

**SUMMIT
PUBLIC SCHOOLS**



**Summit Public Schools
Summit, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025**

Annual Comprehensive Financial Report

of the

**Summit
Public Schools**

Summit, New Jersey

For the Fiscal Year Ended June 30, 2025



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

November 20, 2025

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, 2025. 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 2024-2025 school year with an average daily enrollment of 4,022 students, representing an increase of 0.75%, or 30 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 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 2025, several points are noteworthy:

During the 2024-2025 school year, students enrolled in AP courses were required to take the AP exam in that course. There were 1,188 exams taken by 424 students in May 2025. This year we had 402 students earn a score of 3 or better on at least one of their AP Exams (95.04%).

There were 256 students identified for their excellent performance on AP exams. 82 students earned the honor of AP Scholar (average AP score of 3.90). These students earned a score of 3 or higher on three or more AP exams during their time in high school.

42 students were recognized as an AP Scholar with Honors (average AP score of 3.92). These students earned a score of 3 or higher on four or more AP exams.

132 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.

One student was recognized as earning an AP International Diploma (average AP score of 3.50). The AP International Diploma (APID) is a certificate awarded to students who have scores of 3 or higher on 5 or more AP exams, attend a school outside the US and must fulfill 4 content areas.

The percentage of students pursuing further education (94.6%).

- 95.7% are attending four-year institutions and 4.3% are attending two-year institutions.

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 2024-25 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 2024-25 school year, the district completed construction on additions to the Lawton C. Johnson Summit Middle School and Summit High School, as well as the installation of new windows at Brayton Elementary School's original wing and the renovation of the lower high school athletic field. These additions, which are part of the district's \$37,429,555 bond project, will enhance the districts educational programs at the high school and middle school levels. The Middle School project houses 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 and the installation of HVAC throughout the building. At Summit High School, the addition, which consists of a second floor being added to the media center, houses new STEAM Innovation Labs, as well as the TV studio, and additional learning and collaboration spaces. The lower high school athletic field has been renovated to include a multi-use turf field and a new fence/facade fronting Morris Avenue. The last part of the project to be completed is the renovation of Tatlock Field House. The field house will receive a face-lift to include additional spaces for use by district athletic teams, gym classes and the community. With the completion of the educational portion of the bond project Summit Public Schools has cemented 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 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, 2025.

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.

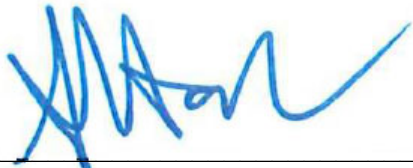
12) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, 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 state 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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November 20, 2025

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, 2025. 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 NJ DOE 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, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Melanie Cohn, President	2027
Eileen P. Kelly, Vice President	2026
Yon Cho	2026
Mark Gundersen	2028
Richard Hanley	2028
Walidah Justice	2027
J. Carlos Mahecha	2027

<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.	Board Attorney

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 Depositories

Citizens Bank
51 JFK Parkway
Short Hills, NJ 07078

New Jersey Asset & Rebate Management Program (NJARM)
821 Alexander Road, Suite 110
Princeton, NJ 08540



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, 2024.**

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, and each major fund of the Summit Public Schools (the “District”), in the County of Union, as of and for the fiscal year ended June 30, 2025, 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 and each major fund of the District, as of June 30, 2025, 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 schedule of expenditures of 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 schedule of expenditures of 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 November 20, 2025 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.

November 20, 2025
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, 2025**

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, 2025. 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

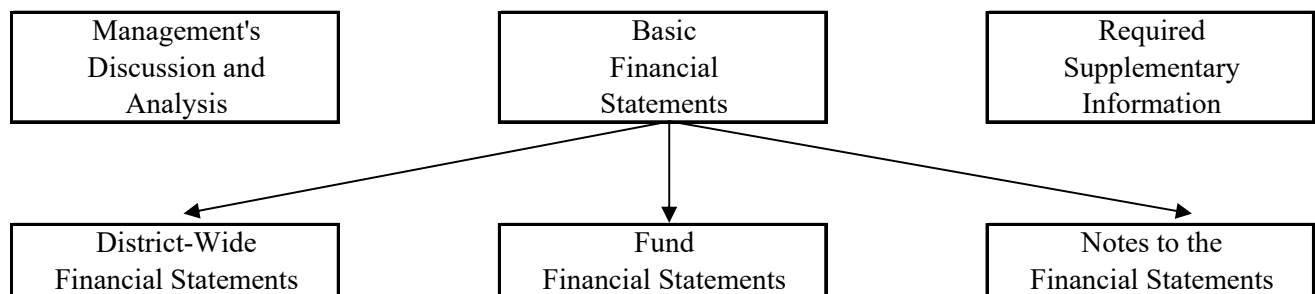
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2025**

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, 2025**

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, 2025**

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 \$22,871,238. Net position from governmental activities increased by \$22,758,515 and net position from business-type activities increased by \$112,723. Net investment in capital assets increased by \$20,143,800, restricted net position decreased by \$152,807, and unrestricted net position increased by \$2,880,245.

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Current and Other Assets	\$ 18,914,042	\$ 17,056,145	\$ 985,798	\$ 927,318	\$ 19,899,840	\$ 17,983,463	
Capital Assets, Net	66,738,895	46,780,061	129,780	116,764	66,868,675	46,896,825	
Lease Assets, Net	439,878	642,905			439,878	642,905	
Total Assets	<u>86,092,815</u>	<u>64,479,111</u>	<u>1,115,578</u>	<u>1,044,082</u>	<u>87,208,393</u>	<u>65,523,193</u>	33.10%
Deferred Outflows of Resources	<u>2,175,982</u>	<u>2,632,074</u>			<u>2,175,982</u>	<u>2,632,074</u>	-17.33%
Other Liabilities	2,722,992	2,897,840	227,713	268,940	2,950,705	3,166,780	
Long-Term Liabilities	19,348,224	20,881,891			19,348,224	20,881,891	
Total Liabilities	<u>22,071,216</u>	<u>23,779,731</u>	<u>227,713</u>	<u>268,940</u>	<u>22,298,929</u>	<u>24,048,671</u>	-7.28%
Deferred Inflows of Resources	<u>1,420,703</u>	<u>1,313,091</u>			<u>1,420,703</u>	<u>1,313,091</u>	8.20%
Net Position:							
Net Investment in Capital Assets	66,719,779	46,588,995	129,780	116,764	66,849,559	46,705,759	
Restricted	11,919,396	12,072,203			11,919,396	12,072,203	
Unrestricted/(Deficit)	<u>(13,862,297)</u>	<u>(16,642,835)</u>	<u>758,085</u>	<u>658,378</u>	<u>(13,104,212)</u>	<u>(15,984,457)</u>	
Total Net Position	<u>\$ 64,776,878</u>	<u>\$ 42,018,363</u>	<u>\$ 887,865</u>	<u>\$ 775,142</u>	<u>\$ 65,664,743</u>	<u>\$ 42,793,505</u>	53.45%

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Changes in Net Position. The District's combined net position was \$65,664,743 on June 30, 2025, an increase of \$22,871,238 or 53.45% 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 encumbrances, an increase in resources committed for capital projects and changes in net pension liability and related deferred outflows and inflows; offset by an increase in compensated absences and a decrease in designated for subsequent year's expenditures. 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
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Change 2024/25
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,402,124	\$ 1,096,514	\$ 1,967,756	\$ 1,970,995	\$ 3,369,880	\$ 3,067,509	
Operating Grants and Contributions	17,205,716	20,581,445	550,616	625,859	17,756,332	21,207,304	
Capital Grants and Contributions	2,423,573	1,052,077			2,423,573	1,052,077	
General Revenue:							
Property Taxes	73,233,933	71,131,283			73,233,933	71,131,283	
Unrestricted Local State and Federal Aid	455,276	392,352			455,276	392,352	
City Improvement Authorization	22,008,327	10,679,185			22,008,327	10,679,185	
Other	911,057	779,442	10,289	19,979	921,346	799,421	
Total Revenue	<u>117,640,006</u>	<u>105,712,298</u>	<u>2,528,661</u>	<u>2,616,833</u>	<u>120,168,667</u>	<u>108,329,131</u>	10.93%
Expenses:							
Instruction	60,639,362	60,945,376			60,639,362	60,945,376	
Pupil/Instruction Services	16,052,772	16,747,483			16,052,772	16,747,483	
Administrative & Business	8,508,874	8,537,929			8,508,874	8,537,929	
Maintenance & Operations	8,125,848	7,530,041			8,125,848	7,530,041	
Transportation	1,554,635	1,471,552			1,554,635	1,471,552	
Other			2,415,938	2,438,769	2,415,938	2,438,769	
Total Expenses	<u>94,881,491</u>	<u>95,232,381</u>	<u>2,415,938</u>	<u>2,438,769</u>	<u>97,297,429</u>	<u>97,671,150</u>	-0.38%
Increase/(Decrease) in Net Position	<u>\$ 22,758,515</u>	<u>\$ 10,479,917</u>	<u>\$ 112,723</u>	<u>\$ 178,064</u>	<u>\$ 22,871,238</u>	<u>\$ 10,657,981</u>	114.59%

