	797,798	21,207,304	23,539,929	
Capital Contribution	1,052,077	37,125			1,052,077	37,125	
General Revenue:							
Property Taxes	71,131,283	69,767,778			71,131,283	69,767,778	
Unrestricted State and Federal Aid	392,352	391,723			392,352	391,723	
City Improvement Authorization	10,679,185	1,555,845			10,679,185	1,555,845	
Other	779,442	373,001	19,979	15,907	799,421	388,908	
Total Revenue	<u>105,712,298</u>	<u>96,329,373</u>	<u>2,616,833</u>	<u>2,537,885</u>	<u>108,329,131</u>	<u>98,867,258</u>	9.57%
Expenses:							
Instruction	60,945,376	60,389,018			60,945,376	60,389,018	
Pupil/Instruction Services	16,747,483	14,454,695			16,747,483	14,454,695	
Administrative & Business	8,537,929	8,175,990			8,537,929	8,175,990	
Maintenance & Operations	7,530,041	7,162,416			7,530,041	7,162,416	
Transportation	1,471,552	1,445,063			1,471,552	1,445,063	
Other			2,438,769	2,277,631	2,438,769	2,277,631	
Total Expenses	<u>95,232,381</u>	<u>91,627,182</u>	<u>2,438,769</u>	<u>2,277,631</u>	<u>97,671,150</u>	<u>93,904,813</u>	4.01%
Increase/(Decrease) in Net Position	<u>\$ 10,479,917</u>	<u>\$ 4,702,191</u>	<u>\$ 178,064</u>	<u>\$ 260,254</u>	<u>\$ 10,657,981</u>	<u>\$ 4,962,445</u>	114.77%

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs while experiencing changes in enrollment, combined with rising salary and benefits costs, places great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health. The District will continue its practice of examining all expenses carefully and being mindful that increasing parental and student demands for new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of five major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

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

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2023/24	2023/24	2022/23	2022/23
Instruction	\$ 60,945,376	\$ 44,564,133	\$ 60,389,018	\$ 42,749,473
Pupil and Instruction Services	16,747,483	12,397,327	14,454,695	9,193,510
Administrative and Business	8,537,929	7,794,878	8,175,990	7,331,772
Maintenance and Operations	7,530,041	6,477,964	7,162,416	6,869,521
Transportation	1,471,552	1,268,043	1,445,063	1,241,880
	<u>\$ 95,232,381</u>	<u>\$ 72,502,345</u>	<u>\$ 91,627,182</u>	<u>\$ 67,386,156</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$178,064 (Refer to Figure A-4). Factors contributing to these results included:

- Food Service Fund revenue exceeded expenses by \$170,859, which was primarily due to an increase in daily sales.
- Summer FLASH program revenue exceeded expenses by \$7,205, which was primarily due to an increase in program fees.

Financial Analysis of the District's Funds

Total fund balance in the District's Governmental Funds increased \$1,070,699. The fund balance in the District's General Fund increased \$637,480 on the GAAP basis during the fiscal year primarily due to \$4,677,851 of unexpended appropriations and excess revenue of \$311,717; offset by \$2,658,909 included as anticipated budget revenue for the fiscal year ending June 30, 2024 and \$1,629,000 of budgeted withdrawals from Capital and Maintenance Reserves. The fund balance in the District's Special Revenue Fund decreased \$131,929 due to decreases in student activities and scholarship funds.

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Financial Analysis of the District's Funds (Cont'd)

The fund balance in the District's Capital Projects Fund increased \$565,148 due to the recognition of NJ Clean Energy program grant receipts. The State imposes spending and tax levy limits on the District in its budget process. At year end, the District's 2% limit is \$1,537,811 as the maximum General Fund unassigned fund balance.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment. The District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations.

Capital Asset and Long-Term Liabilities Administration

The District's capital assets increased by \$9,176,791 or 24.33% - as shown in Figure A-6. (More detailed information about the District's capital assets is presented in Note 8 to the financial statements.)

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
Sites	\$ 1,758,660	\$ 1,758,660			\$ 1,758,660	\$ 1,758,660	
Construction in Progress	16,165,289	4,999,175			16,165,289	4,999,175	
Site Improvements	2,605,742	2,916,659			2,605,742	2,916,659	
Buildings & Building Improvements	24,505,729	26,838,648			24,505,729	26,838,648	
Machinery and Equipment	1,744,641	1,091,379	\$ 116,764	\$ 115,513	1,861,405	1,206,892	
Total Capital Assets, Net	<u>\$ 46,780,061</u>	<u>\$ 37,604,521</u>	<u>\$ 116,764</u>	<u>\$ 115,513</u>	<u>\$ 46,896,825</u>	<u>\$ 37,720,034</u>	24.33%

During the fiscal year, the District acquired or constructed \$12,104,233 (\$12,089,908 from its governmental activities and \$14,325 from its business-type activities) in capital asset additions which was offset by current year depreciation of \$2,927,442 (\$2,914,368 from its governmental activities and \$13,074 from its business-type activities).

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Long-term Liabilities

The District's long-term liabilities increased by \$67,607 or 0.32% – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 10 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	<u>Total School District</u>		Percentage Change
	<u>2023/24</u>	<u>2022/23</u>	<u>2023/24</u>
Net Pension Liability	\$ 16,513,280	\$ 17,458,610	
Other Long-Term Liabilities	<u>4,368,611</u>	<u>3,355,674</u>	
	<u>\$ 20,881,891</u>	<u>\$ 20,814,284</u>	0.32%

During the fiscal year,

- The District made annual principal payments of \$195,731 and \$167,396 in leases and financed purchases payable.
- Compensated absences payable increased by a net amount of \$1,376,064.
- The District's Net pension liability decreased by \$945,330.

Factors Bearing on the District's Future Revenue/Expense Changes

The District is unaware of any significant factors bearing on the District's future revenue/expenses.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Summit Public Schools Board of Education, 14 Beekman Terrace, Summit, New Jersey 07901. Please visit our website at <http://www.summit.k12.nj.us>.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SUMMIT PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 8,488,948	\$ 875,550	\$ 9,364,498
Internal Balances	(497)	497	
Receivables from State Government	634,649	1,471	636,120
Receivables from Federal Government	701,506	17,265	718,771
Receivables from Other Governments	78,143		78,143
Other Accounts Receivables	87,396		87,396
Inventories		32,535	32,535
Restricted Cash and Cash Equivalents	7,066,000		7,066,000
Capital Assets, Net:			
Sites (Land) and Construction in Progress	17,923,949		17,923,949
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	28,856,112	116,764	28,972,876
Lease Assets, net	642,905		642,905
Total Assets	64,479,111	1,044,082	65,523,193
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Outflows Related to Pensions	955,956		955,956
District Contribution Subsequent to the Measurement Date - Pensions	1,676,118		1,676,118
Total Deferred Outflows of Resources	2,632,074		2,632,074
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,085,480	47,411	2,132,891
Payable to State Government	103,965		103,965
Accrued Liability for Insurance Claims	42,289		42,289
Unearned Revenue	666,106	221,529	887,635
Noncurrent Liabilities:			
Due Within One Year	465,780		465,780
Due Beyond One Year	20,416,111		20,416,111
Total Liabilities	23,779,731	268,940	24,048,671
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,313,091		1,313,091
Total Deferred Inflows of Resources	1,313,091		1,313,091
<u>NET POSITION</u>			
Net Investment in Capital Assets	46,588,995	116,764	46,705,759
Restricted for:			
Capital Projects	4,499,660		4,499,660
Maintenance	1,295,271		1,295,271
Emergency	151		151
Unemployment Compensation	754,506		754,506
Excess Surplus	5,006,203		5,006,203
Student Activities	397,922		397,922
Scholarships	118,490		118,490
Unrestricted/(Deficit)	(16,642,835)	658,378	(15,984,457)
Total Net Position	\$ 42,018,363	\$ 775,142	\$ 42,793,505

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

SUMMIT PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 44,783,407	\$ 74,993	\$ 9,575,653		\$ (35,132,761)		\$ (35,132,761)
Special Education	11,595,832	343,183	5,878,323		(5,374,326)		(5,374,326)
Other Special Instruction	2,458,745		486,668		(1,972,077)		(1,972,077)
Other Instruction	2,107,392		22,423		(2,084,969)		(2,084,969)
Support Services:							
Tuition	2,616,485		862,055		(1,754,430)		(1,754,430)
Student and Instruction Related Services	14,130,998	678,338	2,809,763		(10,642,897)		(10,642,897)
General Administrative Services	1,565,978		74,040		(1,491,938)		(1,491,938)
School Administrative Services	4,659,831		560,995		(4,098,836)		(4,098,836)
Central Services	1,589,792		108,016		(1,481,776)		(1,481,776)
Administrative Information Technology	722,328				(722,328)		(722,328)
Plant Operations and Maintenance	7,530,041			\$ 1,052,077	(6,477,964)		(6,477,964)
Pupil Transportation	1,471,552		203,509		(1,268,043)		(1,268,043)
Total Governmental Activities	95,232,381	1,096,514	20,581,445	1,052,077	(72,502,345)		(72,502,345)
Business-Type Activities:							
Food Service	2,287,399	1,821,861	625,859		\$ 160,321		160,321
Summer FLASH Program	151,370	149,134			(2,236)		(2,236)
Total Business-Type Activities	2,438,769	1,970,995	625,859		158,085		158,085

SUMMIT PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	\$ 97,671,150	\$ 3,067,509	\$ 21,207,304	\$ 1,052,077	\$ (72,502,345)	\$ 158,085	\$ (72,344,260)
General Revenues:							
Taxes:							
					71,131,283		71,131,283
					392,352		392,352
					10,679,185		10,679,185
					448,651	19,979	468,630
					330,791		330,791
Total General Revenues					82,982,262	19,979	83,002,241
Change in Net Position					10,479,917	178,064	10,657,981
Net Position - Beginning					31,538,446	597,078	32,135,524
Net Position - Ending					\$ 42,018,363	\$ 775,142	\$ 42,793,505

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

FUND FINANCIAL STATEMENTS

SUMMIT PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 8,360,004		\$ 128,944	\$ 8,488,948
Interfund Receivable	222,004			222,004
Receivables From State Government	613,650	\$ 20,999		634,649
Receivables From Federal Government		701,506		701,506
Receivables From Other Governments	78,143			78,143
Other Accounts Receivable		87,396		87,396
Restricted Cash and Cash Equivalents	6,549,588	516,412		7,066,000
Total Assets	\$ 15,823,389	\$ 1,326,313	\$ 128,944	\$ 17,278,646
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 497	\$ 222,004		\$ 222,501
Accounts Payable	242,061	162,676	\$ 4,625	409,362
Accrued Liability for Insurance Claims	42,289			42,289
Payable to State Government		103,965		103,965
Unearned Revenue	344,850	321,256		666,106
Total Liabilities	629,697	809,901	4,625	1,444,223
Fund Balances:				
Restricted:				
Capital Reserve	4,499,660			4,499,660
Maintenance Reserve	1,295,271			1,295,271
Emergency Reserve	151			151
Unemployment Compensation	754,506			754,506
Excess Surplus - For 2025-2026	2,483,724			2,483,724
Excess Surplus - For 2024-2025	2,522,479			2,522,479
Student Activities		397,922		397,922
Scholarships		118,490		118,490
Committed:				
Capital Projects			124,319	124,319
Assigned:				
Other Purposes	1,058,622			1,058,622
Designated for Subsequent Year's Expenditures	1,500,000			1,500,000
Unassigned	1,079,279			1,079,279
Total Fund Balances / (Deficit)	15,193,692	516,412	124,319	15,834,423
Total Liabilities and Fund Balances	\$ 15,823,389	\$ 1,326,313	\$ 128,944	\$ 17,278,646

SUMMIT PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Total Fund Balances from previous page	\$ 15,834,423
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	46,780,061
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	642,905
Long-Term Liabilities, including the Net Pension Liability for PERS, Leases Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(20,881,891)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the Statement of Net Position.	(1,676,118)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds	
Deferred Outflows Related to Pensions	2,632,074
Deferred Inflows Related to Pensions	(1,313,091)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 42,018,363</u>

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

SUMMIT PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 71,131,283			\$ 71,131,283
Tuition from Individuals	74,993			74,993
Tuition from Other LEAs	343,183			343,183
Interest Earned on Capital Reserve Funds	54,003			54,003
Restricted Miscellaneous Revenue	52,786	\$ 690,595		743,381
Unrestricted Miscellaneous Revenue	672,653	1,180,239		1,852,892
Total - Local Sources	72,328,901	1,870,834		74,199,735
State Sources	24,223,498	746,833		24,970,331
Federal Sources	48,984	2,293,494	\$ 1,052,077	3,394,555
Total Revenues	96,601,383	4,911,161	1,052,077	102,564,621
EXPENDITURES:				
Current:				
Regular Instruction	27,027,352	1,772,235		28,799,587
Special Education Instruction	7,960,050	33,421		7,993,471
Other Special Instruction	1,487,627			1,487,627
School-Sponsored/Other Instruction	1,645,083			1,645,083
Support Services and Undistributed Costs:				
Tuition	1,754,430	862,055		2,616,485
Student/Other Instruction Related Services	7,667,805	2,029,791		9,697,596
General Administrative Services	1,228,069			1,228,069
School Administrative Services	3,118,527			3,118,527
Central Services	1,166,783			1,166,783
Administrative Information Technology	623,242			623,242
Plant Operations and Maintenance	6,265,306			6,265,306
Student Transportation	1,406,991			1,406,991
Unallocated Benefits	33,927,120			33,927,120
Capital Outlay	685,518	345,588	11,166,114	12,197,220
Total Expenditures	95,963,903	5,043,090	11,166,114	112,173,107
Excess/(Deficit) of Revenue Over/(Under) Expenditures	637,480	(131,929)	(10,114,037)	(9,608,486)
Other Financing Sources/(Uses):				
City Improvement Authorization			10,679,185	10,679,185
Total Other Financing Sources/(Uses)			10,679,185	10,679,185
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	637,480	(131,929)	565,148	1,070,699
Fund Balance (Deficit) - July 1	14,556,212	648,341	(440,829)	14,763,724
Fund Balance - June 30	\$ 15,193,692	\$ 516,412	\$ 124,319	\$ 15,834,423

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

SUMMIT PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)	\$ 1,070,699
Amounts reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are different because:	
Capital outlays related to capital assets are reported in Governmental Funds as expenditures.	
However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.	
	9,175,540
	(203,027)
Repayment of leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.	195,731
Repayment of financed purchases is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	167,396
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	(1,376,064)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	945,330
Changes in Deferred Outflows and Inflows Related to Pensions	504,312
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 10,479,917</u>

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

SUMMIT PUBLIC SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 670,975	\$ 204,575	\$ 875,550
Interfund Receivable	497		497
Intergovernmental Accounts Receivable:			
State	1,471		1,471
Federal	17,265		17,265
Inventories	32,535		32,535
Total Current Assets	722,743	204,575	927,318
Non-Current Assets:			
Capital Assets	871,429		871,429
Less: Accumulated Depreciation	(754,665)		(754,665)
Total Non-Current Assets	116,764		116,764
Total Assets	839,507	204,575	1,044,082
LIABILITIES:			
Current Liabilities:			
Accounts Payable	47,411		47,411
Unearned Revenue - Donated Commodities	2,000		2,000
Unearned Revenue - Prepaid Sales	52,222		52,222
Unearned Revenue - Prepaid Tuition		167,307	167,307
Total Current Liabilities	101,633	167,307	268,940
Total Liabilities	101,633	167,307	268,940
NET POSITION:			
Investment in Capital Assets	116,764		116,764
Unrestricted	621,110	37,268	658,378
Total Net Position	\$ 737,874	\$ 37,268	\$ 775,142

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

SUMMIT PUBLIC SCHOOLS
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 855,776		\$ 855,776
Non-Reimbursable Programs	921,328		921,328
Program Fees		\$ 149,134	149,134
Miscellaneous Revenue	44,757		44,757
Total Operating Revenue	1,821,861	149,134	1,970,995
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	514,331		514,331
Non-Reimbursable Programs	580,628		580,628
Salaries	649,986	133,037	783,023
Employee Benefits	220,915	10,177	231,092
Purchased Professional Technical Services	10,389		10,389
Other Purchased Services	181,889		181,889
Supplies and Materials	116,187	6,456	122,643
Miscellaneous Expenses		1,700	1,700
Depreciation Expense	13,074		13,074
Total Operating Expenses	2,287,399	151,370	2,438,769
Operating Loss	(465,538)	(2,236)	(467,774)
Non-Operating Revenue:			
Local Sources:			
Interest Income	10,538	9,441	19,979
State Sources:			
State School Lunch Program	22,298		22,298
State School Lunch Program - NJEIE	8,250		8,250
State School Breakfast Program	347		347
State School Breakfast Program - NJEIE	353		353
Federal Sources:			
National School Lunch Program	362,786		362,786
School Breakfast Program	15,592		15,592
P-EBT Reimbursement	653		653
Supply Chain Assistance	127,750		127,750
Local Food for Schools (LFS) Cooperative Program	3,855		3,855
Food Distribution Program	83,975		83,975
Total Non-Operating Revenue	636,397	9,441	645,838
Change in Net Position	170,859	7,205	178,064
Net Position - Beginning of Year	567,015	30,063	597,078
Net Position - End of Year	\$ 737,874	\$ 37,268	\$ 775,142

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

SUMMIT PUBLIC SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,810,021	\$ 175,386	\$ 1,985,407
Payments to Food Service Management Company	(2,116,324)		(2,116,324)
Payments to/for Employees		(143,214)	(143,214)
Payments to Suppliers	(35,289)	(8,156)	(43,445)
Net Cash Provided by/(Used for) Operating Activities	(341,592)	24,016	(317,576)
Cash flows from Investing Activities:			
Interest Income	10,538	9,441	19,979
Net Cash Provided by Investing Activities	10,538	9,441	19,979
Cash flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(14,325)		(14,325)
Net Cash (Used for) Capital and Related Financing Activities	(14,325)		(14,325)
Cash Flows from Noncapital Financing Activities:			
State Sources	30,789		30,789
Federal Sources	479,547		479,547
Net Cash Provided by Noncapital Financing Activities	510,336		510,336
Net Increase in Cash and Cash Equivalents	164,957	33,457	198,414
Cash and Cash Equivalents, July 1	506,018	171,118	677,136
Cash and Cash Equivalents, June 30	<u>\$ 670,975</u>	<u>\$ 204,575</u>	<u>\$ 875,550</u>
Adjustment to Reconcile Operating Loss			
Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (465,538)	\$ (2,236)	\$ (467,774)
Adjustment to Reconcile Operating Loss to Net			
Cash Provided by/(Used for) Operating Activities:			
Depreciation	13,074		13,074
Food Distribution Program	83,975		83,975
Changes in Assets and Liabilities:			
Increase in Accounts Payable	33,804		33,804
(Decrease) in Unearned Revenue - Donated Commodities	(38)		(38)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Tuition	(11,840)	26,252	14,412
Decrease in Inventory	4,971		4,971
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (341,592)</u>	<u>\$ 24,016</u>	<u>\$ (317,576)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$83,937 and utilized U.S.D.A. Commodities valued at \$83,975.

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer’s share of payroll taxes, compensated absences and tuition reimbursements.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the City of Summit and from aid provided by the state to offset the cost of approved capital projects. There is a project partially financed with capital reserve funds.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of revenue from the City bond ordinances. Ordinance revenue is recognized in full in the year the ordinances are authorized on the budgetary basis, but are not recognized on the GAAP basis until funds are expended and submitted for reimbursement from the City.

The Capital Projects Fund budgetary revenue also differs from GAAP revenue due to a difference in the recognition of NJ Clean Energy program grants. Grants are recognized in full in the year the grants are awarded on the budgetary basis; but are not recognized on the GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement.

	<u>Capital Projects Fund</u>	
	<u>Revenue and Other Financing Sources</u>	<u>Fund Balance</u>
Revenue and Other Financing Sources/Fund Balance	\$ 3,184,850	\$ 29,229,642
City and Grant Revenue/Receivable		
Recognized/Not Recognized on the GAAP Basis	<u>8,546,412</u>	<u>(29,105,323)</u>
Revenue and Other Financing Sources/Fund		
Balance per Governmental Funds (GAAP)	<u>\$ 11,731,262</u>	<u>\$ 124,319</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 96,665,562	\$ 4,958,436
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(56,273)
Prior Year Encumbrances		8,998
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	394,353	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(458,532)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 96,601,383</u>	<u>\$ 4,911,161</u>
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 95,963,903	\$ 5,090,365
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(56,273)
Prior Year Encumbrances		8,998
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 95,963,903</u>	<u>\$ 5,043,090</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

F. Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

H. Encumbrances

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

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

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

I. Short-term Interfund Receivables/Payables

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

J. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

K. Capital Assets

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

K. Capital Assets (Cont'd)

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

L. Lease Assets

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

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities

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

O. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages related to this as of June 30, 2024.

P. Compensated Absences

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

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

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Q. Lease Payable

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

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

T. Fund Balance Appropriated

General Fund: Of the \$15,193,692 General Fund balance at June 30, 2024, \$1,058,622 is assigned for year-end encumbrances; \$1,500,000 is assigned and included as anticipated budget revenue for the fiscal year ending June 30, 2025; \$4,499,660 is restricted in the capital reserve account; \$1,295,271 is restricted in the maintenance reserve account; \$151 is restricted in the emergency reserve account; \$754,506 is restricted for unemployment compensation; \$2,522,479 is restricted as prior year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025; \$2,483,724 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2026; and \$1,079,279 is unassigned, which is \$458,532 less than the calculated unassigned fund balance, on a GAAP basis, due to the last two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: Of the \$516,412 Special Revenue Fund balance at June 30, 2024, \$397,922 is restricted for student activities and \$118,490 is restricted for scholarships.

Capital Projects Fund: The Capital Projects Fund balance of \$124,319 fund balance at June 30, 2024 is committed, which is \$29,105,322 less on a GAAP basis due to receivables from the City of Summit and the NJ Clean Energy Program grant which are not recognized on a GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursements.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus as outlined above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

T. Fund Balance Appropriated (Cont'd)

Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position/Fund Balance

The District has a deficit in unrestricted net position of \$16,642,835 in its governmental activities, which is primarily due to deferred inflows, outflows and liabilities related to pensions and compensated absences. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

V. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources related to pensions at June 30, 2024.

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

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

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

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

W. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for capital, maintenance and emergency reserves, excess surplus, student activities, scholarships and unemployment compensation.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund on a budgetary basis at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

X. Revenue - Exchange and Nonexchange Transactions

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

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

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Y. Operating Revenue and Expenses

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. These revenues are sales for Food Service, and program fees for the Summer FLASH program. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

Z. Management Estimates

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the investment section of this note.

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

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

Investments: (Cont'd)

(8) Agreements for the repurchase of fully collateralized securities if:

- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
- (b) the custody of collateral is transferred to a third party;
- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
- (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>		
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Checking/Money Market Accounts	\$ 2,131,794	\$ 7,066,000	\$ 9,197,794
NJ Cash Management Fund	3,079,653		3,079,653
NJ Asset and Rebate Management Program (NJ ARM)	4,153,051		4,153,051
	<u>\$ 9,364,498</u>	<u>\$ 7,066,000</u>	<u>\$ 16,430,498</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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

During the period ended June 30, 2024, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024, was \$16,430,498 and the bank balance was \$21,088,963. The balance of \$4,153,051 in NJ ARM and the balance of \$3,079,653 in the NJ Cash Management Fund are uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes 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-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2023	\$ 5,785,204
Add: Interest Earnings	54,003
Return of Unexpended Balance from Capital Outlay	125,453
Less: Budgeted Withdrawal to Capital Outlay	<u>(1,465,000)</u>
Ending Balance, June 30, 2024	<u><u>\$ 4,499,660</u></u>

The balance in the capital reserve account at June 30, 2024 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP. Withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 5. MAINTENANCE RESERVE (Cont'd)

Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2023	\$ 1,459,271
Less: Budgeted Withdrawal	<u>(164,000)</u>
Ending Balance, June 30, 2024	<u>\$ 1,295,271</u>

NOTE 6. EMERGENCY RESERVE

An emergency reserve account was established by Board resolution for the accumulation of funds for use as unanticipated general fund expenditures in subsequent fiscal years. The emergency reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-4lc(1) to finance unanticipated General Fund expenditures required for a through and efficient education. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the General Fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution between June 1st and June 30th of any unanticipated revenue or unexpended line-item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)l.

Beginning Balance, July 1, 2023	\$ 151
Ending Balance, June 30, 2024	<u>\$ 151</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred \$16,000 to the capital outlay accounts, all of which was for equipment and did not require County Superintendent approval.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,758,660			\$ 1,758,660
Construction in Progress	4,999,175	\$ 11,166,114		16,165,289
Total Capital Assets Not Being Depreciated	<u>6,757,835</u>	<u>11,166,114</u>		<u>17,923,949</u>
Capital Assets Being Depreciated:				
Site Improvements	8,420,209			8,420,209
Buildings and Building Improvements	76,121,249			76,121,249
Machinery and Equipment	3,926,260	923,794		4,850,054
Total Capital Assets Being Depreciated	<u>88,467,718</u>	<u>923,794</u>		<u>89,391,512</u>
Governmental Activities Capital Assets	<u>95,225,553</u>	<u>12,089,908</u>		<u>107,315,461</u>
Less Accumulated Depreciation for:				
Site Improvements	(5,503,550)	(310,917)		(5,814,467)
Buildings and Building Improvements	(49,282,601)	(2,332,919)		(51,615,520)
Machinery and Equipment	(2,834,881)	(270,532)		(3,105,413)
	<u>(57,621,032)</u>	<u>(2,914,368)</u>		<u>(60,535,400)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 37,604,521</u>	<u>\$ 9,175,540</u>	<u>\$ - 0 -</u>	<u>\$ 46,780,061</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 857,104	\$ 14,325		\$ 871,429
Less Accumulated Depreciation for:				
Machinery and Equipment	(741,591)	(13,074)		(754,665)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 115,513</u>	<u>\$ 1,251</u>	<u>\$ - 0 -</u>	<u>\$ 116,764</u>

The District capitalized \$12,089,908 of expenditures during the fiscal year, which included \$11,166,114 of construction projects in progress. The District has \$29,229,642 in active construction projects, of which \$22,947,112 represents open encumbrances as of June 30, 2024.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,378,089
Special Education Instruction	360,529
Other Special Instruction	55,466
Other Instruction/School Sponsored	83,199
Student and Other Instruction Related Services	379,009
General Administration	55,466
School Administration	138,665
Central Services	55,466
Administrative Information Technology	27,733
Operations and Maintenance of Plant	325,280
Student Transportation	55,466
	<u>\$ 2,914,368</u>

NOTE 9. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Lease Assets Being Amortized:				
Machinery and Equipment	\$ 1,512,734		\$ (497,602)	\$ 1,015,132
Total Lease Assets Being Amortized	<u>1,512,734</u>		<u>(497,602)</u>	<u>1,015,132</u>
Governmental Activities Lease Assets	<u>1,512,734</u>		<u>(497,602)</u>	<u>1,015,132</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(666,802)	\$ (203,027)	497,602	(372,227)
	<u>(666,802)</u>	<u>(203,027)</u>	<u>497,602</u>	<u>(372,227)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 845,932</u>	<u>\$ (203,027)</u>	<u>\$ - 0 -</u>	<u>\$ 642,905</u>

Amortization expense was charged to governmental functions as follows:

Regular Instruction	\$ 168,396
Administrative Information Technology	<u>34,631</u>
	<u>\$ 203,027</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Due Within One Year
Leases Payable	\$ 856,530		\$ 195,731	\$ 660,799	\$ 201,805
Financed Purchases Payable	340,568		167,396	173,172	173,172
Compensated Absences Payable	2,158,576	\$ 1,575,764	199,700	3,534,640	90,803
Net Pension Liability	17,458,610		945,330	16,513,280	
	<u>\$ 20,814,284</u>	<u>\$ 1,575,764</u>	<u>\$ 1,508,157</u>	<u>\$ 20,881,891</u>	<u>\$ 465,780</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the City of Summit by adopting an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City of Summit are general obligation bonds of the City of Summit and are not recorded as debt of the Summit Public Schools.

B. Financed Purchases Payable:

The District has a financed purchase agreement for technology equipment valued at \$810,000, of which \$636,828 has matured and been repaid. The financed purchase agreement is for a term of five years.

The following is a schedule of the future minimum financed purchases payments and the present value of the net minimum financed purchases payments at June 30, 2024.

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 179,146
Less: Amount Representing Interest (2025)	<u>(5,974)</u>
Present Value Net of Minimum Financed Purchases Payments	<u>\$ 173,172</u>

The current portion of financed purchases payable at June 30, 2024 is \$173,172 and the long-term portion is \$-0-. The General Fund will be used to liquidate the financed purchases payable.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. LONG-TERM LIABILITIES (Cont'd)

C. Leases Payable:

The District had leases outstanding as of June 30, 2024 as follows:

<u>Purpose</u>	<u>Commencement Date</u>	<u>Frequency of Payment</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
FY2023 Technology Equipment	09/16/22	Monthly	08/16/27	3.10%	\$ 113,149
FY2023 Copiers	09/10/22	Monthly	08/10/27	3.10%	289,981
FY2023 Copiers	09/10/22	Monthly	08/10/27	3.10%	257,669
					<u>\$ 660,799</u>

Principal and interest due on leases outstanding will be liquidated through the General Fund and are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 201,805	\$ 17,411
2026	208,069	11,147
2027	214,528	4,688
2028	36,397	139
	<u>\$ 660,799</u>	<u>\$ 33,385</u>

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in current and long-term portions. The compensated absences balance of the governmental funds as of June 30, 2024 is \$3,534,640, of which \$90,803 represents the current portion and \$3,443,837 represents the long-term portion. The General Fund will be used to liquidate compensated absences payable. There is no liability for compensated absences in the Proprietary fund types.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$16,513,280. See Note 11 for further information on the PERS.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS

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

A. Public Employees' Retirement System (PERS):

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

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

District contributions to PERS amounted to \$1,523,743 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$51,499 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

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

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

At June 30, 2024, the District reported a liability of \$16,513,280 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.114%, which was a decrease of 0.002% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension expense in the amount of \$141,857 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$51,499 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 89,700
	2020	5.16		816,181
	2021	5.13	\$ 36,276	
	2022	5.04		94,895
			<u>36,276</u>	<u>1,000,776</u>
Changes in Proportion	2019	5.21		20,137
	2020	5.16	107,419	
	2021	5.13	351,910	
	2022	5.04	226,417	
	2023	5.08		224,677
			<u>685,746</u>	<u>244,814</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	255,730	
	2021	5.00	(2,126,771)	
	2022	5.00	2,530,341	
	2023	5.00	(583,254)	
			<u>76,046</u>	
Difference Between Expected and Actual Experience	2019	5.21	6,857	
	2020	5.16	45,472	
	2021	5.13		28,849
	2022	5.04		38,652
	2023	5.08	105,559	
			<u>157,888</u>	<u>67,501</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	1,676,118	
			<u>\$ 2,632,074</u>	<u>\$ 1,313,091</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date of \$1,676,118 be recognized as a reduction of the collective net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(benefit) as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (614,744)
2025	(287,186)
2026	720,913
2027	(173,783)
2028	(2,335)
	<u>\$ (357,135)</u>

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2023				
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)	
District's proportionate share of the Net Pension Liability	\$ 21,496,777	\$ 16,513,280	\$ 12,271,665	

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$12,685,296 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$3,833,317.