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 2024/25	Net Cost of Services 2024/25	Total Cost of Services 2023/24	Net Cost of Services 2023/24
Instruction	\$ 60,639,362	\$46,234,464	\$ 60,945,376	\$ 44,564,133
Pupil and Instruction Services	16,052,772	12,662,616	16,747,483	12,397,327
Administrative and Business	8,508,874	7,958,353	8,537,929	7,794,878
Maintenance and Operations	8,125,848	5,696,825	7,530,041	6,477,964
Transportation	1,554,635	1,297,820	1,471,552	1,268,043
	<u>\$ 94,881,491</u>	<u>\$ 73,850,078</u>	<u>\$ 95,232,381</u>	<u>\$ 72,502,345</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$112,723 (Refer to Figure A-4). Factors contributing to these results included:

- Food Service Fund revenue exceeded expenses by \$74,276, which was primarily due to a decrease in expenses.
- Summer FLASH program revenue exceeded expenses by \$38,447, 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 \$1,857,612. The fund balance in the District's General Fund decreased \$1,089,853 on the GAAP basis during the fiscal year primarily due to \$5,539,784 of unexpended appropriations and excess revenue of \$345,900; offset by \$5,081,101 included as anticipated budget revenue for the fiscal year ending June 30, 2025, \$1,200,000 of budgeted withdrawals from Capital and Maintenance Reserves and \$628,000 of board approved withdrawals from Capital Reserve. The fund balance in the District's Special Revenue Fund increased \$47,627 due to increases in student activities and scholarship funds.

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

The fund balance in the District's Capital Projects Fund increased \$2,899,838 primarily due to the recognition of NJ Clean Energy program grant receipts and City Improvement Authorization receipts offset by applicable project expenditures. The State imposes spending and tax levy limits on the District in its budget process. At year end, the District's 2% limit is \$1,630,283 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 \$19,971,850 or 42.59% - as shown in Figure A-6. (More detailed information about the District's capital assets is presented in Note 7 to the financial statements.)

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

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Sites	\$ 1,758,660	\$ 1,758,660			\$ 1,758,660	\$ 1,758,660	
Construction in Progress	32,916,825	16,165,289			32,916,825	16,165,289	
Site Improvements	2,952,374	2,605,742			2,952,374	2,605,742	
Buildings & Building Improvements	27,760,353	24,505,729			27,760,353	24,505,729	
Machinery and Equipment	1,350,683	1,744,641	\$ 129,780	\$ 116,764	1,480,463	1,861,405	
Total Capital Assets, Net	<u>\$ 66,738,895</u>	<u>\$ 46,780,061</u>	<u>\$ 129,780</u>	<u>\$ 116,764</u>	<u>\$ 66,868,675</u>	<u>\$ 46,896,825</u>	42.59%

During the fiscal year, the District acquired or constructed \$22,879,349 (\$22,852,218 from its governmental activities and \$27,131 from its business-type activities) in capital asset additions which was offset by current year depreciation of \$2,907,499 (\$2,893,384 from its governmental activities and \$14,115 from its business-type activities).

**SUMMIT PUBLIC SCHOOLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Long-term Liabilities

The District's long-term liabilities decreased by \$1,533,667 or 7.34% – 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

	Total School District		Percentage Change 2024/25
	2024/25	2023/24	
Net Pension Liability	\$ 15,114,738	\$ 16,513,280	
Other Long-Term Liabilities	4,233,486	4,368,611	
	<u>\$ 19,348,224</u>	<u>\$ 20,881,891</u>	-7.34%

During the fiscal year,

- The District made annual principal payments of \$201,805 and \$173,172 in leases and financed purchases payable.
- Compensated absences payable increased by a net amount of \$239,852.
- The District's Net pension liability decreased by \$1,398,542.

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, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 10,659,738	\$ 926,056	\$ 11,585,794
Internal Balances	(497)	497	
Receivables from State Government	756,630	1,497	758,127
Receivables from Federal Government	392,192	21,290	413,482
Receivables from Other Governments	119,113		119,113
Other Accounts Receivables	51,194		51,194
Inventories		36,458	36,458
Restricted Cash and Cash Equivalents	6,935,672		6,935,672
Capital Assets, Net:			
Sites (Land) and Construction in Progress	34,675,485		34,675,485
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	32,063,410	129,780	32,193,190
Lease Assets, Net	439,878		439,878
Total Assets	86,092,815	1,115,578	87,208,393
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Deferred Outflows Related to Pensions	674,997		674,997
District Contribution Subsequent to the Measurement Date - Pensions	1,500,985		1,500,985
Total Deferred Outflows of Resources	2,175,982		2,175,982
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	2,017,404	19,192	2,036,596
Payable to State Government	56,596		56,596
Accrued Liability for Insurance Claims	42,289		42,289
Unearned Revenue	606,703	208,521	815,224
Noncurrent Liabilities:			
Due Within One Year	294,189		294,189
Due Beyond One Year	19,054,035		19,054,035
Total Liabilities	22,071,216	227,713	22,298,929
<u>DEFERRED INFLOW OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,420,703		1,420,703
Total Deferred Inflows of Resources	1,420,703		1,420,703
<u>NET POSITION</u>			
Net Investment in Capital Assets	66,719,779	129,780	66,849,559
Restricted for:			
Capital Projects	4,324,191		4,324,191
Maintenance	1,218,565		1,218,565
Emergency	151		151
Unemployment Compensation	828,726		828,726
Excess Surplus	4,983,724		4,983,724
Student Activities	419,965		419,965
Scholarships	144,074		144,074
Unrestricted/(Deficit)	(13,862,297)	758,085	(13,104,212)
Total Net Position	\$ 64,776,878	\$ 887,865	\$ 65,664,743

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, 2025

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
Governmental Activities:						
Instruction:						
Regular	\$ 43,567,647	\$ 67,920	\$ 7,297,486		\$ (36,202,241)	\$ (36,202,241)
Special Education	12,174,430	261,068	6,356,404		(5,556,958)	(5,556,958)
Other Special Instruction	2,685,797		402,447		(2,283,350)	(2,283,350)
Other Instruction	2,211,488		19,573		(2,191,915)	(2,191,915)
Support Services:						
Tuition	2,517,906		601,442		(1,916,464)	(1,916,464)
Student and Instruction Related Services	13,534,866	1,019,292	1,769,422		(10,746,152)	(10,746,152)
General Administrative Services	1,605,846		61,063		(1,544,783)	(1,544,783)
School Administrative Services	4,573,642		408,668		(4,164,974)	(4,164,974)
Central Services	1,621,748		80,790		(1,540,958)	(1,540,958)
Administrative Information Technology	707,638				(707,638)	(707,638)
Plant Operations and Maintenance	8,125,848		5,450	\$ 2,423,573	(5,696,825)	(5,696,825)
Pupil Transportation	1,554,635	53,844	202,971		(1,297,820)	(1,297,820)
Total Governmental Activities	94,881,491	1,402,124	17,205,716	2,423,573	(73,850,078)	(73,850,078)
Business-Type Activities:						
Food Service	2,281,157	1,795,926	550,616			\$ 65,385
Summer FLASH Program	134,781	171,830				37,049
Total Business-Type Activities	2,415,938	1,967,756	550,616			102,434

SUMMIT PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 Primary Government	\$ 97,297,429	\$ 3,369,880	\$ 17,756,332	\$ 2,423,573	\$ (73,850,078)	\$ 102,434
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net					73,233,933	73,233,933
Federal, State and Local Aid not Restricted					455,276	455,276
City Improvement Authorization					22,008,327	22,008,327
Interest Earnings					670,630	10,289
Miscellaneous Income					240,427	240,427
Total General Revenues					96,608,593	10,289
Change in Net Position					22,758,515	112,723
Net Position - Beginning					42,018,363	775,142
Net Position - Ending					\$ 64,776,878	\$ 887,865
					\$ 65,664,743	\$ 65,664,743