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$156,034,619. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.306%, which was a decrease of 0.008% from its proportion measured as of June 30, 2022.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>156,034,619</u>
Total	<u>\$ 156,034,619</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$3,833,317 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	<u>82,066,487</u>	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		\$ 4,866,656
	2017	8.30	\$ 37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	<u>169,161,907</u>	
			<u>658,340,412</u>	<u>83,374,071</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual	2020	5.00	\$ 241,395,539	
Actual Investment Earnings on Pension	2021	5.00	(1,777,316,905)	
Plan Investments	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	<u>56,606,524</u>
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total Net Pension Liability	\$ 183,993,130	\$ 156,034,619	\$ 132,486,907

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$33,440 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$45,557 for the fiscal year ended June 30, 2024.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtained its health benefit coverage through the New Jersey State Health Benefits Program.

Property and Liability Insurance

The District is a member of the Diploma Joint Insurance Fund (the "Fund"). The Fund is a public entity risk management pool that provides general liability coverage, property coverage, automobile coverage, and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The June 30, 2024 audit report is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2023 is as follows:

	<u>Diploma Joint Insurance Fund</u>
Total Assets	\$ 24,319,417
Net Position	\$ 12,869,982
Total Revenue	\$ 12,093,340
Total Expenses	\$ 11,644,354
Change in Net Position	\$ 448,986
Members Dividends	\$ - 0 -

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

Public Entity Group Administrative Services (PEGAS)
51 Everett Drive, Suite 40-B
West Windsor, NJ 08550
(609) 275-1140
<https://www.diplomajif.org>

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ - 0 -	\$ 9,078	\$ 127,812	\$ 84,104	\$ 754,506
2022-2023	- 0 -	7,223	125,653	109,894	701,720
2021-2022	- 0 -	1,300	118,312	34,295	678,738

NOTE 13. ECONOMIC DEPENDENCY

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

NOTE 14. INTERFUND/INTRAFUND BALANCES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 222,004	\$ 497
Special Revenue Fund		222,004
Enterprise Funds:		
Food Service Fund	497	
	<u>\$ 222,501</u>	<u>\$ 222,501</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 14. INTERFUND/INTRAFUND BALANCES AND TRANSFERS (Cont'd)

The interfund between the General Fund and the Special Revenue Fund is due to a deficit in cash and cash equivalents in the Special Revenue Fund. This deficit is due to the timing between expenditure and reimbursement of grants from the State of New Jersey. The interfund between the General Fund and the Food Service Fund is reimbursements collected in the General Fund not turned over to the Food Service Fund by June 30.

NOTE 15. DEFERRED COMPENSATION

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

Equitable Advisors
Lincoln Investment
Corebridge Financial
Ameriprise Financial
Security Benefits

NOTE 16. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year.

The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and October 30. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 17. CONTINGENT LIABILITIES

Grant Programs

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 17. CONTINGENT LIABILITIES (Cont'd)

Litigation

The Board is periodically involved in claims and lawsuits arising in the normal course of business. The Board does not believe that the ultimate outcome of these claims will have a material adverse effect on the District's financial position.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,058,622	\$ 56,273	\$ 22,947,112	\$ 24,062,007

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$56,273 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue. The \$22,947,112 year-end encumbrances in the Capital Projects Fund are included in the \$124,319 committed fund balance.

NOTE 18. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2024 consisted of the following:

	Governmental Funds			District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business- Type Activities Proprietary Funds
	General Fund	Special Revenue Fund	Capital Projects Fund			
Due to State of New Jersey	\$ 9,583	\$ 84,609		\$ 1,676,118	\$ 1,770,310	
Vendors	164,040	78,067	\$ 4,625		246,732	\$ 47,411
Payroll Deductions and Withholdings	68,438				68,438	
Total	\$ 242,061	\$ 162,676	\$ 4,625	\$ 1,676,118	\$ 2,085,480	\$ 47,411

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

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

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

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

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

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

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

Mortality Rates

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 125,316,565
Changes for Year:	
Service Cost	6,247,258
Interest on the Total OPEB Liability	4,585,945
Difference between Actual and Expected Experience	(2,741,860)
Changes of Assumptions	262,456
Gross Benefit Payments by the State	(3,574,819)
Contributions from Members	117,522
Net Changes	<u>4,896,502</u>
Balance at June 30, 2023	<u>\$ 130,213,067</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 152,652,466	\$ 130,213,067	\$ 112,196,834

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 108,096,921	\$ 130,213,067	\$ 159,152,101

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$4,812,318 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 4,692,069
	2018	9.51		4,856,711
	2019	9.29	\$ 714,499	
	2020	9.24	17,468,305	
	2021	9.24	99,424	
	2022	9.13		26,385,372
	2023	9.30	234,235	
			<u>18,516,463</u>	<u>35,934,152</u>
Differences between Expected and Actual Experience	2018	9.51		4,591,104
	2019	9.29		8,409,691
	2020	9.24	16,281,146	
	2021	9.24		19,120,070
	2022	9.13	2,717,314	
	2023	9.30		2,175,958
			<u>18,998,460</u>	<u>34,296,823</u>
Changes in Proportion	N/A	N/A	5,329,598	3,485,863
			<u>\$ 42,844,521</u>	<u>\$ 73,716,838</u>

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

Fiscal Year Ending June 30,	Total
2024	\$ (6,493,598)
2025	(6,493,599)
2026	(5,643,854)
2027	(3,327,402)
2028	(681,079)
Thereafter	<u>(10,076,520)</u>
	<u>\$ (32,716,052)</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 20. SUBSEQUENT EVENTS

The City sold \$13,275,000 of serial bonds dated July 15, 2024. The bonds will begin maturing starting July 15, 2026 with an interest rate range of 2.00% - 4.00%.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

SUMMIT PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's Proportion of the Net Pension Liability	0.0986700000%	0.1003800000%	0.1021300000%	0.1075600000%	0.1109100000%	0.1077000000%	0.1098200000%	0.11137100000%	0.1156859888%	0.1140075513%
District's Proportionate Share of the Net Pension Liability	\$ 18,473,376	\$ 22,532,808	\$ 30,247,699	\$ 25,039,115	\$ 21,640,624	\$ 19,406,615	\$ 17,909,807	\$ 13,470,955	\$ 17,458,610	\$ 16,513,280
District's Covered Employee Payroll	\$ 6,501,378	\$ 6,711,653	\$ 6,885,387	\$ 7,456,193	\$ 7,471,215	\$ 7,531,326	\$ 7,761,673	\$ 8,152,687	\$ 8,400,518	\$ 8,382,054
District's Proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	284.15%	335.73%	439.30%	335.82%	289.65%	257.68%	230.75%	165.23%	207.83%	197.01%
Plan Fiduciary Net Position as a % of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

SUMMIT PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 820,714	\$ 876,821	\$ 935,405	\$ 1,019,452	\$ 1,093,852	\$ 1,047,642	\$ 1,201,446	\$ 1,331,706	\$ 1,526,613	\$ 1,523,743
Contributions in relation to the Contractually Required Contribution	(820,714)	(876,821)	(935,405)	(1,019,452)	(1,093,852)	(1,047,642)	(1,201,446)	(1,331,706)	(1,526,613)	(1,523,743)
Contribution Deficiency (Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 6,711,653	\$ 6,885,387	\$ 7,456,193	\$ 7,471,215	\$ 7,531,326	\$ 7,761,673	\$ 8,152,687	\$ 8,400,518	\$ 8,382,054	\$ 8,907,262
Contributions as a Percentage of Covered Employee Payroll	12.23%	12.73%	12.55%	13.65%	14.52%	13.50%	14.74%	15.85%	18.21%	17.11%

SUMMIT PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's Proportion of the Net Pension Liability Attributable to the District	0.3188459107%	0.3156785902%	0.3134060072%	0.3130884434%	0.32236728689%	0.3170530612%	0.3144458274%	0.3050413870%	0.3141410848%	0.3057543727%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 163,208,297	\$ 199,522,349	\$ 246,545,120	\$ 211,095,518	\$ 205,913,727	\$ 194,578,456	\$ 207,058,794	\$ 146,649,222	\$ 162,079,258	\$ 156,034,619
District's Covered Employee Payroll	\$ 30,976,568	\$ 31,687,581	\$ 32,393,898	\$ 33,099,522	\$ 33,706,072	\$ 33,461,524	\$ 34,208,264	\$ 35,285,551	\$ 35,019,311	\$ 35,712,479
State's proportionate share of the net pension liability attributable to the District as a % of its Covered Employee Payroll	526.88%	629.65%	761.09%	637.76%	610.91%	581.50%	605.29%	415.61%	462.83%	436.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

SUMMIT PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually Required Contribution	\$ 8,782,139	\$ 12,182,636	\$ 18,524,435	\$ 14,623,629	\$ 12,004,050	\$ 11,476,757	\$ 12,875,798	\$ 3,450,721	\$ 4,362,006	\$ 3,833,317
Contributions in relation to the Contractually Required Contribution	(1,592,128)	(2,390,186)	(3,398,493)	(4,766,559)	(6,235,666)	(6,897,002)	(8,867,184)	(12,932,109)	(12,499,423)	(12,685,296)
Contribution Deficiency/(Excess)	\$ 7,190,011	\$ 9,792,450	\$ 15,125,942	\$ 9,857,070	\$ 5,768,384	\$ 4,579,755	\$ 4,008,614	\$ (9,481,388)	\$ (8,137,417)	\$ (8,851,979)
District's Covered Employee Payroll	\$ 31,687,581	\$ 32,393,898	\$ 33,099,522	\$ 33,706,072	\$ 33,461,524	\$ 34,208,264	\$ 35,285,551	\$ 35,019,311	\$ 35,712,479	\$ 37,600,879
Contributions as a percentage of Covered Employee Payroll	5.02%	7.38%	10.27%	14.14%	18.64%	20.16%	25.13%	36.93%	35.00%	33.74%

SUMMIT PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Years Ending June 30,						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service Cost	\$ 6,737,252	\$ (2,284,679)	\$ 4,900,906	\$ 5,159,370	\$ 9,304,264	\$ 8,150,430	\$ 6,247,258
Interest Cost	4,096,419	3,815,904	4,409,920	3,735,815	3,942,708	3,321,027	4,585,945
Changes in Benefit Terms					(161,772)		
Differences between Expected and Actual Experiences			(15,350,981)	29,597,900	(27,852,070)	(1,340,764)	(2,741,860)
Changes in Assumptions	(17,155,688)	(14,607,891)	1,535,701	30,981,752	149,947	(33,617,293)	262,456
Member Contributions	123,249	237,337	93,722	89,498	100,796	105,531	117,522
Gross Benefit Payments	(3,347,116)	(6,445,440)	(3,161,716)	(2,952,755)	(3,105,750)	(3,289,576)	(3,574,819)
Net Change in Total OPEB Liability	(9,545,884)	(19,284,769)	(7,572,448)	66,611,580	(17,621,877)	(26,670,645)	4,896,502
Total OPEB Liability - Beginning	139,400,608	129,854,724	110,569,955	102,997,507	169,609,087	151,987,210	125,316,565
Total OPEB Liability - Ending	<u>\$ 129,854,724</u>	<u>\$ 110,569,955</u>	<u>\$ 102,997,507</u>	<u>\$ 169,609,087</u>	<u>\$ 151,987,210</u>	<u>\$ 125,316,565</u>	<u>\$ 130,213,067</u>
District's Covered Employee Payroll *	\$ 39,279,285	\$ 40,555,715	\$ 41,177,287	\$ 40,992,850	\$ 41,969,937	\$ 43,438,238	\$ 43,419,829
Total OPEB Liability as a Percentage of Covered Employee Payroll	331%	273%	250%	414%	362%	288%	300%

* Covered payroll for the fiscal years ending June 30, 2017 through 2023 are based on the payroll on the June 30, 2016 through 2022 census data.

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

SUMMIT PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 71,131,283		\$ 71,131,283	\$ 71,131,283	
Tuition From Individuals	83,700		83,700	74,993	\$ (8,707)
Tuition From Other LEAs Within the State	395,984		395,984	343,183	(52,801)
Unrestricted Miscellaneous Revenues	175,000		175,000	672,653	497,653
Interest Earned on Capital Reserve Funds				54,003	54,003
Other Restricted Miscellaneous Revenues				52,786	52,786
Total Revenues from Local Sources	<u>71,785,967</u>		<u>71,785,967</u>	<u>72,328,901</u>	<u>542,934</u>
Revenues from State Sources:					
Categorical Transportation Aid	203,264		203,264	203,264	
Extraordinary Aid	700,000		700,000	478,809	(221,191)
Categorical Special Education Aid	4,140,348		4,140,348	4,140,348	
Categorical Security Aid	391,879		391,879	391,879	
TPAF Post Retirement Contributions (Non-Budgeted)				3,491,847	3,491,847
TPAF Pension Contributions (Non-Budgeted)				12,685,296	12,685,296
TPAF Non-Contributory Insurance (Non-Budgeted)				144,669	144,669
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,948	5,948
Reimbursed TPAF Social Security Contributions				2,745,617	2,745,617
Total Revenues from State Sources	<u>5,435,491</u>		<u>5,435,491</u>	<u>24,287,677</u>	<u>18,852,186</u>
Revenues from Federal Sources:					
Medicaid Reimbursement	59,010		59,010	48,984	(10,026)
Total Revenues from Federal Sources	<u>59,010</u>		<u>59,010</u>	<u>48,984</u>	<u>(10,026)</u>
TOTAL REVENUE	<u>77,280,468</u>		<u>77,280,468</u>	<u>96,665,562</u>	<u>19,385,094</u>

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 988,932		\$ 988,932	\$ 906,780	\$ 82,152
Grades 1-5 - Salaries of Teachers	9,545,692	\$ 12,214	9,557,906	9,455,141	102,765
Grades 6-8 - Salaries of Teachers	5,710,963	28,469	5,739,432	5,730,564	8,868
Grades 9-12 - Salaries of Teachers	8,132,066	(40,753)	8,091,313	7,699,423	391,890
Regular Programs - Home Instruction:					
Salaries of Teachers	20,600		20,600	19,762	838
Purchased Professional - Educational Services	32,000	11,900	43,900	43,822	78
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	793,299	(20,200)	773,099	630,613	142,486
Purchased Technical Services	12,000	220	12,220	12,142	78
Other Purchased Services (400-500 series)	334,404	11,300	345,704	343,334	2,370
General Supplies	2,221,433	(1,659)	2,219,774	1,991,032	228,742
Textbooks	217,322		217,322	194,739	22,583
Total Regular Programs - Instruction	28,008,711	1,491	28,010,202	27,027,352	982,850
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	3,542,711		3,542,711	3,325,951	216,760
Other Salaries for Instruction	3,193,074		3,193,074	2,960,537	232,537
General Supplies	11,500		11,500	11,078	422
Total Resource Room/Resource Center	6,747,285		6,747,285	6,297,566	449,719