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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 7,635,581		\$ 3,024,157	\$ 10,659,738
Interfund Receivable	81,689			81,689
Receivables From State Government	736,329	\$ 20,301		756,630
Receivables From Federal Government		392,192		392,192
Receivables From Other Governments	119,113			119,113
Other Accounts Receivable		51,194		51,194
Restricted Cash and Cash Equivalents	6,371,633	564,039		6,935,672
Total Assets	<u>\$ 14,944,345</u>	<u>\$ 1,027,726</u>	<u>\$ 3,024,157</u>	<u>\$ 18,996,228</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 497	\$ 81,689		\$ 82,186
Accounts Payable	458,045	58,374		516,419
Accrued Liability for Insurance Claims	42,289			42,289
Payable to State Government		56,596		56,596
Unearned Revenue	339,675	267,028		606,703
Total Liabilities	<u>840,506</u>	<u>463,687</u>		<u>1,304,193</u>
Fund Balances:				
Restricted:				
Capital Reserve	4,324,191			4,324,191
Maintenance Reserve	1,218,565			1,218,565
Emergency Reserve	151			151
Unemployment Compensation	828,726			828,726
Excess Surplus - For 2026-2027	2,500,000			2,500,000
Excess Surplus - For 2025-2026	2,483,724			2,483,724
Student Activities		419,965		419,965
Scholarships		144,074		144,074
Committed:				
Capital Projects			\$ 3,024,157	3,024,157
Assigned:				
Other Purposes	1,643,167			1,643,167
Unassigned	1,105,315			1,105,315
Total Fund Balances	<u>14,103,839</u>	<u>564,039</u>	<u>3,024,157</u>	<u>17,692,035</u>
Total Liabilities and Fund Balances	<u>\$ 14,944,345</u>	<u>\$ 1,027,726</u>	<u>\$ 3,024,157</u>	<u>\$ 18,996,228</u>

SUMMIT PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

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

Total Fund Balances from previous page	\$ 17,692,035
Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	66,738,895
Leased Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	439,878
Long-Term Liabilities, including the Net Pension Liability for PERS, and Leases Payable are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(19,348,224)
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.	(1,500,985)
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	2,175,982
Deferred Inflows Related to Pensions	(1,420,703)
Net Position of Governmental Activities (Exhibit A-1)	<u>\$ 64,776,878</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, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 73,233,933			\$ 73,233,933
Tuition from Individuals	67,920			67,920
Tuition from Other LEAs	261,068			261,068
Transportation Fees from Individuals	53,844			53,844
Interest Earned on Capital Reserve Funds	37,791			37,791
Restricted Miscellaneous Revenue	74,220	\$ 1,019,292		1,093,512
Unrestricted Miscellaneous Revenue	799,046	885,561		1,684,607
Total - Local Sources	74,527,822	1,904,853		76,432,675
State Sources	25,615,403	619,262		26,234,665
Federal Sources	23,801	1,566,576	\$ 2,423,573	4,013,950
Total Revenues	100,167,026	4,090,691	2,423,573	106,681,290
EXPENDITURES:				
Current:				
Regular Instruction	27,768,032	1,591,153		29,359,185
Special Education Instruction	8,261,990	39,357		8,301,347
Other Special Instruction	1,717,532			1,717,532
School-Sponsored/Other Instruction	1,687,501			1,687,501
Support Services and Undistributed Costs:				
Tuition	1,916,464	601,442		2,517,906
Student/Other Instruction Related Services	8,127,505	1,736,196		9,863,701
General Administrative Services	1,336,161			1,336,161
School Administrative Services	3,162,969			3,162,969
Central Services	1,192,545			1,192,545
Administrative Information Technology	644,840			644,840
Plant Operations and Maintenance	6,999,780			6,999,780
Student Transportation	1,456,673			1,456,673
Unallocated Benefits	35,572,306			35,572,306
Capital Outlay	1,412,581	74,916	21,532,062	23,019,559
Total Expenditures	101,256,879	4,043,064	21,532,062	126,832,005
Excess/(Deficit) of Revenue Over/(Under) Expenditures	(1,089,853)	47,627	(19,108,489)	(20,150,715)
Other Financing Sources/(Uses):				
City Improvement Authorization			22,008,327	22,008,327
Total Other Financing Sources/(Uses)			22,008,327	22,008,327
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1,089,853)	47,627	2,899,838	1,857,612
Fund Balance - July 1	15,193,692	516,412	124,319	15,834,423
Fund Balance - June 30	\$ 14,103,839	\$ 564,039	\$ 3,024,157	\$ 17,692,035

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, 2025

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 1,857,612

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.

Depreciation Expense	\$ (2,893,384)	
Capital Asset Additions	<u>22,852,218</u>	
		19,958,834

Capital outlays related to lease assets are reported in Governmental Funds as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over the shorter of their estimated useful lives or lease term as amortization expense. This is the amount by which amortization differs from capital outlays in the period.

Amortization Expense	(203,027)
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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.	201,805
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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.

173,172

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 (+).

(239,852)

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	1,398,542
Changes in Deferred Outflows and Inflows Related to Pensions	<u>(388,571)</u>

Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 22,758,515</u>
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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, 2025

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 704,231	\$ 221,825	\$ 926,056
Interfund Receivable	497		497
Intergovernmental Accounts Receivable:			
State	1,497		1,497
Federal	21,290		21,290
Inventories	36,458		36,458
Total Current Assets	763,973	221,825	985,798
Non-Current Assets:			
Capital Assets	898,560		898,560
Less: Accumulated Depreciation	(768,780)		(768,780)
Total Non-Current Assets	129,780		129,780
Total Assets	893,753	221,825	1,115,578
LIABILITIES:			
Current Liabilities:			
Accounts Payable	17,344	1,848	19,192
Unearned Revenue - Donated Commodities	2,152		2,152
Unearned Revenue - Prepaid Sales	62,107		62,107
Unearned Revenue - Prepaid Tuition		144,262	144,262
Total Current Liabilities	81,603	146,110	227,713
Total Liabilities	81,603	146,110	227,713
NET POSITION:			
Investment in Capital Assets	129,780		129,780
Unrestricted	682,370	75,715	758,085
Total Net Position	\$ 812,150	\$ 75,715	\$ 887,865

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, 2025

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 878,369		\$ 878,369
Non-Reimbursable Programs	892,663		892,663
Program Fees		\$ 171,830	171,830
Miscellaneous Revenue	24,894		24,894
Total Operating Revenue	1,795,926	171,830	1,967,756
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	510,377		510,377
Non-Reimbursable Programs	533,147		533,147
Salaries	681,776	116,905	798,681
Employee Benefits	231,547	8,943	240,490
Purchased Professional Technical Services	5,949		5,949
Other Purchased Services	189,598		189,598
Supplies and Materials	114,648	8,260	122,908
Miscellaneous Expenses		673	673
Depreciation Expense	14,115		14,115
Total Operating Expenses	2,281,157	134,781	2,415,938
Operating Income/(Loss)	(485,231)	37,049	(448,182)
Non-Operating Revenue:			
Local Sources:			
Interest Income	8,891	1,398	10,289
State Sources:			
State School Lunch Program	21,359		21,359
State School Lunch Program - NJEIE	8,730		8,730
State School Breakfast Program	551		551
State School Breakfast Program - NJEIE	756		756
S-EBT Reimbursement	321		321
Federal Sources:			
National School Lunch Program	411,657		411,657
School Breakfast Program	24,667		24,667
S-EBT Reimbursement	322		322
Local Food for Schools (LFS) Cooperative Program	15,685		15,685
Food Distribution Program	66,568		66,568
Total Non-Operating Revenue	559,507	1,398	560,905
Change in Net Position	74,276	38,447	112,723
Net Position - Beginning of Year	737,874	37,268	775,142
Net Position - End of Year	\$ 812,150	\$ 75,715	\$ 887,865

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, 2025

	Business-Type Activities - Proprietary Funds		
	Major Funds		
	Food Service	Summer FLASH Program	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,805,811	\$ 148,785	\$ 1,954,596
Payments to Food Service Management Company	(2,208,819)		(2,208,819)
Payments to/for Employees		(125,848)	(125,848)
Payments to Suppliers	(25,493)	(7,085)	(32,578)
Net Cash Provided by/(Used for) Operating Activities	(428,501)	15,852	(412,649)
Cash flows from Investing Activities:			
Interest Income	8,891	1,398	10,289
Net Cash Provided by Investing Activities	8,891	1,398	10,289
Cash flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(27,131)		(27,131)
Net Cash (Used for) Capital and Related Financing Activities	(27,131)		(27,131)
Cash Flows from Noncapital Financing Activities:			
State Sources	31,691		31,691
Federal Sources	448,306		448,306
Net Cash Provided by Noncapital Financing Activities	479,997		479,997
Net Increase in Cash and Cash Equivalents	33,256	17,250	50,506
Cash and Cash Equivalents, July 1	670,975	204,575	875,550
Cash and Cash Equivalents, June 30	<u>\$ 704,231</u>	<u>\$ 221,825</u>	<u>\$ 926,056</u>
Adjustment to Reconcile Operating Income/(Loss)			
Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (485,231)	\$ 37,049	\$ (448,182)
Adjustment to Reconcile Operating Income/(Loss) to Net			
Cash Provided by/(Used for) Operating Activities:			
Depreciation	14,115		14,115
Food Distribution Program	66,568		66,568
Changes in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	(30,067)	1,848	(28,219)
Increase in Unearned Revenue - Donated Commodities	152		152
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Tuition	9,885	(23,045)	(13,160)
(Increase) in Inventory	(3,923)		(3,923)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (428,501)</u>	<u>\$ 15,852</u>	<u>\$ (412,649)</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 \$66,720 and utilized U.S.D.A. Commodities valued at \$66,568.