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 630,169	\$ (70,000)	\$ 560,169	\$ 462,898	\$ 97,271
Other Salaries for Instruction	578,555	70,000	648,555	605,069	43,486
General Supplies	2,000		2,000	1,385	615
Total Preschool Disabilities - Part-Time	1,210,724		1,210,724	1,069,352	141,372
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,737,072		8,737,072	7,960,050	777,022
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	839,045	(126,936)	712,109	632,767	79,342
General Supplies	1,950		1,950	1,643	307
Total Basic Skills/Remedial - Instruction	840,995	(126,936)	714,059	634,410	79,649
Bilingual Education - Instruction:					
Salaries of Teachers	852,285	366	852,651	852,273	378
Purchased Professional-Educational Services	2,000	(366)	1,634		1,634
General Supplies	1,650		1,650	944	706
Total Bilingual Education - Instruction	855,935		855,935	853,217	2,718
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	359,000	(3,387)	355,613	354,777	836
Purchased Services (300-500 series)	11,400	3,332	14,732	14,137	595
Supplies and Materials	24,464	(6,311)	18,153	11,684	6,469
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	394,864	(6,366)	388,498	380,598	7,900
School-Sponsored Athletics - Instruction:					
Salaries	875,000	14,148	889,148	889,148	
Purchased Services (300-500 series)	189,438	(4,976)	184,462	184,462	
Supplies and Materials	101,650	(2,297)	99,353	99,353	
Other Objects	23,610	(510)	23,100	23,100	
Total School-Sponsored Athletics - Instruction	1,189,698	6,365	1,196,063	1,196,063	

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Summer School - Instruction:					
Salaries of Teachers	\$ 105,000		\$ 105,000	\$ 68,422	\$ 36,578
General Supplies	1,000		1,000		1,000
Total Summer School - Instruction	106,000		106,000	68,422	37,578
Total Summer School	106,000		106,000	68,422	37,578
TOTAL INSTRUCTION	40,133,275	\$ (125,446)	40,007,829	38,120,112	1,887,717
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	360,095	7,649	367,744	342,362	25,382
Tuition to County Voc. School Dist.-Regular	250,000	35,500	285,500	278,100	7,400
Tuition to County Voc. School Dist.-Special	50,000	6,000	56,000	38,000	18,000
Tuition to Priv. Sch. for the Handicap. Within the State	1,142,422		1,142,422	849,051	293,371
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	275,593	(49,149)	226,444	164,767	61,677
Tuition - State Facilities	82,150		82,150	82,150	
Total Undistributed Expenditures - Instruction	2,160,260		2,160,260	1,754,430	405,830
Undistributed Expenditures - Health Services:					
Salaries	725,056	36,447	761,503	761,502	1
Purchased Professional and Technical Services	22,420	122,000	144,420	130,132	14,288
Other Purchased Services (400-500 series)	6,800	17,200	24,000	18,496	5,504
Supplies and Materials	38,000	(14,200)	23,800	17,015	6,785
Total Undist. Expenditures - Health Services	792,276	161,447	953,723	927,145	26,578
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	878,030		878,030	813,784	64,246
Purchased Professional - Educational Services	45,000		45,000	6,600	38,400
Total Undist. Expend. - Speech, OT, PT, Related Svcs	923,030		923,030	820,384	102,646
Undist.Expend. - Other Supp.Serv.Students - Extra.Serv.:					
Purchased Professional - Educational Services	400,000		400,000	278,311	121,689
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	400,000		400,000	278,311	121,689

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	\$ 1,215,552	\$ (91,447)	\$ 1,124,105	\$ 1,090,757	\$ 33,348
Salaries of Secretarial and Clerical Assistants	162,086		162,086	150,173	11,913
Other Purchased Services (400-500 series)	1,500		1,500	1,243	257
Supplies and Materials	22,975		22,975	19,082	3,893
Total Undist Expend. - Guidance	1,402,113	(91,447)	1,310,666	1,261,255	49,411
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,161,688	(88,207)	1,073,481	1,049,211	24,270
Salaries of Secretarial and Clerical Assistants	122,448	52	122,500	122,500	
Purchased Professional - Educational Services	18,000		18,000	485	17,515
Other Purchased Services (400-500 series)	7,000		7,000	3,242	3,758
Supplies and Materials	14,900		14,900	11,922	2,978
Other Objects	450		450	245	205
Total Undist Expend. - Child Study Team	1,324,486	(88,155)	1,236,331	1,187,605	48,726
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	1,237,174	(32,399)	1,204,775	1,204,775	
Salaries of Other Professional Staff	13,000		13,000	13,000	
Other Salaries	140,000	57,493	197,493	195,118	2,375
Sal of Facilitators, Math Coaches & Literacy Coaches	519,463	9,536	528,999	528,241	758
Purchased Professional - Educational Services	17,000	(17,000)			
Supplies and Materials	20,300	(5,000)	15,300	9,002	6,298
Total Undist. Expend. - Improv. of Inst. Serv.	1,946,937	12,630	1,959,567	1,950,136	9,431
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	1,000,196	18,155	1,018,351	1,017,919	432
Supplies and Materials	172,209		172,209	167,164	5,045
Total Undist Expend - Edu. Media Serv./Sch. Library	1,172,405	18,155	1,190,560	1,185,083	5,477

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Services:					
Other Objects	\$ 94,100	\$ (36,214)	\$ 57,886	\$ 57,886	
Total Undist. Expend. - Instructional Staff Training Services	94,100	(36,214)	57,886	57,886	
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	699,313	9,039	708,352	708,352	
Legal Services	240,000	(32,642)	207,358	204,849	\$ 2,509
Audit Fees	55,000	5,000	60,000	60,000	
Other Purchased Professional Services	28,000	15,603	43,603	22,239	21,364
Communications / Telephone	154,600	(2,900)	151,700	149,419	2,281
BOE Other Purchased Services	27,000		27,000	26,745	255
General Supplies	5,000	1,200	6,200	5,835	365
BOE Membership Dues and Fees	37,000	14,528	51,528	50,630	898
Total Undist. Expend. - Support Serv. - Gen. Admin.	1,245,913	9,828	1,255,741	1,228,069	27,672
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,770,902		1,770,902	1,711,843	59,059
Salaries of Other Professional Staff	412,510		412,510	412,343	167
Salaries of Secretarial and Clerical Assistants	952,780		952,780	946,444	6,336
Other Purchased Services (400-500 series)	41,000	(1,491)	39,509	19,510	19,999
Supplies and Materials	3,000		3,000	748	2,252
Other Objects	28,500		28,500	27,639	861
Total Undist. Expend. - Support Serv. - School Adm.	3,208,692	(1,491)	3,207,201	3,118,527	88,674
Undist. Expend. - Central Services:					
Salaries	921,319	72,521	993,840	978,481	15,359
Miscellaneous Purchased Services (400-500 series other than 594)	45,000	30,000	75,000	72,474	2,526
Supplies and Materials	32,000	5,000	37,000	36,100	900
Interest on Lease Purchase Agreements	50,746	(41,439)	9,307		9,307
Other Objects	80,000		80,000	79,728	272
Total Undist. Expend. - Central Services	1,129,065	66,082	1,195,147	1,166,783	28,364

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin. Info. Technology:					
Salaries	\$ 617,266	\$ 3,064	\$ 620,330	\$ 620,330	
Other Purchased Services (400-500 series)	3,000	(88)	2,912	2,912	
Total Undist. Expend. - Admin. Info. Technology	620,266	2,976	623,242	623,242	
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	626,432	(75,663)	550,769	486,445	\$ 64,324
Cleaning, Repair, and Maintenance Services	334,925	154,900	489,825	480,278	9,547
General Supplies	326,000	5,606	331,606	312,851	18,755
Total Undist. Expend. - Required Maint. for School Facilities	1,287,357	84,843	1,372,200	1,279,574	92,626
Undist. Expend. - Custodial Services:					
Salaries	2,646,271	(61,643)	2,584,628	2,332,223	252,405
Salaries of Non-Instructional Aides	505,296	50,643	555,939	457,862	98,077
Purchased Professional and Technical Services	40,000		40,000	32,514	7,486
Cleaning, Repair, and Maintenance Services	56,000	(16,000)	40,000	24,273	15,727
Other Purchased Property Services	80,786	11,000	91,786	91,057	729
Insurance	707,853		707,853	689,556	18,297
General Supplies	209,000		209,000	204,448	4,552
Energy (Natural Gas)	401,439		401,439	333,985	67,454
Energy (Electricity)	603,793		603,793	528,364	75,429
Other Objects	35,000		35,000	34,117	883
Total Undist. Expend. - Custodial Services	5,285,438	(16,000)	5,269,438	4,728,399	541,039
Undist. Expend. - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	36,000		36,000	35,766	234
General Supplies	39,000		39,000	37,368	1,632
Total Undist. Expend. - Care And Upkeep Of Grounds	75,000		75,000	73,134	1,866

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Security:					
Salaries	\$ 200,379		\$ 200,379	\$ 174,288	\$ 26,091
Other Objects	15,000		15,000	9,911	5,089
Total Undist. Expend. - Security	215,379		215,379	184,199	31,180
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	6,863,174	\$ 68,843	6,932,017	6,265,306	666,711
Undist. Expend. - Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.) - Spl. Ed.	101,680	(10,000)	91,680	74,581	17,099
Cleaning, Repair, and Maint. Services	6,545	(4,000)	2,545	335	2,210
Contract Serv.(Oth. than Bet. Home & Sch.) - Vend.	275,000	53,872	328,872	308,520	20,352
Contract Serv.(Spl. Ed. Students)-Vendors	9,901		9,901	9,791	110
Contract Serv.(Reg. Students)-ESCs & CTSA's	75,000	78,808	153,808	153,808	
Contract Serv.(Spl. Ed. Students) - ESCs & CTSA's	1,000,000	(156,159)	843,841	843,841	
General Supplies	16,115		16,115	16,115	
Total Undist. Expend. - Student Trans. Serv.	1,484,241	(37,479)	1,446,762	1,406,991	39,771
UNALLOCATED BENEFITS					
Group Insurance	196,179	(5,767)	190,412	190,412	
Social Security Contributions	1,255,174	(140,354)	1,114,820	1,114,820	
Other Retirement Contributions - PERS	1,601,586	(77,843)	1,523,743	1,523,743	
Other Retirement Contributions - Regular	35,000	(1,560)	33,440	33,440	
Workers Compensation	396,520	(28,047)	368,473	368,473	
Health Benefits	10,827,114	440,659	11,267,773	11,267,773	
Tuition Reimbursement	110,000	29,882	139,882	139,881	1
Other Employee Benefits	254,000	(38,799)	215,201	215,201	
TOTAL UNALLOCATED BENEFITS	14,675,573	178,171	14,853,744	14,853,743	1

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				\$ 3,491,847	\$ (3,491,847)
TPAF Pension Contributions (Non-Budgeted)				12,685,296	(12,685,296)
TPAF Non-Contributory Insurance (Non-Budgeted)				144,669	(144,669)
TPAF Long-Term Disability Insurance (Non-Budgeted)				5,948	(5,948)
Reimbursed TPAF Social Security Contributions				2,745,617	(2,745,617)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				19,073,377	(19,073,377)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 14,675,573	\$ 178,171	\$ 14,853,744	33,927,120	(19,073,376)
TOTAL UNDISTRIBUTED EXPENDITURES	39,442,531	263,346	39,705,877	57,158,273	(17,452,396)
TOTAL GENERAL CURRENT EXPENSE	79,575,806	137,900	79,713,706	95,278,385	(15,564,679)
CAPITAL OUTLAY					
Equipment					
Grades 1-5	4,004		4,004	4,004	
Grades 6-8	1,675		1,675	1,675	
Grades 9-12	678		678	678	
Undistributed:					
Undistributed Expenditures - Instruction	87,793	16,000	103,793	83,784	20,009
Total Equipment	94,150	16,000	110,150	90,141	20,009
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	50,000	88,794	138,794	47,426	91,368
Other Purchased Prof. and Tech. Services	18,218	(18,218)			
Construction Services	1,573,766	(224,476)	1,349,290	295,984	1,053,306
Lease Purchase Agreements - Principal	221,416		221,416	216,946	4,470
Assessment for Debt Service on SDA Funding	35,021		35,021	35,021	
Total Facilities Acquisition and Const. Serv.	1,898,421	(153,900)	1,744,521	595,377	1,149,144

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL CAPITAL OUTLAY	\$ 1,992,571	\$ (137,900)	\$ 1,854,671	\$ 685,518	\$ 1,169,153
TOTAL EXPENDITURES	81,568,377		81,568,377	95,963,903	(14,395,526)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,287,909)		(4,287,909)	701,659	4,989,568
Fund Balance, July 1	14,950,565		14,950,565	14,950,565	
Fund Balance, June 30	\$ 10,662,656	\$ - 0 -	\$ 10,662,656	\$ 15,652,224	\$ 4,989,568
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 2,483,724	
Excess Surplus - Restricted For 2024-2025				2,522,479	
Capital Reserve				4,499,660	
Maintenance Reserve				1,295,271	
Emergency Reserve				151	
Unemployment Compensation				754,506	
Assigned Fund Balance:					
Year End Encumbrances				1,058,622	
Designated for Subsequent Year's Expenditures				1,500,000	
Unassigned Fund Balance				1,537,811	
				15,652,224	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(458,532)	
Fund Balance per Governmental Funds (GAAP)				\$ 15,193,692	

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 2,561,462	\$ 2,429,533	\$ 1,911,309	\$ (518,224)
State Sources	\$ 140,935	930,346	1,071,281	753,633	(317,648)
Federal Sources	636,838	2,236,613	2,873,451	2,293,494	(579,957)
Total Revenues	777,773	5,728,421	6,374,265	4,958,436	(1,415,829)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	195,675	790,057	985,732	610,775	374,957
Purchased Professional & Technical Services	58,345	529,018	587,363	490,824	96,539
Tuition	425,229	476,233	901,462	862,055	39,407
General Supplies	18,206	906,894	925,100	660,654	264,446
Textbooks	12,202	48,036	60,238	60,238	
Other Objects	609	9,583	10,192		10,192
Total Instruction	710,266	2,759,821	3,470,087	2,684,546	785,541
Support Services:					
Salaries of Supervisors of Instruction		81,045	81,045	80,087	958
Personal Services - Employee Benefits		111,967	111,967	100,556	11,411
Purchased Professional & Technical Services	65,568	1,024,180	1,089,748	768,122	321,626
Other Purchased Services		251,092	251,092	243,405	7,687
Supplies and Materials	1,939	10,477	12,416	12,374	42
Other Objects		3,600	3,600	2,723	877
Student Activities		721,325	721,325	721,325	
Scholarships Awarded		101,199	101,199	101,199	
Total Support Services	67,507	2,304,885	2,372,392	2,029,791	342,601
Facilities Acquisition & Construction Services:					
Instructional Equipment		471,604	471,604	290,179	181,425
Non-Instructional Equipment		192,111	192,111	85,849	106,262
Total Facilities Acquisition & Construction Services		663,715	663,715	376,028	287,687
Total Expenditures	\$ 777,773	\$ 5,728,421	\$ 6,506,194	\$ 5,090,365	\$ 1,415,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ (131,929)	\$ (131,929)	\$ - 0 -

SUMMIT PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 96,665,562	\$ 4,958,436
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(56,273)
Prior Year Encumbrances		8,998
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	394,353	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(458,532)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 96,601,383</u>	<u>\$ 4,911,161</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 95,963,903	\$ 5,090,365
Differences - Budgetary to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(56,273)
Prior Year Encumbrances		8,998
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 95,963,903</u>	<u>\$ 5,043,090</u>