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, 2025

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, 2025
(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, 2025
(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, 2025
(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, 2025 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	\$ - 0 -	\$ 7,697,580
City and Grant Revenue/Receivable Recognized/Not Recognized on the GAAP Basis	<u>24,431,900</u>	<u>(4,673,423)</u>
Revenue and Other Financing Sources/Fund Balance per Governmental Funds (GAAP)	<u>\$ 24,431,900</u>	<u>\$ 3,024,157</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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	\$ 100,233,462	\$ 4,321,394
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		(286,950)
Cancellation of Prior Year Encumbrances		(26)
Prior Year Encumbrances		56,273
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	458,532	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(524,968)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 100,167,026</u>	<u>\$ 4,090,691</u>
	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 101,256,879	\$ 4,273,767
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		(286,950)
Cancellation of Prior Year Encumbrances		(26)
Prior Year Encumbrances		56,273
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 101,256,879</u>	<u>\$ 4,043,064</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2025
(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, 2025.

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, 2025
(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, 2025.

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, 2025
(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 \$14,103,839 General Fund fund balance at June 30, 2025, \$4,324,191 is restricted in the capital reserve account; \$1,218,565 is restricted in the maintenance reserve account; \$828,726 is restricted for unemployment compensation; \$151 is restricted in the emergency reserve; \$2,483,724 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$2,500,000 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; \$1,643,167 is assigned for encumbrances; and \$1,105,315 is unassigned which is \$524,968 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

Special Revenue Fund: Of the \$564,039 Special Revenue Fund fund balance at June 30, 2025, \$419,965 is restricted for student activities and \$144,074 is restricted for Scholarships.

Capital Projects Fund: The Capital Projects Fund fund balance of \$3,024,157 at June 30, 2025 is committed, which is \$4,673,423 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, 2025
(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 \$13,862,297 in 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, 2025.

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, 2025
(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 at June 30, 2025.

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 in the General Fund at June 30, 2025.

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, 2025
(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, 2025
(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;

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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

Investments: (Cont'd)

- (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
- (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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Checking/Money Market Accounts	\$ 2,036,650	\$ 3,710,838	\$ 5,747,488
NJ Cash Management Fund		3,224,834	3,224,834
NJ Asset and Rebate Management Program (NJ ARM)	9,549,144		9,549,144
	<u>\$ 11,585,794</u>	<u>\$ 6,935,672</u>	<u>\$ 18,521,466</u>

During the period ended June 30, 2025, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2025, was \$18,521,466 and the bank balance was \$20,966,465. The balance of \$9,549,144 in NJ ARM and the balance of \$3,224,834 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, 2024	\$ 4,499,660
Add: Interest Earnings	37,791
Return of Unexpended Balance from Capital Outlay	64,740
Transfer from Unassigned Fund Balance per Board Resolution - June 30, 2025	1,000,000
Less: Budgeted Withdrawal to Capital Outlay	(650,000)
Withdrawal by Board Resolution to Capital Outlay	<u>(628,000)</u>
Ending Balance, June 30, 2025	<u>\$ 4,324,191</u>

The balance in the capital reserve account at June 30, 2025 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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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.

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, 2024	\$ 1,295,271
Add: Transfer from Unassigned Fund Balance per Board Resolution - June 30, 2025	<u>473,294</u>
	1,768,565
Less: Budgeted Withdrawal	<u>(550,000)</u>
Ending Balance, June 30, 2025	<u><u>\$ 1,218,565</u></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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 6. EMERGENCY RESERVE (Cont'd)

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, 2024	\$ 151
Ending Balance, June 30, 2025	<u>\$ 151</u>

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 1,758,660			\$ 1,758,660
Construction in Progress	16,165,289	\$21,532,062	\$(4,780,526)	32,916,825
Total Capital Assets Not Being Depreciate	17,923,949	21,532,062	(4,780,526)	34,675,485
Capital Assets Being Depreciated:				
Site Improvements	8,420,209	649,865	17,640	9,087,714
Buildings and Building Improvements	76,121,249	407,643	5,214,290	81,743,182
Machinery and Equipment	4,850,054	262,648	(451,404)	4,661,298
Total Capital Assets Being Depreciated	89,391,512	1,320,156	4,780,526	95,492,194
Governmental Activities Capital Assets	107,315,461	22,852,218		130,167,679
Less Accumulated Depreciation for:				
Site Improvements	(5,814,467)	(320,873)		(6,135,340)
Buildings and Building Improvements	(51,615,520)	(2,367,309)		(53,982,829)
Machinery and Equipment	(3,105,413)	(205,202)		(3,310,615)
	(60,535,400)	(2,893,384)		(63,428,784)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 46,780,061</u>	<u>\$ 19,958,834</u>	<u>\$ - 0 -</u>	<u>\$ 66,738,895</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 871,429	\$ 27,131		\$ 898,560
Less Accumulated Depreciation for:				
Machinery and Equipment	(754,665)	(14,115)		(768,780)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 116,764</u>	<u>\$ 13,016</u>	<u>\$ - 0 -</u>	<u>\$ 129,780</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 7. CAPITAL ASSETS (Cont'd)

The District expended and capitalized \$22,852,218 during the fiscal year, which included \$21,532,062 of construction projects in progress. The District has \$7,697,580 in active construction projects, of which \$2,641,644 represents open encumbrances as of June 30, 2025.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 1,338,648
Special Education Instruction	359,940
Other Special Instruction	83,063
Other Instruction/School Sponsored	83,063
Student and Other Instruction Related Services	374,403
General Administration	55,375
School Administration	138,439
Central Services	55,375
Administrative Information Technology	27,688
Operations and Maintenance of Plant	322,015
Student Transportation	55,375
	<u>\$ 2,893,384</u>

NOTE 8. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2025, the District transferred \$628,000 to the capital outlay accounts, which was a Board approved withdrawal from Capital Reserve.

NOTE 9. LEASE ASSETS

Lease asset balances and activity for the year ended June 30, 2025 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	\$ 1,015,132			\$ 1,015,132
Total Lease Assets Being Amortized	<u>1,015,132</u>			<u>1,015,132</u>
Governmental Activities Lease Assets	<u>1,015,132</u>			<u>1,015,132</u>
Less Accumulated Amortization for:				
Machinery and Equipment	(372,227)	\$ (203,027)		(575,254)
	<u>(372,227)</u>	<u>(203,027)</u>		<u>(575,254)</u>
Governmental Activities Lease Assets, Net of Accumulated Amortization	<u>\$ 642,905</u>	<u>\$ (203,027)</u>	<u>\$ - 0 -</u>	<u>\$ 439,878</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 9. LEASE ASSETS (Cont'd)

Amortization expense was charged to governmental functions as follows:

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

NOTE 10. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due Within One Year
Leases Payable	\$ 660,799		\$ 201,805	\$ 458,994	\$ 208,069
Financed Purchases Payable	173,172		173,172		
Compensated Absences Payable	3,534,640	\$ 384,835	144,983	3,774,492	86,120
Net Pension Liability	16,513,280		1,398,542	15,114,738	
	<u>\$ 20,881,891</u>	<u>\$ 384,835</u>	<u>\$ 1,918,502</u>	<u>\$ 19,348,224</u>	<u>\$ 294,189</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:

As of June 30, 2025, the Board had \$-0- in financed purchases payable.

C. Leases Payable:

The District had leases outstanding as of June 30, 2025 as follows:

Purpose	Commencement Date	Frequency of Payment	Final Maturity Date	Interest Rate	Amount
FY2023 Technology Equipment	09/16/22	Monthly	08/16/27	3.10%	\$ 78,761
FY2023 Copiers	09/10/22	Monthly	08/10/27	3.10%	201,334
FY2023 Copiers	09/10/22	Monthly	08/10/27	3.10%	178,899
					<u>\$ 458,994</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

C. Leases Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 208,069	\$ 11,147
2027	214,528	4,688
2028	36,397	139
	<u>\$ 458,994</u>	<u>\$ 15,974</u>

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in current and long-term portions. The current portion of the compensated absences balance of the governmental funds is \$86,120 and is separated from the long-term portion of \$3,688,372. 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 current and long-term portions and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$0 and the long-term portion is \$15,114,738. See Note 11 for further information on the PERS.