SUMMIT PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A.					Elementary and Secondary Education Act		
	Basic	Preschool	Title IA	Title IIA	Title III	Title IV		
REVENUES:								
Local Sources								
State Sources								
Federal Sources	\$ 1,088,342	\$ 39,972	\$ 205,092	\$ 65,020	\$ 20,908	\$ 11,395		
Total Revenues	1,088,342	39,972	205,092	65,020	20,908	11,395		
EXPENDITURES:								
Instruction:								
Salaries of Teachers			156,660	25,396	13,407	7,613		
Purchased Professional and Technical Services								
Tuition	489,719							
General Supplies	33,421		457		3,271			
Textbooks								
Total Instruction	523,140		157,117	25,396	16,678	7,613		
Support Services:								
Salaries of Supervisors of Instruction	9,242							
Personal Services - Employee Benefits	707		47,975	13,803	1,025	582		
Purchased Professional and Technical Services	445,240	39,972		25,821				
Other Purchased Services	98,816				3,205			
Supplies and Materials	8,474							
Other Objects	2,723					3,200		
Student Activities								
Scholarships Awarded								
Total Support Services	565,202	39,972	47,975	39,624	4,230	3,782		
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non-Instructional Equipment								
Total Facilities Acquisition and Construction Services								
Total Expenditures	\$ 1,088,342	\$ 39,972	\$ 205,092	\$ 65,020	\$ 20,908	\$ 11,395		

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP - Education Stabilization Fund				
	COVID-19 ACSERS	ESSER III	Learning Acceleration	Beyond School Day	Learning & Enrichment
REVENUES:					
Local Sources					
State Sources					
Federal Sources	\$ 465,772	\$ 168,809	\$ 169,547	\$ 18,637	\$ 40,000
Total Revenues	<u>465,772</u>	<u>168,809</u>	<u>169,547</u>	<u>18,637</u>	<u>40,000</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers			44,125	17,313	37,157
Purchased Professional and Technical Services					
Tuition	332,417		8,286		
General Supplies		45,116			
Textbooks					
Total Instruction	<u>332,417</u>	<u>45,116</u>	<u>52,411</u>	<u>17,313</u>	<u>37,157</u>
Support Services:					
Salaries of Supervisors of Instruction		70,845			
Personal Services - Employee Benefits		28,921	3,376	1,324	2,843
Purchased Professional and Technical Services		23,927	113,060		
Other Purchased Services	133,355				
Supplies and Materials			700		
Other Objects					
Student Activities					
Scholarships Awarded					
Total Support Services	<u>133,355</u>	<u>123,693</u>	<u>117,136</u>	<u>1,324</u>	<u>2,843</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	<u>\$ 465,772</u>	<u>\$ 168,809</u>	<u>\$ 169,547</u>	<u>\$ 18,637</u>	<u>\$ 40,000</u>

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Nonpublic				
	NJ DCA Local Recreation Improvement Grant	Nursing	Textbooks	Technology Initiative	Security Aid
REVENUES:					
Local Sources					
State Sources	\$ 23,600	\$ 109,200	\$ 60,238	\$ 75,411	\$ 315,905
Federal Sources					
Total Revenues	23,600	109,200	60,238	75,411	315,905
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional and Technical Services		109,200			315,905
Tuition				75,411	
General Supplies					
Textbooks			60,238		
Total Instruction		109,200	60,238	75,411	315,905
Support Services:					
Salaries of Supervisors of Instruction					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					
Other Purchased Services					
Supplies and Materials					
Other Objects					
Student Activities					
Scholarships Awarded					
Total Support Services					
Facilities Acquisition and Construction Services:					
Instructional Equipment					
Non-Instructional Equipment	23,600				
Total Facilities Acquisition and Construction Services	23,600				
Total Expenditures	\$ 23,600	\$ 109,200	\$ 60,238	\$ 75,411	\$ 315,905

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Nonpublic Handicapped Services Examination		Nonpublic Auxiliary Services	
	Supplementary Instruction	and Classification	Corrective Speech	Compensatory Education
				Home Instruction
REVENUES:				
Local Sources				
State Sources	\$ 33,866	\$ 56,498	\$ 15,810	\$ 3,596
Federal Sources				
Total Revenues	33,866	56,498	15,810	4,199
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Tuition				
General Supplies				
Textbooks				
Total Instruction				
Support Services:				
Salaries of Supervisors of Instruction				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services	33,866	56,498	15,810	3,596
Other Purchased Services				4,199
Supplies and Materials				
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services	33,866	56,498	15,810	4,199
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 33,866	\$ 56,498	\$ 15,810	\$ 3,596
				\$ 4,199

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SDA Emergent & Capital Maintenance FY24	FY23	Private Donations	Student Activities	Scholarship	Totals
REVENUES:						
Local Sources						
State Sources	\$ 7,062	\$ 48,248	\$ 1,220,714	\$ 678,338	\$ 12,257	\$ 1,911,309
Federal Sources						753,633
Total Revenues	7,062	48,248	1,220,714	678,338	12,257	2,293,494
						4,958,436
EXPENDITURES:						
Instruction:						
Salaries of Teachers			309,104			610,775
Purchased Professional and Technical Services			65,719			490,824
Tuition			39,919			862,055
General Supplies			494,692			660,654
Textbooks						60,238
Total Instruction			909,434			2,684,546
Support Services:						
Salaries of Supervisors of Instruction						80,087
Personal Services - Employee Benefits						100,556
Purchased Professional and Technical Services			6,133			768,122
Other Purchased Services			8,029			243,405
Supplies and Materials						12,374
Other Objects						2,723
Student Activities				721,325		721,325
Scholarships Awarded					101,199	101,199
Total Support Services			14,162	721,325	101,199	2,029,791
Facilities Acquisition and Construction Services:						
Instructional Equipment			290,179			290,179
Non-Instructional Equipment	7,062	48,248	6,939			85,849
Total Facilities Acquisition and Construction Services	7,062	48,248	297,118			376,028
Total Expenditures	7,062	48,248	1,220,714	721,325	101,199	5,090,365

CAPITAL PROJECTS FUND

SUMMIT PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:

Federal Sources -

NJ Clean Energy Program Grant	\$ 3,184,850
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Total Revenue and Other Financing Sources	3,184,850
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Expenditures:

Purchased Professional and Technical Services	605,861
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Construction Services	10,560,253
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Total Expenditures	11,166,114
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Deficit Revenue and Other Financing Sources

Under Expenditures	(7,981,264)
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Fund Balance - Beginning of Year	37,210,906
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Fund Balance - End of Year	\$ 29,229,642
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Recapitulation of Fund Balance:

Committed	\$ 6,282,530
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Committed - Year End Encumbrances	22,947,112
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Total Fund Balance - Budgetary Basis	29,229,642
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Reconciliation to Governmental Funds Statements (GAAP):

City and State Grant Receivable not Recognized on the GAAP Basis	(29,105,323)
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Fund Balance per Governmental Funds (GAAP)	\$ 124,319
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SUMMIT PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
VARIOUS SCHOOL IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Due from City of Summit:				
Bond Ordinance Proceeds	\$ 37,429,555		\$ 37,429,555	\$ 37,429,555
Federal Sources -				
NJ Clean Energy Program Grant		\$ 3,184,850	3,184,850	3,184,850
Total Revenue and Other Financing Sources	37,429,555	3,184,850	40,614,405	40,614,405
Expenditures:				
Purchased Professional and Technical Services	1,390,442	562,276	1,952,718	7,978,401
Construction Services	1,925	10,229,765	10,231,690	32,636,004
Total Expenditures	1,392,367	10,792,041	12,184,408	40,614,405
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 36,037,188	\$ (7,607,191)	\$ 28,429,997	\$ - 0 -

Additional Project Information:

Project Numbers	5090-0X0-23-X000
Grant Number	SSB-VEEVR-68351
Grant Date	03/08/23
Bond Authorization Date	12/20/22
Bonds Authorized	\$ 37,429,555
Bonds Issued	\$ 22,380,000
Original Authorized Cost	\$ 37,429,555
Additional Authorized Cost	\$ 3,184,850
Revised Authorized Cost	\$ 40,614,405

Percentage Increase over Original Authorized Cost	9%
Percentage Completion	30%
Original Target Completion Date	06/30/28
Revised Target Completion Date	N/A

The District is a Type I District and all debt is authorized, issued and paid by the City of Summit.

N/A - Not Available/Applicable

SUMMIT PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
HIGH SCHOOL HVAC REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Federal Sources -				
NJ Clean Energy Program Grant	\$ 1,815,150		\$ 1,815,150	\$ 1,815,150
Transfer from Capital Reserve	605,050		605,050	605,050
Total Revenue and Other Financing Sources	2,420,200		2,420,200	2,420,200
Expenditures:				
Purchased Professional and Technical Services	53,587	\$ 43,585	97,172	100,000
Construction Services	1,192,895	330,488	1,523,383	2,320,200
Total Expenditures	1,246,482	374,073	1,620,555	2,420,200
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,173,718	\$ (374,073)	\$ 799,645	\$ - 0 -

Additional Project Information:

Project Numbers	N/A
Grant Number	SSB-VEEVR-68352
Grant Date	01/26/23
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,420,200
Additional Authorized Cost	- 0 -
Revised Authorized Cost	<u>\$ 2,420,200</u>

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	67%
Original Target Completion Date	06/30/24
Revised Target Completion Date	12/31/24

N/A - Not Available/Applicable

PROPRIETARY FUNDS

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	Major Funds		
	Food Service	Summer FLASH Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 670,975	\$ 204,575	\$ 875,550
Interfund Receivable	497		497
Intergovernmental Accounts Receivable:			
State	1,471		1,471
Federal	17,265		17,265
Inventories	32,535		32,535
Total Current Assets	722,743	204,575	927,318
Non-Current Assets:			
Capital Assets	871,429		871,429
Less: Accumulated Depreciation	(754,665)		(754,665)
Total Non-Current Assets	116,764		116,764
Total Assets	839,507	204,575	1,044,082
LIABILITIES:			
Current Liabilities:			
Accounts Payable	47,411		47,411
Unearned Revenue - Donated Commodities	2,000		2,000
Unearned Revenue - Prepaid Sales	52,222		52,222
Unearned Revenue - Prepaid Tuition		167,307	167,307
Total Current Liabilities	101,633	167,307	268,940
Total Liabilities	101,633	167,307	268,940
NET POSITION:			
Investment in Capital Assets	116,764		116,764
Unrestricted	621,110	37,268	658,378
Total Net Position	\$ 737,874	\$ 37,268	\$ 775,142

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Funds		
	Food Service	Summer FLASH Program	Totals
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 855,776		\$ 855,776
Non-Reimbursable Programs	921,328		921,328
Program Fees		\$ 149,134	149,134
Miscellaneous Revenue	44,757		44,757
Total Operating Revenue	1,821,861	149,134	1,970,995
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	514,331		514,331
Non-Reimbursable Programs	580,628		580,628
Salaries	649,986	133,037	783,023
Employee Benefits	220,915	10,177	231,092
Purchased Professional Technical Services	10,389		10,389
Other Purchased Services	181,889		181,889
Supplies and Materials	116,187	6,456	122,643
Miscellaneous Expenses		1,700	1,700
Depreciation Expense	13,074		13,074
Total Operating Expenses	2,287,399	151,370	2,438,769
Operating Loss	(465,538)	(2,236)	(467,774)
Non-Operating Revenue:			
Interest Income	10,538	9,441	19,979
State Sources:			
State School Lunch Program	22,298		22,298
State School Lunch Program - NJEIE	8,250		8,250
State School Breakfast Program	347		347
State School Breakfast Program - NJEIE	353		353
Federal Sources:			
National School Lunch Program	362,786		362,786
School Breakfast Program	15,592		15,592
P-EBT Reimbursement	653		653
Supply Chain Assistance	127,750		127,750
Local Food for Schools (LFS) Cooperative Program	3,855		3,855
Food Distribution Program	83,975		83,975
Total Non-Operating Revenue	636,397	9,441	645,838
Change in Net Position	170,859	7,205	178,064
Net Position - Beginning of Year	567,015	30,063	597,078
Net Position - End of Year	\$ 737,874	\$ 37,268	\$ 775,142

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Funds		
	Food Service	Summer FLASH Program	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,810,021	\$ 175,386	\$ 1,985,407
Payments to Food Service Management Company	(2,116,324)		(2,116,324)
Payments to/for Employees		(143,214)	(143,214)
Payments to Suppliers	(35,289)	(8,156)	(43,445)
Net Cash Provided by/(Used for) Operating Activities	(341,592)	24,016	(317,576)
Cash Flows from Investing Activities:			
Interest Income	10,538	9,441	19,979
Net Cash Provided by Investing Activities	10,538	9,441	19,979
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(14,325)		(14,325)
Net Cash (Used for) Capital and Related Financing Activities	(14,325)		(14,325)
Cash Flows by Noncapital Financing Activities:			
State Sources	30,789		30,789
Federal Sources	479,547		479,547
Net Cash Provided by Noncapital Financing Activities	510,336		510,336
Net Increase in Cash and Cash Equivalents	164,957	33,457	198,414
Cash and Cash Equivalents, July 1	506,018	171,118	677,136
Cash and Cash Equivalents, June 30	<u>\$ 670,975</u>	<u>\$ 204,575</u>	<u>\$ 875,550</u>
Adjustment to Reconcile Operating Loss			
Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (465,538)	\$ (2,236)	\$ (467,774)
Adjustment to Reconcile Operating Loss to Net			
Cash Provided by/(Used for) Operating Activities:			
Depreciation	13,074		13,074
Food Distribution Program	83,975		83,975
Changes in Assets and Liabilities:			
Increase in Accounts Payable	33,804		33,804
(Decrease) in Unearned Revenue - Donated Commodities	(38)		(38)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	(11,840)	26,252	14,412
Decrease in Inventory	4,971		4,971
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (341,592)</u>	<u>\$ 24,016</u>	<u>\$ (317,576)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$83,937 and utilized U.S.D.A. Commodities valued at \$83,975.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM LIABILITIES

SUMMIT PUBLIC SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
Technology Equipment	3.450%	\$ 810,000	\$ 340,568	\$ 167,396	\$ 173,172
			<u>\$ 340,568</u>	<u>\$ 167,396</u>	<u>\$ 173,172</u>

SUMMIT PUBLIC SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER LEASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Balance June 30, 2024</u>
FY2023 Technology Equipment	3.10%	\$ 173,156	\$ 146,356	\$ 33,207	\$ 113,149
FY2023 Copiers	3.10%	445,828	376,038	86,057	289,981
FY2023 Copiers	3.10%	396,149	<u>334,136</u>	<u>76,467</u>	<u>257,669</u>
			<u>\$ 856,530</u>	<u>\$ 195,731</u>	<u>\$ 660,799</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

SUMMIT PUBLIC SCHOOLS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$76,308,217	\$79,075,844	\$77,587,661	\$77,215,235	\$77,075,628	\$76,267,397	\$76,877,092	\$36,072,509	\$37,253,355	\$ 46,588,995
Restricted	2,508,419	3,206,598	3,531,095	3,344,272	1,703,192	4,054,275	5,181,773	9,098,274	11,641,908	12,072,203
Unrestricted/(Deficit)	(15,802,765)	(16,927,486)	(19,201,691)	(20,179,376)	(19,137,589)	(18,375,276)	(18,762,548)	(18,334,528)	(17,356,817)	(16,642,835)
Total Governmental Activities Net Position	\$63,013,871	\$65,354,956	\$61,917,065	\$60,380,131	\$59,641,231	\$61,946,396	\$63,296,317	\$26,836,255	\$31,538,446	\$ 42,018,363
Business-type Activities:										
Investment in Capital Assets	\$ 342,331	\$ 431,646	\$ 422,196	\$ 425,106	\$ 420,873	\$ 419,843	\$ 388,942	\$ 119,691	\$ 115,513	\$ 116,764
Unrestricted	619,349	538,729	642,158	89,816	180,719	120,563	5,974	217,133	481,565	658,378
Total Business-type Activities Net Position	\$ 961,680	\$ 970,375	\$ 1,064,354	\$ 514,922	\$ 601,592	\$ 540,406	\$ 394,916	\$ 336,824	\$ 597,078	\$ 775,142
District-wide:										
Net Investment in Capital Assets	\$76,650,548	\$79,507,490	\$78,009,857	\$77,640,341	\$77,496,501	\$76,687,240	\$77,266,034	\$36,192,200	\$37,368,868	\$ 46,705,759
Restricted	2,508,419	3,206,598	3,531,095	3,344,272	1,703,192	4,054,275	5,181,773	9,098,274	11,641,908	12,072,203
Unrestricted/(Deficit)	(15,183,416)	(16,388,757)	(18,559,533)	(20,089,560)	(18,956,870)	(18,254,713)	(18,756,574)	(18,117,395)	(16,875,252)	(15,984,457)
Total District Net Position	\$63,975,551	\$66,325,331	\$62,981,419	\$60,895,053	\$60,242,823	\$62,486,802	\$63,691,233	\$27,173,079	\$32,135,524	\$ 42,793,505

Source: Summit Public Schools Financial Reports.