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.nj.gov/treasury/pensions/annual-reports.shtml.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

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

District contributions to PERS amounted to \$1,513,621 for the current fiscal year. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$48,730 to PERS for normal pension benefits on behalf of the District.

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

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

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, 2025, the District reported a liability of \$15,114,738 for its proportionate share of the net pension liability, for PERS, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.111% for PERS, which was a decrease of -0.003% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension expense of \$503,635 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$48,730 and the District recognized pension expense and revenue for the same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

At June 30, 2025, 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	2020	5.16		\$ (109,840)
	2021	5.13	\$ 18,777	
	2022	5.04		(62,131)
			<u>18,777</u>	<u>(171,971)</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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)

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	2020	5.16	\$ 14,813	
	2021	5.13	186,692	
	2022	5.04	151,939	
	2023	5.08		\$ (169,609)
	2024	5.08		(338,054)
			<u>353,444</u>	<u>(507,663)</u>
Net Difference Between Projected and Actual	2021	5.00		(1,037,530)
Investment Earnings on Pension Plan Investments	2022	5.00		1,645,879
	2023	5.00		(426,805)
	2024	5.00		(882,373)
				<u>(700,829)</u>
Difference Between Expected and Actual Experience	2020	5.16	6,120	
	2021	5.13		(14,933)
	2022	5.04		(25,307)
	2023	5.08	77,749	
	2024	5.08	218,907	
			<u>302,776</u>	<u>(40,240)</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	1,500,985	
			<u>\$ 2,175,982</u>	<u>\$ (1,420,703)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding the District contribution subsequent to the measurement date) related to pensions will be recognized in the pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2025	\$ (525,150)
2026	454,583
2027	(420,620)
2028	(252,181)
2029	(2,338)
	<u>\$ (745,706)</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions:

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, 2023 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, 2024) 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, 2024 are summarized in the following table.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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.

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, 2024 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:

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 (Cont'd)

	June 30, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 20,083,771	\$ 15,114,738	\$ 10,886,119

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.nj.gov/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, 2025
(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 2024, 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 2025, the State of New Jersey contributed \$12,913,402 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of (\$536,709).

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, 2025, the District reported a liability of \$147,130,494 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. 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, 2024, the District's proportion was 0.298%, which was a decrease of 0.008% as of June 30, 2023.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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>147,130,494</u>
Total	<u><u>\$ 147,130,494</u></u>

For the fiscal year ended June 30, 2024, the State recognized a pension benefit on behalf of the District in the amount of \$536,709 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 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	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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	2021	5.00		\$ 888,658,452
Actual Investment Earnings on Pension	2022	5.00		(1,659,667,329)
Plan Investments	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	<u>(34,177,408)</u>
	<u>\$ (9,436,989,313)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% – 5.65% based on years of service
Investment Rate of Return	7.00%

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2023 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, 2024) 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's target asset allocation as of June 30, 2024 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%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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, 2024. 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, 2024 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, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total Net Pension Liability	\$ 174,885,421	\$ 147,130,494	\$ 123,755,599

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, 2025
(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 \$30,827 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$42,537 for the fiscal year ended June 30, 2025.

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.

Selected, summarized financial information for the Fund as of June 30, 2025 is as follows:

	<u>Diploma Joint Insurance Fund</u>
Total Assets	\$ 29,857,048
Net Position	\$ 16,283,837
Total Revenue	\$ 12,971,205
Total Expenses	\$ 11,420,163
Change in Net Position	\$ 1,551,042
Members Dividends	\$ - 0 -

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. RISK MANAGEMENT (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>

There has been no significant reduction on insurance coverage from the previous year, and there have not been any settlements which have exceeded the insurance coverages in any of the prior three years.

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>
2024-2025	\$ - 0 -	\$ 7,752	\$ 131,766	\$ 65,298	\$ 828,726
2023-2024	- 0 -	9,078	127,812	84,104	754,506
2022-2023	- 0 -	7,223	125,653	109,894	701,720

NOTE 13. INTERFUND/INTRAFUND BALANCES AND TRANSFERS

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 81,689	\$ 497
Special Revenue Fund		81,689
Enterprise Funds:		
Food Service Fund	497	
	<u>\$ 82,186</u>	<u>\$ 82,186</u>

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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. ACCOUNTS PAYABLE

Accounts payable recorded as of June 30, 2025 consisted of the following:

	<u>Governmental Funds</u>		<u>District Contribution</u>		<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>	<u>Proprietary Funds</u>
Due to State of New Jersey		\$ 56,930	\$ 1,500,985	\$ 1,557,915	
Vendors	\$ 391,739	1,444		393,183	\$ 19,192
Payroll Deductions and Withholdings	66,306			66,306	
Total	<u>\$ 458,045</u>	<u>\$ 58,374</u>	<u>\$ 1,500,985</u>	<u>\$ 2,017,404</u>	<u>\$ 19,192</u>

NOTE 15. 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.

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, 2025, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>\$ 1,643,167</u>	<u>\$ 286,950</u>	<u>\$ 2,641,644</u>	<u>\$ 4,571,761</u>

On the District's Governmental Funds Balance Sheet as of June 30, 2025, \$0 is assigned for year-end encumbrances in the Special Revenue Fund, which is \$286,950 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 \$2,641,644 year-end encumbrances in the Capital Projects Fund are included in the \$3,024,157 committed fund balance.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 16. 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 17. 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 18. 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 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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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 local 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.nj.gov/treasury/pensions/gasb-notice-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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% - 5.65% based on years of service	2.75% - 6.55% based on years of service	3.25% - 16.25% based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active members 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.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return 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, 2023	\$ 130,213,067
Changes for Year:	
Service Cost	6,234,022
Interest on the Total OPEB Liability	4,852,281
Difference between Actual and Expected Experience	(1,341,728)
Changes of Assumptions	11,027,985
Gross Benefit Payments by the State	(3,705,766)
Contributions from Members	<u>126,889</u>
Net Changes	<u>17,193,683</u>
Balance at June 30, 2024	<u><u>\$ 147,406,750</u></u>

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, 2024, 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 was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	<u>At 1% Decrease (2.93%)</u>	<u>At Discount Rate (3.93%)</u>	<u>At 1% Increase (4.93%)</u>
Total OPEB Liability Attributable to the District	\$ 172,644,874	\$ 147,406,750	\$ 126,887,655

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, 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 was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2024			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 122,790,896	\$ 147,406,750	\$ 179,470,524

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$6,220,548 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, 2024, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the sources below and on the following page.

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,826,913
	2018	9.51		3,451,200
	2019	9.29	\$ 544,504	
	2020	9.24	14,045,803	
	2021	9.24	82,966	
	2022	9.13		22,542,154
	2023	9.30	204,719	
	2024	9.33	9,845,993	
			<u>24,723,985</u>	<u>28,820,267</u>

SUMMIT PUBLIC SCHOOLS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(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 and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	2018	9.51		\$ 3,262,458
	2019	9.29		6,408,847
	2020	9.24	\$ 13,091,240	
	2021	9.24		15,955,022
	2022	9.13	2,321,518	
	2023	9.30		1,901,764
	2024	9.33	350,658	
			15,763,416	27,528,091
Changes in Proportion	N/A	N/A	4,294,502	3,837,937
			\$ 44,781,903	\$ 60,186,295

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
2025	\$ (5,228,688)
2026	(4,384,287)
2027	(2,082,397)
2028	547,290
2029	(3,799,979)
Thereafter	(912,896)
	\$ (15,860,957)

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's Proportion of the Net Pension Liability	0.1003800000%	0.1021300000%	0.1075600000%	0.1109100000%	0.1077000000%	0.1098200000%	0.1137100000%	0.1156859888%	0.1140075513%	0.1112355574%
District's Proportionate Share of the Net Pension Liability	\$ 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	\$ 15,114,738
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
District's Proportionate Share of the Net Pension Liability as a % of its Covered Employee Payroll	335.73%	439.30%	335.82%	289.65%	257.68%	230.75%	165.23%	207.83%	197.01%	169.69%
Plan Fiduciary Net Position as a % of the Total Pension Liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 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	\$ 1,513,621
Contributions in relation to the Contractually Required Contribution	(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)	(1,513,621)
Contribution Deficiency (Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 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	\$ 9,162,302
Contributions as a Percentage of Covered Employee Payroll	12.73%	12.55%	13.65%	14.52%	13.50%	14.74%	15.85%	18.21%	17.11%	16.52%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's Proportion of the Net Pension Liability Attributable to the District	0.3156785902%	0.3134060072%	0.3130884434%	0.3236728689%	0.3170530612%	0.3144458274%	0.3050413870%	0.3141410848%	0.3057543727%	0.2976837168%
State's Proportionate Share of the Net Pension Liability Attributable to the District	\$ 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	\$ 147,130,494
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
State's proportionate share of the net pension liability attributable to the District as a % of its Covered Employee Payroll	629.65%	761.09%	637.76%	610.91%	581.50%	605.29%	415.61%	462.83%	436.92%	391.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually Required Contribution	\$ 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	\$ (536,709)
Contributions in relation to the Contractually Required Contribution	(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)	(12,913,402)
Contribution Deficiency/(Excess)	\$ 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)	\$ (13,450,111)
District's Covered Employee Payroll	\$ 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	\$ 39,018,228
Contributions as a percentage of Covered Employee Payroll	7.38%	10.27%	14.14%	18.64%	20.16%	25.13%	36.93%	35.00%	33.74%	33.10%

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 EIGHT FISCAL YEARS

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

334%

300%

* Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 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, 2023 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% 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, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long term rate after nine 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, 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%.