SUMMIT PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 37,264,045	\$ 40,482,290	\$ 44,310,886	\$ 45,659,443	\$ 41,980,159	\$ 41,007,259	\$ 47,491,972	\$ 42,588,519	\$ 43,864,724	\$ 44,783,407
Special Education	12,801,840	13,344,736	14,804,687	15,323,007	14,915,451	14,465,091	15,629,179	14,350,436	11,982,556	11,595,832
Other Special Education								2,510,996	2,458,745	
Other Instruction/School Sponsored	4,201,638	4,995,496	5,391,094	5,678,770	5,282,063	4,757,671	5,492,430	5,873,233	2,030,742	2,107,392
Support Services:										
Tuition										
Student & Instruction Related Services	10,458,358	10,848,019	12,631,059	12,682,069	12,100,760	11,695,662	12,195,483	11,119,144	2,528,034	2,616,485
General Administrative Services	1,636,224	2,341,790	2,917,540	2,009,478	1,875,953	1,870,362	1,789,992	1,714,368	1,495,823	1,565,978
School Administrative Services	4,991,596	4,767,242	5,752,566	5,810,362	5,139,602	4,702,005	5,273,588	4,816,218	4,600,193	4,659,831
Central Services	1,481,281	1,595,472	1,622,981	1,664,986	1,734,615	1,683,121	2,034,730	1,810,828	1,512,022	1,589,792
Administrative Information Technology										
Plant Operations and Maintenance	6,248,907	6,939,247	7,197,792	7,227,873	7,190,553	6,899,092	7,352,263	7,935,912	567,952	722,328
Pupil Transportation	783,899	887,653	1,052,710	958,686	1,054,288	868,786	798,570	1,098,160	7,162,416	7,530,041
Interest on Long-term Debt	35,021	35,021	35,021	35,021	48,503	23,089	45,682	39,016	1,445,063	1,471,552
Total Governmental Activities Expenses	79,902,809	86,236,966	95,716,336	97,049,695	91,321,947	87,972,138	98,103,889	91,345,834	91,627,182	95,232,381
Business-type Activities:										
Food Service	1,741,238	1,768,912	1,790,338	1,785,850	1,757,794	1,480,288	966,207	1,840,735	2,165,788	2,287,399
Summer Flash Program	245,984	246,620	242,630	229,284	252,357	253,019	113,851	82,242	111,843	151,370
Transfers				605,000						
Total Business-type Activities Expense	1,987,222	2,015,532	2,032,968	2,620,134	2,010,151	1,733,307	1,080,058	1,922,977	2,277,631	2,438,769
Total District-wide Expenses	\$ 81,890,031	\$ 88,252,498	\$ 97,749,304	\$ 99,669,829	\$ 93,332,098	\$ 89,705,445	\$ 99,183,947	\$ 93,268,811	\$ 93,904,813	\$ 97,671,150
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 679,483	\$ 1,149,840	\$ 1,129,474	\$ 1,039,603	\$ 921,335	\$ 327,266	\$ 521,053	\$ 479,806	\$ 79,265	\$ 74,993
Special Education Instruction									502,005	343,183
Student and Instruction Related Services									880,500	678,338
Operating Grants and Contributions	17,410,834	21,729,577	27,494,986	30,004,578	24,935,243	22,402,140	31,595,879	24,654,604	22,742,131	20,581,445
Capital Grants and Contributions	11,519,361	3,476,015	198,818	243,560	243,692	421,815	254,202	2,102,919	37,125	1,052,077
Total Governmental Activities Program Revenues	29,609,678	26,355,432	28,823,278	31,287,741	26,100,270	23,151,221	32,371,134	27,237,329	24,241,026	22,730,036
Business-type Activities:										
Charges for Services:										
Food Service	\$ 1,413,289	\$ 1,400,386	\$ 1,416,710	\$ 1,388,514	\$ 1,454,465	\$ 1,075,240	\$ 28,782	\$ 475,898	\$ 1,609,627	\$ 1,821,861
Summer Flash Program	224,904	222,380	280,340	274,139	260,632	229,596	80,995	83,765	114,553	149,134
Operating Grants and Contributions	370,406	401,461	429,897	408,049	381,724	367,285	824,791	1,540,994	797,798	625,859
Total Business-type Activities Program Revenues	2,008,599	2,024,227	2,126,947	2,070,702	2,096,821	1,672,121	934,568	2,100,657	2,521,978	2,596,854
Total District-wide Program Revenues	\$ 31,618,277	\$ 28,379,659	\$ 30,950,225	\$ 33,358,443	\$ 28,197,091	\$ 24,823,342	\$ 33,305,702	\$ 29,337,986	\$ 26,763,004	\$ 25,326,890

SUMMIT PUBLIC SCHOOLS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue:										
Governmental Activities	\$ (50,293,131)	\$ (59,881,534)	\$ (66,893,058)	\$ (65,761,954)	\$ (65,221,677)	\$ (64,820,917)	\$ (65,732,755)	\$ (64,108,505)	\$ (67,386,156)	\$ (72,502,345)
Business-type Activities	21,377	8,695	93,979	(549,432)	86,670	(61,186)	(145,490)	177,680	244,347	158,085
Total District-wide Net Expense	<u>\$ (50,271,754)</u>	<u>\$ (59,872,839)</u>	<u>\$ (66,799,079)</u>	<u>\$ (66,311,386)</u>	<u>\$ (65,135,007)</u>	<u>\$ (64,882,103)</u>	<u>\$ (65,878,245)</u>	<u>\$ (63,930,825)</u>	<u>\$ (67,141,809)</u>	<u>\$ (72,344,260)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 60,517,972	\$ 60,674,206	\$ 61,764,695	\$ 62,968,889	\$ 63,153,994	\$ 65,668,859	\$ 66,872,641	\$ 68,506,754	\$ 69,767,778	\$ 71,131,283
Unrestricted Grants and Contributions		72,410	82,938	119,435	119,912				391,723	392,352
City Improvement Authorization									1,555,845	10,679,185
Investment Earnings									94,210	448,651
Miscellaneous Income	263,151	160,620	405,305	371,703	366,514	471,341	210,035	204,476	278,791	330,791
Transfers					605,000					
Donated Capital Assets						21,000				
Loss on Disposal of Assets			(30,319)	(4,860)	(20,400)					
Total Governmental Activities	<u>60,781,123</u>	<u>60,907,236</u>	<u>62,222,619</u>	<u>63,455,167</u>	<u>64,225,020</u>	<u>66,161,200</u>	<u>67,082,676</u>	<u>68,711,230</u>	<u>72,088,347</u>	<u>82,982,262</u>
Business-type Activities:										
Investment Earnings									15,907	19,979
Total Business-type Activities									15,907	19,979
Total District-wide General Revenues and Other Changes in Net Position	<u>\$ 60,781,123</u>	<u>\$ 60,907,236</u>	<u>\$ 62,222,619</u>	<u>\$ 63,455,167</u>	<u>\$ 64,225,020</u>	<u>\$ 66,161,200</u>	<u>\$ 67,082,676</u>	<u>\$ 68,711,230</u>	<u>\$ 72,104,254</u>	<u>\$ 83,002,241</u>
Change in Net Position:										
Governmental Activities	\$ 10,487,992	\$ 1,025,702	\$ (4,670,439)	\$ (2,306,787)	\$ (996,657)	\$ 1,340,283	\$ 1,349,921	\$ 4,602,725	\$ 4,702,191	\$ 10,479,917
Business-type Activities	21,377	8,695	93,979	(549,432)	86,670	(61,186)	(145,490)	177,680	260,254	178,064
Total District-wide Change in Net Position	<u>\$ 10,509,369</u>	<u>\$ 1,034,397</u>	<u>\$ (4,576,460)</u>	<u>\$ (2,856,219)</u>	<u>\$ (909,987)</u>	<u>\$ 1,279,097</u>	<u>\$ 1,204,431</u>	<u>\$ 4,780,405</u>	<u>\$ 4,962,445</u>	<u>\$ 10,657,981</u>

Source: Summit Public Schools Financial Reports.

SUMMIT PUBLIC SCHOOLS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 3,931,841	\$ 4,725,254	\$ 5,547,933	\$ 5,112,946	\$ 4,971,414	\$ 7,886,207	\$ 7,375,016	\$ 8,499,867	\$ 10,993,567	\$ 11,555,791
Committed						606,676	155,387			
Assigned	801,906	470,376	190,483	248,496	627,216	953,543	739,571	1,447,801	2,134,167	2,558,622
Unassigned	924,198	957,397	944,299	959,194	924,530	869,507	2,338,129	2,939,957	1,428,478	1,079,279
Total General Fund	\$ 5,657,945	\$ 6,153,027	\$ 6,682,715	\$ 6,320,636	\$ 6,523,160	\$ 10,315,933	\$ 10,608,103	\$ 12,887,625	\$ 14,556,212	\$ 15,193,692
All Other Governmental Funds:										
Restricted				\$ 922,190	\$ 818,036	\$ 511,755	\$ 551,098	\$ 598,407	\$ 648,341	\$ 516,412
Committed										124,319
Unreserved, Reported in:										
Capital Projects Fund	\$ 789,379	\$ 613,660	\$ 613,660						(440,829)	
Unassigned/(Deficit)										
Total All Other Governmental Funds	\$ 789,379	\$ 613,660	\$ 613,660	\$ 922,190	\$ 818,036	\$ 511,755	\$ 551,098	\$ 598,407	\$ 207,512	\$ 640,731
Total Governmental Funds	\$ 6,447,324	\$ 6,766,687	\$ 7,296,375	\$ 7,242,826	\$ 7,341,196	\$ 10,827,688	\$ 11,159,201	\$ 13,486,032	\$ 14,763,724	\$ 15,834,423

Source: Summit Public Schools Financial Reports

SUMMIT PUBLIC SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Tax Levy	\$60,674,206	\$61,764,695	\$62,968,889	\$63,153,994	\$64,005,589	\$65,668,859	\$66,872,641	\$68,506,754	\$69,767,778	\$71,131,283
Tuition Charges	679,483	1,149,840	1,129,474	1,010,265	921,335	290,943	487,525	454,505	581,270	418,176
Interest Earnings									34,415	54,003
Miscellaneous	12,053,319	4,370,714	855,893	1,320,430	1,141,342	1,297,537	1,301,025	1,811,385	2,370,741	2,596,273
State Sources	8,791,864	9,983,338	10,921,923	12,760,474	14,553,199	15,382,713	17,834,949	23,408,391	24,232,260	24,970,331
Federal Sources	1,263,254	1,563,994	1,404,319	1,336,458	1,436,062	1,300,696	2,333,456	3,562,661	3,625,541	3,394,555
Total Revenue	83,462,126	78,832,581	77,280,498	79,581,621	82,057,527	83,940,748	88,829,596	97,743,696	100,612,005	102,564,621
Expenditures:										
Instruction:										
Regular Instruction	32,184,067	33,592,718	33,958,217	35,687,625	35,926,838	36,236,311	40,332,081	44,076,813	27,838,781	28,799,587
Special Education Instruction	11,267,187	11,415,376	11,836,430	12,361,050	13,021,768	13,278,577	13,697,490	14,613,266	7,951,511	7,993,471
Other Special Instruction	1,833,353	2,273,611	2,177,927	2,366,872	2,522,947	2,504,151	2,665,679	3,327,999	1,482,330	1,487,627
School-Sponsored/Other Instruction	1,833,276	1,939,180	2,009,180	2,158,354	2,061,443	1,829,051	2,156,234	2,649,413	1,616,687	1,645,083
Support Services:										
Tuition									2,528,034	2,616,485
Student & Other Instruction Related Services	9,157,522	9,328,895	9,889,736	10,098,889	10,557,260	10,669,833	10,737,796	11,264,934	8,975,915	9,697,596
General Administrative Services	1,498,264	1,995,618	2,225,953	1,720,572	1,677,690	1,737,757	1,583,319	1,746,915	1,186,321	1,228,069
School Administrative Services	4,271,680	3,880,112	4,388,952	4,484,354	4,363,607	4,260,819	4,518,264	4,912,458	3,102,196	3,118,527
Central Services	1,424,666	1,532,450	1,512,551	1,490,595	1,597,688	1,579,868	1,809,051	1,802,503	1,071,788	1,166,783
Administrative Information Technology									568,928	623,242
Plant Operations and Maintenance	6,080,448	6,686,176	6,700,787	6,555,671	6,759,941	6,539,790	6,769,074	7,893,867	6,036,789	6,265,306
Student Transportation	780,334	782,285	980,021	950,688	1,050,493	865,735	792,624	1,097,765	1,353,082	1,406,991
Unallocated Benefits									32,129,663	33,927,120
Capital Outlay	15,143,426	5,051,776	1,036,035	2,053,570	2,970,276	2,580,690	3,110,769	3,873,853	5,048,133	12,197,220
Total Expenditures	85,474,223	78,478,197	76,715,789	79,928,240	82,509,951	82,082,582	88,172,381	97,259,786	100,890,158	112,173,107

SUMMIT PUBLIC SCHOOLS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (2,012,097)	\$ 354,384	\$ 564,709	\$ (346,619)	\$ (452,424)	\$ 1,858,166	\$ 657,215	\$ 483,910	\$ (278,153)	\$ (9,608,486)
Other Financing Sources/(Uses):										
Insurance Proceeds								407,750		
Financed Purchases					659,093			1,015,111		
Lease Purchase Agreement Proceeds						810,000				
Cancellation of Prior Year Revenues	(20,677)			(276,609)						
City Improvement Authorization				605,000					1,555,845	10,679,185
Transfers										
Total Other Financing Sources/(Uses)	(20,677)	- 0 -	- 0 -	328,391	659,093	810,000	- 0 -	1,422,861	1,555,845	10,679,185
Net Change in Fund Balances	\$ (2,032,774)	\$ 354,384	\$ 564,709	\$ (18,228)	\$ 206,669	\$ 2,668,166	\$ 657,215	\$ 1,906,771	\$ 1,277,692	\$ 1,070,699
Debt Service as a % of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Summit Public Schools Financial Reports.

SUMMIT PUBLIC SCHOOLS
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(Modified Basis of Accounting)

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Rentals	Prior Year Refunds	E-Rate Reimbursement	Miscellaneous	Total
2015	\$ 47,059	\$ 679,483	\$ 34,928		\$ 66,134	\$ 12,499	\$ 840,103
2016	50,463	1,149,840	8,889	\$ 201,669	34,647	109,607	1,555,115
2017	74,933	1,129,474	10,670	37,159	95,116	154,155	1,501,507
2018	170,488	1,010,265	29,338	286,441	18,477	167,717	1,682,726
2019	229,454	921,335		74,422	18,132	144,665	1,388,008
2020	192,952	290,943	19,865	113,524	14,874	166,449	798,607
2021	43,233	487,525	29,227	61,431	14,368	95,304	731,088
2022	40,751	454,505	13,743	86,898	17,511	70,874	684,282
2023	205,300	581,270		80,994	15,724	70,983	954,271
2024	448,651	418,176		207,669		123,122	1,197,618

Source: Summit Public School District Financial Reports.