BUDGETARY COMPARISON SCHEDULES

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 73,233,933		\$ 73,233,933	\$ 73,233,933	
Tuition From Individuals	83,700		83,700	67,920	\$ (15,780)
Tuition From Other LEAs Within the State	395,984		395,984	261,068	(134,916)
Transportation Fees From Other LEAs				53,844	53,844
Unrestricted Miscellaneous Revenues	325,000		325,000	799,046	474,046
Interest Earned on Capital Reserve Funds				37,791	37,791
Other Restricted Miscellaneous Revenues				74,220	74,220
Total Revenues from Local Sources	74,038,617		74,038,617	74,527,822	489,205
Revenues from State Sources:					
Categorical Transportation Aid	203,264		203,264	203,264	
Extraordinary Aid	700,000		700,000	596,681	(103,319)
Categorical Special Education Aid	4,675,859		4,675,859	4,675,859	
Categorical Security Aid	462,813		462,813	462,813	
Menstrual Product Reimbursement				514	514
TPAF Post Retirement Contributions (Non-Budgeted)				3,820,048	3,820,048
TPAF Pension Contributions (Non-Budgeted)				12,913,402	12,913,402
TPAF Non-Contributory Insurance (Non-Budgeted)				159,962	159,962
TPAF Long-Term Disability Insurance (Non-Budgeted)				6,956	6,956
Reimbursed TPAF Social Security Contributions				2,842,340	2,842,340
Total Revenues from State Sources	6,041,936		6,041,936	25,681,839	19,639,903
Revenues from Federal Sources:					
Medicaid Reimbursement	64,301		64,301	18,351	(45,950)
FEMA Reimbursements				5,450	5,450
Total Revenues from Federal Sources	64,301		64,301	23,801	(40,500)
TOTAL REVENUE	80,144,854		80,144,854	100,233,462	20,088,608

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,021,188		\$ 1,021,188	\$ 895,658	\$ 125,530
Grades 1-5 - Salaries of Teachers	9,943,366	(27,480)	9,915,886	9,605,495	310,391
Grades 6-8 - Salaries of Teachers	6,117,163	(86,412)	6,030,751	5,904,887	125,864
Grades 9-12 - Salaries of Teachers	8,162,775		8,162,775	7,868,052	294,723
Regular Programs - Home Instruction:					
Salaries of Teachers	21,321	8,854	30,175	30,175	
Purchased Professional - Educational Services	32,000	17,089	49,089	49,089	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	732,912	(3,051)	729,861	714,854	15,007
Purchased Technical Services	12,000		12,000	10,808	1,192
Other Purchased Services (400-500 series)	329,404	16,804	346,208	332,275	13,933
General Supplies	2,272,040	97,650	2,369,690	1,978,136	391,554
Textbooks	435,761	(16,804)	418,957	378,603	40,354
Total Regular Programs - Instruction	29,079,930	6,650	29,086,580	27,768,032	1,318,548
Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	824,317	(24,090)	800,227	720,898	79,329
General Supplies	5,000		5,000	3,763	1,237
Total Learning and/or Language Disabilities - Mild to Moderate	829,317	(24,090)	805,227	724,661	80,566
Behavioral Disabilities:					
Salaries of Teachers		105,195	105,195	105,195	
Other Salaries for Instruction		82,000	82,000	81,836	164
General Supplies		15,000	15,000	3,400	11,600
Total Behavioral Disabilities		202,195	202,195	190,431	11,764

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	\$ 3,547,380		\$ 3,547,380	\$ 3,420,284	\$ 127,096
Other Salaries for Instruction	3,263,254		3,263,254	2,936,245	327,009
General Supplies	12,000		12,000	10,523	1,477
Total Resource Room/Resource Center	6,822,634		6,822,634	6,367,052	455,582
Preschool Disabilities - Part-Time:					
Salaries of Teachers	432,166	\$ (9,338)	422,828	374,229	48,599
Other Salaries for Instruction	622,245	9,339	631,584	604,420	27,164
General Supplies	2,000		2,000	1,197	803
Total Preschool Disabilities - Part-Time	1,056,411	1	1,056,412	979,846	76,566
TOTAL SPECIAL EDUCATION - INSTRUCTION	8,708,362	178,106	8,886,468	8,261,990	624,478
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	812,701	24,090	836,791	836,791	
General Supplies	2,000		2,000	1,922	78
Total Basic Skills/Remedial - Instruction	814,701	24,090	838,791	838,713	78
Bilingual Education - Instruction:					
Salaries of Teachers	942,887		942,887	877,453	65,434
Purchased Professional-Educational Services	2,000		2,000		2,000
General Supplies	6,200		6,200	1,366	4,834
Total Bilingual Education - Instruction	951,087		951,087	878,819	72,268
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	357,005	40,102	397,107	397,107	
Purchased Services (300-500 series)	11,400	(3,935)	7,465	5,413	2,052
Supplies and Materials	24,304		24,304	18,493	5,811
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	392,709	36,167	428,876	421,013	7,863

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction:					
Salaries	\$ 916,794	\$ (31,118)	\$ 885,676	\$ 872,427	\$ 13,249
Purchased Services (300-500 series)	188,485	24,700	213,185	193,762	19,423
Supplies and Materials	105,650	(14,700)	90,950	71,803	19,147
Other Objects	23,610		23,610	20,171	3,439
Total School-Sponsored Athletics - Instruction	1,234,539	3,832	1,238,371	1,183,113	55,258
Summer School - Instruction:					
Salaries of Teachers	124,350	(40,000)	84,350	83,375	975
General Supplies	1,000		1,000		1,000
Total Summer School - Instruction	125,350	(40,000)	85,350	83,375	1,975
Total Summer School	125,350	(40,000)	85,350	83,375	1,975
TOTAL INSTRUCTION	41,306,678	208,845	41,515,523	39,435,055	2,080,468
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	429,088		429,088	237,108	191,980
Tuition to County Voc. School Dist.-Regular	258,000	56,500	314,500	303,600	10,900
Tuition to County Voc. School Dist.-Special	107,000	(56,500)	50,500	33,250	17,250
Tuition to Priv. Sch. for the Handicap. Within the State	1,235,887	(162,195)	1,073,692	1,067,706	5,986
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	320,300	(40,000)	280,300	274,800	5,500
Total Undistributed Expenditures - Instruction	2,350,275	(202,195)	2,148,080	1,916,464	231,616
Undistributed Expenditures - Health Services:					
Salaries	813,350	(13,233)	800,117	785,727	14,390
Purchased Professional and Technical Services	110,000		110,000	67,822	42,178
Other Purchased Services (400-500 series)	6,800	6,000	12,800	6,330	6,470
Supplies and Materials	33,000	(6,000)	27,000	14,319	12,681
Total Undist. Expenditures - Health Services	963,150	(13,233)	949,917	874,198	75,719

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 902,534	\$ (7,770)	\$ 894,764	\$ 850,484	\$ 44,280
Purchased Professional - Educational Services	45,000	(33,554)	11,446	11,446	
Total Undist. Expend. - Speech, OT, PT, Related Svcs	947,534	(41,324)	906,210	861,930	44,280
Undist.Expend. - Other Supp.Serv.Students - Extra.Serv.:					
Purchased Professional - Educational Services	408,000	41,324	449,324	439,324	10,000
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	408,000	41,324	449,324	439,324	10,000
Undist.Expend. - Guidance:					
Salaries of Other Professional Staff	1,231,296	(61,490)	1,169,806	1,160,198	9,608
Salaries of Secretarial and Clerical Assistants	162,622	1,490	164,112	164,112	
Other Purchased Services (400-500 series)	2,000		2,000	958	1,042
Supplies and Materials	21,975		21,975	19,970	2,005
Total Undist Expend. - Guidance	1,417,893	(60,000)	1,357,893	1,345,238	12,655
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,190,532	73,233	1,263,765	1,260,678	3,087
Salaries of Secretarial and Clerical Assistants	125,980		125,980	123,314	2,666
Purchased Professional - Educational Services	18,000		18,000		18,000
Other Purchased Services (400-500 series)	7,000		7,000	2,958	4,042
Supplies and Materials	14,900		14,900	8,943	5,957
Other Objects	450		450	245	205
Total Undist Expend. - Child Study Team	1,356,862	73,233	1,430,095	1,396,138	33,957
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	1,271,167	13,346	1,284,513	1,284,513	
Salaries of Other Professional Staff	13,000		13,000	13,000	
Other Salaries	239,027	(13,346)	225,681	101,725	123,956
Sal of Facilitators, Math Coaches & Literacy Coaches	536,477		536,477	536,477	
Purchased Professional - Educational Services	17,000		17,000		17,000
Supplies and Materials	25,843		25,843	21,137	4,706
Total Undist. Expend. - Improv. of Inst. Serv.	2,102,514		2,102,514	1,956,852	145,662

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	\$ 1,057,382		\$ 1,057,382	\$ 1,040,557	\$ 16,825
Supplies and Materials	184,078		184,078	150,434	33,644
Total Undist Expend - Edu. Media Serv./Sch. Library	1,241,460		1,241,460	1,190,991	50,469
Undist.Expend. - Instructional Staff Training Services:					
Other Objects	94,786	\$ (6,650)	88,136	62,834	25,302
Total Undist.Expend. - Instructional Staff Training Services	94,786	(6,650)	88,136	62,834	25,302
Undist. Expend. - Support Serv. - Gen. Admin.:					
Salaries	735,550	(50,626)	684,924	684,924	
Legal Services	170,000	101,169	271,169	271,169	
Audit Fees	75,000	10,000	85,000	85,000	
Other Purchased Professional Services	40,000	25,500	65,500	65,500	
Communications / Telephone	154,600	(6,210)	148,390	148,390	
BOE Other Purchased Services	40,000	(15,281)	24,719	24,719	
General Supplies	8,000	(603)	7,397	7,397	
BOE Membership Dues and Fees	50,000	(598)	49,402	49,062	340
Total Undist. Expend. - Support Serv. - Gen. Admin.	1,323,150	13,351	1,336,501	1,336,161	340
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,759,980		1,759,980	1,740,742	19,238
Salaries of Other Professional Staff	425,898		425,898	414,551	11,347
Salaries of Secretarial and Clerical Assistants	985,464	(13,351)	972,113	965,689	6,424
Other Purchased Services (400-500 series)	41,000		41,000	11,231	29,769
Supplies and Materials	3,000		3,000	2,967	33
Other Objects	28,500		28,500	27,789	711
Total Undist. Expend. - Support Serv. - School Adm.	3,243,842	(13,351)	3,230,491	3,162,969	67,522

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 1,043,571	\$ (10,384)	\$ 1,033,187	\$ 1,023,559	\$ 9,628
Miscellaneous Purchased Services (400-500 series other than 594)	55,000		55,000	46,517	8,483
Supplies and Materials	34,000		34,000	31,669	2,331
Interest on Lease Purchase Agreements	50,746		50,746	21,286	29,460
Other Objects	85,000		85,000	69,514	15,486
Total Undist. Expend. - Central Services	1,268,317	(10,384)	1,257,933	1,192,545	65,388
Undist. Expend. - Admin. Info. Technology:					
Salaries	632,131	10,384	642,515	641,849	666
Other Purchased Services (400-500 series)	3,000		3,000	2,991	9
Total Undist. Expend. - Admin. Info. Technology	635,131	10,384	645,515	644,840	675
Undist. Expend. - Required Maintenance for School Facilities:					
Salaries	589,965	(24,358)	565,607	557,287	8,320
Cleaning, Repair, and Maintenance Services	913,340	16,000	929,340	708,162	221,178
General Supplies	323,207	8,358	331,565	321,575	9,990
Total Undist. Expend. - Required Maint. for School Facilities	1,826,512	-	1,826,512	1,587,024	239,488
Undist. Expend. - Custodial Services:					
Salaries	2,540,604	(6,174)	2,534,430	2,498,787	35,643
Salaries of Non-Instructional Aides	518,130	6,174	524,304	486,628	37,676
Purchased Professional and Technical Services	44,526		44,526	41,748	2,778
Cleaning, Repair, and Maintenance Services	74,900	(15,000)	59,900	43,036	16,864
Other Purchased Property Services	92,904	15,000	107,904	105,601	2,303
Insurance	764,826	(86,013)	678,813	624,118	54,695
General Supplies	211,238		211,238	211,170	68
Energy (Natural Gas)	481,727		481,727	386,257	95,470
Energy (Electricity)	724,552	86,013	810,565	739,994	70,571
Other Objects	33,990		33,990	33,990	
Total Undist. Expend. - Custodial Services	5,487,397		5,487,397	5,171,329	316,068

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	\$ 21,645		\$ 21,493	\$ 21,493	\$ 152
General Supplies	29,870		29,870	29,870	
Total Undist. Expend. - Care And Upkeep Of Grounds	51,515		51,515	51,363	152
Undist. Expend. - Security:					
Salaries	188,377		188,377	183,089	5,288
Other Objects	15,000		15,000	6,975	8,025
Total Undist. Expend. - Security	203,377		203,377	190,064	13,313
Total Undist. Expend. - Oper. And Maint. Of Plant Serv.	7,568,801	\$ -	7,568,801	6,999,780	569,021
Undist. Expend. - Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.) - Spl. Ed.	98,703	9,467	108,170	108,170	
Cleaning, Repair, and Maint. Services	10,000		10,000	4,391	5,609
Contract. Serv.(Oth. than Bet. Home & Sch.) - Vend.	300,000	118,000	418,000	373,780	44,220
Contract. Serv.(Spl. Ed. Students)-Vendors	15,000		15,000	8,443	6,557
Contract. Serv.(Reg. Students)-ESCs & CTSAs	75,000		75,000	75,000	
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSAs	1,150,000	(127,467)	1,022,533	870,943	151,590
General Supplies	16,000		16,000	15,946	54
Total Undist. Expend. - Student Trans. Serv.	1,664,703		1,664,703	1,456,673	208,030
UNALLOCATED BENEFITS					
Group Insurance	212,473		212,473	202,425	10,048
Social Security Contributions	1,350,000		1,350,000	1,129,603	220,397
Other Retirement Contributions - PERS	1,676,118		1,676,118	1,513,621	162,497
Other Retirement Contributions - Regular	35,000		35,000	30,827	4,173
Workers Compensation	405,320		405,320	392,762	12,558
Health Benefits	12,506,329		12,506,329	12,290,145	216,184
Tuition Reimbursement	115,500		115,500	112,637	2,863
Other Employee Benefits	254,270		254,270	157,578	96,692
TOTAL UNALLOCATED BENEFITS	16,555,010		16,555,010	15,829,598	725,412

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			\$ 3,820,048	\$ 3,820,048	\$ (3,820,048)
TPAF Pension Contributions (Non-Budgeted)			12,913,402	12,913,402	(12,913,402)
TPAF Non-Contributory Insurance (Non-Budgeted)			159,962	159,962	(159,962)
TPAF Long-Term Disability Insurance (Non-Budgeted)			6,956	6,956	(6,956)
Reimbursed TPAF Social Security Contributions			2,842,340	2,842,340	(2,842,340)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				<u>19,742,708</u>	<u>(19,742,708)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 16,555,010		\$ 16,555,010	35,572,306	(19,017,296)
TOTAL UNDISTRIBUTED EXPENDITURES	43,141,428	\$ (208,845)	42,932,583	60,409,243	(17,476,660)
TOTAL GENERAL CURRENT EXPENSE	84,448,106		84,448,106	99,844,298	(15,396,192)
CAPITAL OUTLAY					
Equipment:					
Undistributed:					
Undistributed Expenditures - Instruction	52,190		52,190	35,711	16,479
Total Equipment	<u>52,190</u>		<u>52,190</u>	<u>35,711</u>	<u>16,479</u>
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	191,368	(191,368)			
Other Purchased Prof. and Tech. Services		212,668	212,668	130,478	82,190
Construction Services	1,477,854	606,700	2,084,554	997,575	1,086,979
Lease Purchase Agreements - Principal	221,416		221,416	213,796	7,620
Assessment for Debt Service on SDA Funding	35,021		35,021	35,021	
Total Facilities Acquisition and Const. Serv.	<u>1,925,659</u>	<u>628,000</u>	<u>2,553,659</u>	<u>1,376,870</u>	<u>1,176,789</u>