SUMMIT PUBLIC SCHOOLS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	\$ 11,933,500	\$ 2,520,174,500	\$ - 0 -	\$ - 0 -	\$ 294,329,000	\$ 236,570,200	\$ 60,534,000	\$ 3,123,541,200	\$ 2,560,736	\$ 3,126,101,936	\$ 461,496,900	\$ 1.939	\$ 6,767,823,074
2015	12,823,900	2,528,788,100	- 0 -	- 0 -	283,374,300	219,667,400	60,314,800	3,104,968,500	2,487,837	3,107,456,337	462,217,300	1.970	6,965,068,414
2016	11,306,200	2,548,081,600	- 0 -	- 0 -	282,815,800	202,970,900	64,694,800	3,109,869,300	2,545,696	3,112,414,996	462,751,700	2.004	6,967,242,421
2017	15,270,400	2,558,372,600	- 0 -	- 0 -	283,665,000	183,080,676	65,339,600	3,105,728,276	2,517,120	3,108,245,396	463,777,900	2.029	7,364,274,475
2018	12,040,500	2,581,194,700	- 0 -	- 0 -	302,951,600	165,104,200	69,373,700	3,130,664,700	2,593,126	3,133,257,826	465,701,100	2.179	7,287,394,553
2019	10,383,500	2,608,521,700	- 0 -	- 0 -	305,221,800	144,804,800	71,542,500	3,140,474,300	2,645,524	3,143,119,824	465,931,900	2.063	7,368,386,609
2020	9,476,200	2,627,818,600	- 0 -	- 0 -	309,179,900	144,804,800	79,025,200	3,170,304,700	2,653,093	3,172,957,793	467,388,000	2.089	7,476,261,532
2021	9,361,300	2,645,680,800	- 0 -	- 0 -	316,641,100	144,564,800	81,735,600	3,197,983,600	2,782,506	3,200,766,106	467,045,100	2.115	7,564,952,752
2022	9,928,300	2,666,258,900	- 0 -	- 0 -	316,136,300	151,564,800	91,029,900	3,234,918,200	2,811,937	3,237,730,137	473,710,400	2.136	7,722,939,399
2023	10,341,000	2,701,061,700	- 0 -	- 0 -	315,933,500	151,564,800	90,937,100	3,269,838,100	2,665,189	3,272,503,289	472,988,100	2.259	8,631,346,486

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

*A Revaluation of Real Property was effective in this year.

a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b - Tax rates are per \$100 of assessed value.

Source: Union County Abstract of Ratables

SUMMIT PUBLIC SCHOOLS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Municipality	County	
2014	\$ 1.939		\$ 1.939	\$ 1.034	\$ 1.135	\$ 4.108
2015	1.970		1.970	1.048	1.199	4.217
2016	2.004		2.004	1.050	1.247	4.301
2017	2.029		2.029	1.061	1.275	4.365
2018	2.179		2.179	0.921	1.237	4.337
2019	2.063		2.063	1.085	1.217	4.365
2020	2.089		2.089	1.078	1.193	4.360
2021	2.115		2.115	1.051	1.151	4.317
2022	2.136		2.136	1.067	1.080	4.283
2023	2.259		2.259	0.990	1.078	4.327

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

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

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

Source: Union County Abstract of Ratables

SUMMIT PUBLIC SCHOOLS
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2023		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Summit West Celgene, LLC	\$ 153,900,000	1	4.70%
Summit East Corporate Property LLC	44,990,900	2	1.37%
RWX 25 Deforest Owner LLC	20,225,600	3	0.62%
Summit Clayton Association & NE Summit Assoc.	12,080,000	4	0.37%
1st Union National Bank	11,387,400	5	0.35%
Atlantic Health System Dunitz	10,565,500	6	0.32%
Constantine CXII LLC Goldberg Realty	8,940,000	7	0.27%
RWX 1 DeForest Owner Group, LLC	8,769,100	8	0.27%
Summit PropCo LLC Sunrise Tax Dept.	8,654,200	9	0.26%
The Maple Group, LLC	8,241,400	10	0.25%
	<u>\$ 287,754,100</u>		<u>8.79%</u>

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
The Summit Property Company (Schering-Plough)	\$ 191,881,900	1	6.14%
Celgene Corporation	21,733,800	2	0.70%
NREF 111 25 Deforest	11,580,200	3	0.37%
Atlantic Health System	10,423,400	4	0.33%
1st Union National Bank	10,387,400	5	0.33%
120 Summit Avenue	8,769,100	6	0.28%
The Maple Group, LLC	8,241,400	7	0.26%
Bassett Associates	7,281,700	8	0.23%
Constantine CXII LLC	7,387,200	9	0.24%
Canoe Brook County Club	7,250,000	10	0.23%
	<u>\$ 284,936,100</u>		<u>9.11%</u>

Source: Municipal Tax Assessor

SUMMIT PUBLIC SCHOOLS
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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 60,674,206	\$ 60,674,206	100.00%	\$ - 0 -
2016	61,764,695	61,764,695	100.00%	- 0 -
2017	62,968,889	62,968,889	100.00%	- 0 -
2018	63,153,994	63,153,994	100.00%	- 0 -
2019	64,005,589	64,005,589	100.00%	- 0 -
2020	65,668,859	65,668,859	100.00%	- 0 -
2021	66,872,641	66,872,641	100.00%	- 0 -
2022	68,506,754	68,506,754	100.00%	- 0 -
2023	69,797,778	69,797,778	100.00%	- 0 -
2024	71,131,283	71,131,283	100.00%	- 0 -

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

Source: District financial records, including the Certificate and Report of School Taxes (A4F form).

SUMMIT PUBLIC SCHOOLS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases and Leases	Bond Anticipation Notes (BANs)			
2015		\$ - 0 -		\$ - 0 -	0.00%	\$ - 0 -
2016		- 0 -		- 0 -	0.00%	- 0 -
2017		- 0 -		- 0 -	0.00%	- 0 -
2018		- 0 -		- 0 -	0.00%	- 0 -
2019		599,297		599,297	0.04%	27
2020		1,285,830		1,285,830	0.08%	59
2021		1,005,810		1,005,810	0.06%	45
2022		1,703,999		1,703,999	0.10%	76
2023		1,197,098		1,197,098	0.07%	54
2024		833,971		833,971	0.05%	37

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

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

Source: Summit Public School District Financial Records.

SUMMIT PUBLIC SCHOOLS
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
City of Summit	\$ 62,972,643	100.00%	\$ 62,972,643
Union County General Obligation Debt	526,817,242	3.52%	<u>18,563,440</u>
Subtotal, Overlapping Debt			81,536,083
Summit Public Schools Direct Debt			<u>- 0 -</u>
Total Direct and Overlapping Debt			<u><u>\$ 81,536,083</u></u>

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

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

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

SUMMIT PUBLIC SCHOOLS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 274,328,081	\$ 278,689,697	\$ 286,810,415	\$ 290,114,527	\$ 291,967,722
Total Net Debt Applicable to Limit *	54,031,774	49,215,985	47,733,211	51,647,571	35,571,985
Legal Debt Margin	<u>\$ 220,296,307</u>	<u>\$ 229,473,712</u>	<u>\$ 239,077,204</u>	<u>\$ 238,466,956</u>	<u>\$ 256,395,737</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.70%	17.66%	16.64%	17.80%	12.18%

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 293,142,830	\$ 296,399,624	\$ 300,253,544	\$ 314,604,838	\$ 336,908,730
Total Net Debt Applicable to Limit *	29,506,985	24,170,000	69,017,771	65,576,761	62,972,643
Legal Debt Margin	<u>\$ 263,635,845</u>	<u>\$ 272,229,624</u>	<u>\$ 172,561,919</u>	<u>\$ 249,028,077</u>	<u>\$ 273,936,087</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	10.07%	8.15%	22.99%	20.84%	18.69%

Legal Debt Margin Calculation for Fiscal Year 2024	
Year Ended December 31,	Equalized Valuation Basis
2021	\$ 7,608,811,801
2022	8,512,942,632
2023	9,146,400,280
	<u>\$ 25,268,154,713</u>
Average Equalized Valuation of Taxable Property	<u>\$ 8,422,718,238</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 336,908,730
Debt Extension	
Net Bonded School Debt	62,972,643
Legal Debt Margin	<u>\$ 273,936,087</u>

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

* The District is a Type I School District; therefore, the City of Summit issues debt on behalf of the School District. This information was obtained from the City's Annual Debt Statement for the respective year.

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

SUMMIT PUBLIC SCHOOLS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Union County Per Capital Personal Income ^b</u>	<u>Personal Income ^c</u>	<u>Township Unemployment Rate ^d</u>
2015	21,848	\$ 60,596	\$ 1,323,901,408	3.7%
2016	21,906	61,978	1,357,690,068	3.4%
2017	21,964	64,342	1,413,207,688	3.1%
2018	21,965	67,346	1,479,254,890	2.7%
2019	21,911	68,867	1,508,944,837	2.3%
2020	21,812	72,543	1,582,307,916	6.3%
2021	22,526	77,007	1,734,659,682	4.2%
2022	22,342	76,616	1,711,754,672	2.5%
2023	22,344	76,616 *	1,711,907,904 ***	3.4%
2024	22,344 **	76,616 *	1,711,907,904 ***	N/A

* - Latest Union County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Union County per capita personal income (2022) was used for calculation purposes.

N/A - Information is not available.

Sources:

a - Population information provided by the US Department of Census - Population Division.

b - Per Capita Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

c - Personal Income information provided by the US Department of Commerce - Bureau of Economic Analysis.

d - Unemployment data provided by the NJ Department of Labor and Workforce Development.

SUMMIT PUBLIC SCHOOLS
PRINCIPAL EMPLOYERS - COUNTY OF UNION
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2023		Percentage of Total Employment
	Employees	Rank	
Merck & Co.	6,000	1	2.13%
Overlook Medical Center	5,000	2	1.77%
Trinitas Regional Medical Center	3,000	3	1.06%
Blue Apron	2,343	4	0.83%
Nokia	1,800	5	0.64%
Summit Medical Group	1,000	6	0.35%
Kean University	1,000	7	0.35%
Maher Terminals Inc	1,000	8	0.35%
Union County Housing Rehab	1,000	9	0.35%
Union County Court House	500	10	0.18%
	<u>22,643</u>		<u>8.04%</u>
Total Employment	<u>281,793</u>		

Employer	2014		Percentage of Total Employment
	Employees	Rank	

NOT AVAILABLE

Source: Union County Economic Development Corporation.

SUMMIT PUBLIC SCHOOLS
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction:										
Regular	298.19	303.94	31.33	298.23	305.00	291.93	291.43	290.00	309.64	305.80
Special Education	135.46	142.67	142.98	145.38	156.00	154.50	159.50	158.50	155.66	154.10
Special Education/Other Special Instruction	18.50	20.50	22.50	22.50	23.20	22.00	22.00	19.50	21.00	21.00
Support Services:										
Student & Instruction-Related Services	55.97	58.37	60.37	60.37	63.30	61.97	64.17	60.26	62.05	66.82
School Administrative Services	31.70	31.70	31.99	31.70	32.00	30.70	30.70	29.00	30.70	30.30
General Administrative Services	6.00	6.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Central Services	11.00	11.00	10.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00
Administrative Information Technology	1.30	1.30	1.30	1.33	1.33	1.33	1.33	1.33	6.78	6.25
Plant Operations and Maintenance	48.98	51.98	53.48	52.95	53.50	53.45	53.45	53.45	47.26	45.26
Pupil Transportation	3.25	2.75	2.25	1.25	1.25	1.25	1.00	1.00	0.38	1.25
Total	610.35	630.21	363.20	630.71	652.58	634.13	640.58	630.04	649.47	646.78

Source: Summit Public School District Personnel Records.

SUMMIT PUBLIC SCHOOLS
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End	June 30,	Enrollment ^a	Operating Expenditures ^b	Cost Per Public ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
							Elementary	Middle	High				
							School	School	School				
2015	4,058	70,330,797	17,331	4.70%	416	1:10	1:11	1:11	1:10	4,062.1	3,886.6	-1.25%	95.68%
2016	4,112	73,426,421	17,857	3.03%	401	1:11	1:10	1:10	1:10	4,116.2	3,934.8	1.24%	95.60%
2017	4,061	75,679,754	18,636	4.36%	391	1:11	1:10	1:10	1:11	4,088.6	3,898.1	-0.93%	95.35%
2018	3,953	77,844,962	19,693	5.67%	385	1:10	1:10	1:10	1:11	3,965.0	3,761.8	-3.50%	94.88%
2019	3,953	79,588,178	20,134	2.24%	391	1:11	1:10	1:10	1:10	3,943.0	3,735.5	-0.70%	94.74%
2020	3,954	79,501,892	20,107	-0.13%	393	1:11	1:11	1:11	1:10	3,964.9	3,842.2	2.86%	96.91%
2021	3,883	85,061,612	21,906	8.95%	367	1:11	1:11	1:11	1:11	3,911.8	3,641.1	-5.23%	93.08%
2022	3,855	93,385,933	24,225	10.58%	379	1:11	1:11	1:11	1:10	3,897.1	3,709.7	1.88%	95.20%
2023	3,912	95,842,025	24,499	1.13%	419	1:10	1:10	1:10	1:09	3,935.7	3,722.3	0.34%	94.58%
2024	3,962	99,975,887	25,234	3.00%	425	1:10	1:12	1:12	1:08	3,992.3	3,779.8	1.54%	94.68%

a - Enrollment is obtained from October 15 Enrollment Summary, including students placed out of district.

b - Operating expenditures equal total expenditures less capital outlay.

c - Cost per pupil is calculated based upon enrollment and operating expenditures as presented and may not be the same as other (State) cost per pupil calculations.

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

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

Source: Summit Public School District Records.

SUMMIT PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Elementary Schools:</u>										
Brayton Elementary										
Square Feet	53,737	53,737	53,737	53,737	53,737	53,737	53,737	53,737	53,737	53,737
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	372	360	361	367	367	323	315	301	304	322
Franklin Elementary										
Square Feet	48,280	48,280	48,280	48,280	48,280	48,280	48,280	48,280	48,280	48,280
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	360	349	365	347	347	340	327	319	327	350
Jefferson Elementary										
Square Feet	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890
Capacity (students)	263	263	263	263	263	263	263	263	263	263
Enrollment	214	227	237	221	221	214	204	202	215	225
Jefferson Primary Center										
Square Feet	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Capacity (students)	137	137	137	137	137	137	137	137	137	137
Enrollment	144	138	138	108	108	125	140	124	144	122
Lincoln-Hubbard Elementary										
Square Feet	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600	74,600
Capacity (students)	401	401	401	401	401	401	401	401	401	401
Enrollment	302	298	288	311	311	328	326	331	328	360
Washington Elementary										
Square Feet	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340
Capacity (students)	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340	53,340
Enrollment	341	349	362	364	364	337	336	320	310	303
Wilson Primary Center										
Square Feet	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Capacity (students)	175	175	175	175	175	175	175	175	175	175
Enrollment	126	163	144	138	138	195	159	166	201	204

SUMMIT PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Middle School:</u>										
Lawton C. Johnson Summit										
Middle School										
Square Feet	149,720	149,720	149,720	149,720	149,720	149,720	149,720	149,720	149,720	149,720
Capacity (students)	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023
Enrollment	982	954	927	922	922	974	941	960	942	929
<u>High School:</u>										
Summit High School										
Square Feet	206,690	206,690	206,690	206,690	206,690	206,690	206,690	206,690	206,690	206,690
Capacity (students)	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Enrollment	1,217	1,274	1,239	1,175	1,175	1,118	1,135	1,132	1,141	1,147

Number of Schools at June 30, 2024

Elementary School = 7

Middle School = 1

High School = 1

Source: Summit Public School District Records.

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

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

School Facilities*	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Summit High School	\$ 354,867	\$ 363,274	\$ 348,455	\$ 427,676	\$ 409,298	\$ 409,721	\$ 448,349	\$ 561,705	\$ 277,929	\$ 283,691
Lawton C. Johnson Middle School	254,294	267,386	252,410	309,796	296,483	326,787	309,431	387,664	180,385	207,822
Brayton Elementary School	73,235	92,573	90,594	111,191	106,413	118,904	135,183	169,361	74,666	76,866
Franklin Elementary School	84,431	96,467	97,233	119,339	114,211	124,016	120,263	150,669	87,107	92,089
Jefferson Elementary School	115,456	136,941	90,852	111,507	106,716	87,632	81,335	101,899	114,397	116,290
Lincoln-Hubbard Elementary School	106,813	121,422	125,767	154,360	147,727	117,337	155,259	194,513	96,385	99,042
Washington Elementary School	85,003	102,937	89,925	110,369	105,626	119,664	110,494	138,430	69,482	81,831
Jefferson Primary Center			35,403	43,453	41,585	47,611	49,235	61,683	24,135	25,706
Wilson Primary Center	45,851	41,695	53,948	66,213	63,368	64,693	60,871	76,261	24,135	25,706
Total School Facilities	1,119,950	1,222,695	1,184,587	1,453,904	1,391,427	1,416,365	1,470,420	1,842,185	948,621	1,009,043
Other Facilities										
Stadium	5,586	5,809	6,042	6,283	6,535	6,666				
Administration	10,580	11,518	11,748	11,983	12,223	12,712	84,854	106,308	193,367	270,531
Total Other Facilities	16,166	17,327	17,790	18,266	18,758	19,378	84,854	106,308	193,367	270,531
Grand Total	\$ 1,136,116	\$ 1,240,022	\$ 1,202,377	\$ 1,472,170	\$ 1,410,185	\$ 1,435,743	\$ 1,555,274	\$ 1,948,493	\$ 1,141,988	\$ 1,279,574

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

Source: Summit Public School District Records.

SUMMIT PUBLIC SCHOOLS
INSURANCE SCHEDULE
JUNE 30, 2024

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - Diploma Joint Insurance Fund:		
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	10,000	
Employee Benefits Liability	5,000,000	
Property - Diploma Joint Insurance Fund:		
Blanket Building	194,647,154	\$ 5,000
Blanket Personal Property	12,099,372	5,000
Blanket EDP	2,094,241	5,000
Blanket Miscellaneous Property	978,850	5,000
Mobile Equipment	87,908	5,000
Employee Dishonesty	500,000	1,000
Business Automobile - Diploma Joint Insurance Fund:		
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 Joint Insurance Fund:		
Blanket Property Damage - Inc. in Property Limit	100,000,000	5,000
Extra Expense - Actual Loss Sustained: 12 Consecutive Months		
Hazardous Substance Limitation	1,000,000	10,000
Board of Education Liability - Diploma Joint Insurance Fund:		
Each Claim	5,000,000	
Annual Aggregate	10,000,000	
Excess Umbrella Policy - Diploma Joint Insurance Fund:		
Per Occurrence	30,000,000	
Annual Aggregate	30,000,000	
** Excess Over Primary Limit of \$10,000,000		
Workers Compensation Policy - Diploma Joint Insurance Fund:		
Employers Liability	5,000,000	
Excess Umbrella Policy - Fireman's Fund (NJCAP Shared)		
Per Occurrence	25,000,000	
Annual Aggregate	25,000,000	
** Excess Over Primary Limit of \$10,000,000/NJUEP of \$30,000,000		
Bonds - Selective Insurance Company:		
Derek J. Jess, Board Secretary/Business Administrator	375,000	
Tammie Baldwin, Treasurer of School Monies	375,000	

Source: Summit Public School District Records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Summit Public Schools
County of Union, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Summit Public Schools (the "District"), in the County of Union, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Summit Public Schools
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Report on Compliance and Other Matters

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

Purpose of this Report

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

October 28, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Summit Public Schools
County of Union, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

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

In our opinion, the District complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

The Honorable President and Members
of the Board of Education
Summit Public Schools
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

The Honorable President and Members
of the Board of Education
Summit Public Schools
Page 3

Report on Internal Control Over Compliance

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

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

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

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

October 28, 2024
Mount Arlington, New Jersey

Nisivoccia, LLP
NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2023			Balance at June 30, 2024		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expendi- tures	Budgetary Accounts Receivable	Budgetary Unearned Revenue
U.S. Department of Education:										
Special Revenue Fund:										
Passed-through State Department of Education: Elementary and Secondary Education Act:										
Title I	84.010	ESEA509024	7/1/23-9/30/24	\$ 214,477	\$ (79,735)	\$ 141,698	\$ (205,092)	\$ (63,394)		
Title I	84.010	ESEA509023	7/1/22-9/30/23	336,686	(79,735)	79,735	(205,092)	(63,394)		
Total Title I										
Title IIA	84.367	ESEA509024	7/1/23-9/30/24	67,470		221,433				
Title IIA	84.367	ESEA509023	7/1/22-9/30/23	69,942	(46,216)	33,550	(65,020)	(31,470)		
Total Title II					(46,216)	46,216				
Title III	84.365	ESEA509024	7/1/23-9/30/24	35,888		79,766	(65,020)	(31,470)		
Title III	84.365	ESEA509023	7/1/22-9/30/23	67,775	(37,648)	17,957	(20,908)	(2,951)		
Total Title III					(37,648)	37,648				
Title IV	84.424	ESEA509024	7/1/23-9/30/24	18,934		55,605	(20,908)	(2,951)		
Title IV	84.424	ESEA509023	7/1/22-9/30/23	24,665	(22,079)	7,587	(11,395)	(3,808)		
Total Title IV					(22,079)	22,079				
					(22,079)	29,666	(11,395)	(3,808)		
Education Stabilization Fund:										
COVID-19 - CRRSA:										
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	64,605	(1,673)	1,673				
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000	(27,502)	27,502				
COVID-19 - ARP:										
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,262,514	(79,386)	181,176	(168,809)	(67,019)		
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	332,213	(39,588)	164,648	(169,547)	(44,487)		
Learning & Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000		40,000	(40,000)			
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(2,706)	12,831	(18,637)	(8,512)		
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000	(14,000)	14,000				
Total Education Stabilization Fund					(164,855)	441,830	(396,993)	(120,018)		
Special Education Cluster (IDEA):										
I.D.E.A. Part B, Basic	84.027	IDEA509024	7/1/23-9/30/24	1,425,700		841,363	(1,088,342)	(246,979)		
I.D.E.A. Part B, Basic	84.027	IDEA509023	7/1/22-9/30/23	1,342,599	(300,903)	300,903				
I.D.E.A. Preschool	84.173	IDEA509024	7/1/23-9/30/24	39,972		39,972	(39,972)			
Total Special Education Cluster (IDEA)					(300,903)	1,182,238	(1,128,314)	(246,979)		
Total U.S. Department of Education/Special Revenue Fund					(651,436)	2,010,538	(1,827,722)	(468,620)		
U.S. Department of Health and Human Services:										
Medicaid Cluster:										
Medicaid Assistance Program	93.778	N/A	7/1/23-6/30/24	48,984		48,984	(48,984)			
Total U.S. Department of Health and Human Services/Total Medicaid Cluster						48,984	(48,984)			

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2023		Balance at June 30, 2024		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Agriculture:									
Passed-through State Department of Agriculture:									
Child Nutrition Cluster:									
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	\$ 83,937		\$ 83,937	\$ (81,937)	\$ 2,000	
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	81,135	\$ 2,038		(2,038)		
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	362,786		346,337	(362,786)	\$ (16,449)	
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	432,507	\$ (19,189)	19,189			
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/23-6/30/24	280,887		33,961	(127,750)		
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	15,592		14,776	(15,592)	(816)	
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	20,444	(948)	948			
Total Child Nutrition Cluster					(20,137)	35,999	(590,103)	(17,265)	2,000
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT)	10.649	N/A	7/1/23-6/30/24	653		653	(653)		
Local Food for Schools (LFS) Cooperative Program	10.185	N/A	7/1/23-6/30/24	3,855		3,855	(3,855)		
Total U.S. Department of Agriculture					(20,137)	35,999	(594,611)	(17,265)	2,000
U.S. Department of Treasury:									
Passed-through State Department of Education:									
Special Revenue Fund:									
COVID-19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	SLFRFDOEISES	7/1/23-6/30/24	465,772		232,886	(465,772)	(232,886)	
	21.027	SLFRFDOEISES	7/1/22-6/30/23	249,695	(124,847)	124,847			
					(124,847)	357,733	(465,772)	(232,886)	
Passed-through State Department of Community Affairs:									
Capital Projects Fund:									
COVID-19 - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program: HVAC Replacement	21.027	SSB-VVEEVR- 68352	1/26/23-1/26/25	1,815,150		1,012,702	(1,012,702)		
COVID-19 - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program: HVAC Replacement	21.027	SSB-VVEEVR- 68351	3/8/23-3/8/25	3,184,850		39,375	(39,375)		
						1,052,077	(1,052,077)		
Total U.S. Department of Treasury					(124,847)	1,409,810	(1,517,849)	(232,886)	
Total Federal Awards					\$ (796,420)	\$ 35,999	\$ 4,032,816	\$ (3,989,166)	\$ 2,000
									\$ - 0 -

N/A - Not Available/Applicable

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

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Budgetary Expenditures	Prior Year Encumbrance Cancelled	Repayment of Prior Years' Balances	Balance at June 30, 2024			MEMO	
				Budgetary Accounts Receivable	Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:														
General Fund State Aid:														
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 4,140,348				\$ (4,140,348)						\$ (400,905)	\$ 4,140,348
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	391,879				(391,879)						(37,945)	391,879
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	203,264				(203,264)						(19,682)	203,264
Extraordinary Special Education Costs Aid	24-100-034-5120-473	7/1/23-6/30/24	478,809				(478,809)			\$ (478,809)			(478,809)	478,809
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	2,745,617				(2,745,617)						(134,841)	2,745,617
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	3,491,847				(3,491,847)							3,491,847
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	12,685,296				(12,685,296)							12,685,296
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	144,669				(144,669)							144,669
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	5,948				(5,948)							5,948
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	3,427,400	\$ (336,008)			336,008							3,427,400
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	391,879	(38,418)			38,418							391,879
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	203,264	(19,927)			19,927							203,264
Extraordinary Special Education Costs Aid	23-100-034-5120-473	7/1/22-6/30/23	760,992	(760,992)										760,992
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	2,660,326	(131,398)			131,398							2,660,326
Subtotal - General Fund				(1,286,743)			(24,287,677)			(613,650)			(1,072,182)	31,731,538
Special Revenue Fund Aid:														
Nonpublic Auxiliary Services:														
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	5,394				(5,394)							5,394
Compensatory Education	23-100-034-5120-067	7/1/22-6/30/23	6,919			\$ 3,065			\$ (3,065)			\$ 1,798	(4,199)	3,854
Home Instruction	N/A	7/1/23-6/30/24	4,199											4,199
Home Instruction	N/A	7/1/22-6/30/23	5,329	(5,329)										5,329
Nonpublic Handicapped Services:														
Supplementary Instruction	24-100-034-5120-066	7/1/23-6/30/24	40,474				(40,474)							40,474
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	41,300			32,379		\$ 343	(32,379)			6,608		33,866
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	16,740				(16,740)							16,740
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	24,831			9,114			(9,114)					15,717
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	75,064				(75,064)					18,566		56,498
Examination and Classification	23-100-034-5120-066	7/1/22-6/30/23	67,130			19,901		(19,901)						47,229
N.J. Nonpublic Textbook Aid	24-100-034-5120-064	7/1/23-6/30/24	60,238				(60,238)							60,238
N.J. Nonpublic Textbook Aid	23-100-034-5120-064	7/1/22-6/30/23	70,752			43,712		(43,712)						27,040
N.J. Nonpublic Nursing Aid	24-100-034-5120-070	7/1/23-6/30/24	184,920				(184,920)					75,720		109,200
N.J. Nonpublic Nursing Aid	23-100-034-5120-070	7/1/22-6/30/23	177,408			76,156		(76,156)						101,252
N.J. Nonpublic Technology Initiative	24-100-034-5120-373	7/1/23-6/30/24	66,528				(66,528)							66,528
N.J. Nonpublic Technology Initiative	23-100-034-5120-373	7/1/22-6/30/23	315,905			8,951		(8,951)						57,577
N.J. Nonpublic Security Aid	24-100-034-5120-509	7/1/23-6/30/24	324,720			26,357		(26,357)						315,905
N.J. Nonpublic Security Aid	23-100-034-5120-509	7/1/22-6/30/23		(5,329)										298,363
Subtotal - Special Revenue Fund						219,635	(674,723)	343	(219,635)	(4,199)		103,965	(4,199)	1,239,662

Less: State Awards Not Subject to Single Audit Major Program Determination

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Summit Public Schools under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Grant revenue in the capital projects fund is recognized on the budgetary basis in the fiscal year of award but is not recognized on the GAAP basis until certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement for the NJ Clean Energy Program grants.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$64,179) for the General Fund and (\$47,275) (of which (\$40,475) relates to local grants) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 48,984	\$ 24,223,498	\$ 24,272,482
Special Revenue Fund	2,293,494	746,833	3,040,327
Capital Projects Fund	1,052,077		1,052,077
Food Service Fund	<u>594,611</u>	<u>31,248</u>	<u>625,859</u>
Total Awards	<u>\$ 3,989,166</u>	<u>\$ 25,001,579</u>	<u>\$ 28,990,745</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. Revenue and expenditures reported under the Food Distribution Program represent the current year value received and the current year distributions respectively.

NOTE 7. NJ CLEAN ENERGY GRANT

The District has been awarded two grants in the amount of \$5,000,000 which is recorded in the Capital Projects Fund from the School and Small Business Ventilation and Energy Efficiency Verification and Repair Program (SSBVEEVR). As of June 30, 2024, \$1,089,202 of the grant has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as certain milestones are accomplished and the required documentation is submitted to the grantor for reimbursement. Expenditures reported under the SSB-VEEVR on the Schedule of Expenditures of Federal Awards represent reimbursement requests submitted to the New Jersey Clean Energy Program.

SUMMIT PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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1 of 2

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____ Yes	_____ X	No
2.) Significant deficiencies identified?	_____ Yes	_____ X	None reported
Noncompliance material to basic financial statements noted?	_____ Yes	_____ X	No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes _____ X No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
COVID-19 - Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	7/1/23	6/30/24	\$ 465,772	\$ 465,772
COVID-19 - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program: HVAC Replacement	21.027	1/26/23	1/26/25	1,815,150	1,012,702
COVID-19 - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program: HVAC Replacement	21.027	3/8/23	3/8/25	3,184,850	39,375

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____ X Yes _____ No

SUMMIT PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

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2 of 2

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified? Yes X No
2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Reimbursed TPAF Social Security Contrib	24-495-034-5094-003	7/1/2023	6/30/2024	\$ 2,745,617	\$ 2,745,617
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		<u> X </u>	Yes	<u> </u>	No

SUMMIT PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.