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL CAPITAL OUTLAY	\$ 1,977,849	\$ 628,000	\$ 2,605,849	\$ 1,412,581	\$ 1,193,268
TOTAL EXPENDITURES	86,425,955	628,000	87,053,955	101,256,879	(14,202,924)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(6,281,101)	(628,000)	(6,909,101)	(1,023,417)	5,885,684
Fund Balance, July 1	15,652,224		15,652,224	15,652,224	
Fund Balance, June 30	\$ 9,371,123	\$ (628,000)	\$ 8,743,123	\$ 14,628,807	\$ 5,885,684
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 2,500,000	
Excess Surplus - Restricted For 2025-2026				2,483,724	
Capital Reserve				4,324,191	
Maintenance Reserve				1,218,565	
Emergency Reserve				151	
Unemployment Compensation				828,726	
Assigned Fund Balance:					
Year End Encumbrances				1,643,167	
Unassigned Fund Balance				1,630,283	
				<u>14,628,807</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(524,968)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 14,103,839</u>	

SUMMIT PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 2,381,860	\$ 2,381,860	\$ 2,012,406	\$ (369,454)
State Sources	\$ 140,935	745,356	886,291	742,412	(143,879)
Federal Sources	636,838	1,412,550	2,049,388	1,566,576	(482,812)
Total Revenues	777,773	4,539,766	5,317,539	4,321,394	(996,145)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	195,675	661,359	857,034	586,922	270,112
Purchased Professional and Technical Services		1,100	1,100	600	500
Purchased Professional - Educational Services	58,345	466,625	524,970	486,764	38,206
Tuition	425,229	269,684	694,913	601,442	93,471
General Supplies	18,206	729,729	747,935	613,697	134,238
Textbooks	12,202	7,487	19,689	19,596	93
Other Objects	609	11,891	12,500	10,660	1,840
Total Instruction	710,266	2,147,875	2,858,141	2,319,681	538,460
Support Services:					
Salaries of Supervisors of Instruction		29,636	29,636	23,207	6,429
Personal Services - Employee Benefits		85,136	85,136	71,228	13,908
Purchased Professional and Technical Services	23,335	768,043	791,378	542,889	248,489
Purchased Professional-Educational Services	42,233	148,274	190,507	116,411	74,096
Other Purchased Services	1,939	17,401	19,340	6,078	13,262
Supplies and Materials		8,360	8,360	4,273	4,087
Other Objects		3,000	3,000	445	2,555
Student Activities		920,100	920,100	898,057	22,043
Scholarships Awarded		99,192	99,192	73,608	25,584
Total Support Services	67,507	2,079,142	2,146,649	1,736,196	410,453
Facilities Acquisition and Construction Services:					
Instructional Equipment		155,387	155,387	61,368	94,019
Non-Instructional Equipment		157,362	157,362	156,522	840
Total Facilities Acquisition and Construction Services		312,749	312,749	217,890	94,859
Total Expenditures	\$ 777,773	\$ 4,539,766	\$ 5,317,539	\$ 4,273,767	\$ 1,043,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ 47,627	\$ 47,627

SUMMIT PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 100,233,462	\$ 4,321,394
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		(286,950)
Cancellation of Prior Year Encumbrances		(26)
Prior Year Encumbrances		56,273
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	458,532	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(524,968)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 100,167,026</u>	<u>\$ 4,090,691</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 101,256,879	\$ 4,273,767
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		(286,950)
Cancellation of Prior Year Encumbrances		(26)
Prior Year Encumbrances		56,273
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 101,256,879</u>	<u>\$ 4,043,064</u>

SUMMIT PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(Continued)

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, 2025 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, 2025

	Elementary and Secondary Education Act			
	Title IA	Title IIA	Title III	Title III Immigrant
REVENUES:				
Local Sources				
State Sources				
Federal Sources	\$ 182,308	\$ 59,541	\$ 22,693	\$ 10,028
Total Revenues	182,308	59,541	22,693	10,028
EXPENDITURES:				
Instruction:				
Salaries of Teachers	130,909	26,411	14,138	4,500
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Tuition				
General Supplies	4,104		5,974	1,684
Textbooks			1,500	
Other Objects				
Total Instruction	135,013	26,411	21,612	6,184
Support Services:				
Salaries of Supervisors of Instruction				
Personal Services - Employee Benefits	47,295	14,055	1,081	344
Purchased Professional and Technical Services		19,075		
Purchased Professional - Educational Services				
Other Purchased Services				3,500
Supplies and Materials				
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services	47,295	33,130	1,081	3,844
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 182,308	\$ 59,541	\$ 22,693	\$ 10,028

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	I.D.E.A.		NJ DCA Local		COVID-19 - ARP	
	Basic	Preschool	Recreation Improvement Grant	Learning Acceleration	Beyond School Day	
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 1,119,145	\$ 38,498	\$ 126,400	\$ 7,406	\$ 12,154	
Total Revenues	1,119,145	38,498	126,400	7,406	12,154	
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Tuition	575,112			7,406	12,154	
General Supplies	39,197					
Textbooks						
Other Objects	160					
Total Instruction	614,469			7,406	12,154	
Support Services:						
Salaries of Supervisors of Instruction	11,207					
Personal Services - Employee Benefits	857					
Purchased Professional and Technical Services	485,316	38,498				
Purchased Professional - Educational Services						
Other Purchased Services	2,578					
Supplies and Materials	4,273					
Other Objects	445					
Student Activities						
Scholarships Awarded						
Total Support Services	504,676	38,498				
Facilities Acquisition and Construction Services:						
Instructional Equipment			126,400			
Non-Instructional Equipment			126,400			
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 1,119,145	\$ 38,498	\$ 126,400	\$ 7,406	\$ 12,154	

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	COVID-19 ARP		Nonpublic			
	High Impact Tutoring	Nursing	Textbooks	Technology Initiative	Security Aid	
REVENUES:						
Local Sources						
State Sources		\$ 102,891	\$ 19,596	\$ 71,289	\$ 305,825	
Federal Sources	\$ 114,803					
Total Revenues	114,803	102,891	19,596	71,289	305,825	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	87,300					
Purchased Professional and Technical Services						
Purchased Professional - Educational Services		102,891			305,825	
Tuition						
General Supplies	7,907			71,289		
Textbooks			19,596			
Other Objects						
Total Instruction	95,207	102,891	19,596	71,289	305,825	
Support Services:						
Salaries of Supervisors of Instruction	12,000					
Personal Services - Employee Benefits	7,596					
Purchased Professional and Technical Services						
Purchased Professional - Educational Services						
Other Purchased Services						
Supplies and Materials						
Other Objects						
Student Activities						
Scholarships Awarded						
Total Support Services	19,596					
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Non-Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 114,803	\$ 102,891	\$ 19,596	\$ 71,289	\$ 305,825	

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Nonpublic Handicapped Services		Nonpublic Auxiliary Services	
	Supplementary Instruction	Examination and Classification	Corrective Speech	Home Instruction
REVENUES:				
Local Sources				
State Sources	\$ 39,648	\$ 62,562	\$ 13,950	\$ 251
Federal Sources				
Total Revenues	39,648	62,562	13,950	251
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Tuition				
General Supplies				
Textbooks				
Other Objects				
Total Instruction				
Support Services:				
Salaries of Supervisors of Instruction				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services	39,648	62,562	13,950	251
Supplies and Materials				
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services	39,648	62,562	13,950	251
Facilities Acquisition and Construction Services:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition and Construction Services				
Total Expenditures	\$ 39,648	\$ 62,562	\$ 13,950	\$ 251

SUMMIT PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Private		Student		Scholarship		Totals
	Donations		Activities				
REVENUES:							
Local Sources	\$	993,114	\$	920,100	\$	99,192	\$ 2,012,406
State Sources							742,412
Federal Sources							1,566,576
Total Revenues		993,114		920,100		99,192	4,321,394
EXPENDITURES:							
Instruction:							
Salaries of Teachers	323,664						586,922
Purchased Professional and Technical Services	600						600
Purchased Professional - Educational Services	78,048						486,764
Tuition	26,330						601,442
General Supplies	463,982						613,697
Textbooks							19,596
Other Objects	9,000						10,660
Total Instruction	901,624						2,319,681
Support Services:							
Salaries of Supervisors of Instruction							23,207
Personal Services - Employee Benefits							71,228
Purchased Professional and Technical Services							542,889
Purchased Professional - Educational Services							116,411
Other Purchased Services							6,078
Supplies and Materials							4,273
Other Objects							445
Student Activities			898,057				898,057
Scholarships Awarded					73,608		73,608
Total Support Services			898,057		73,608		1,736,196
Facilities Acquisition and Construction Services:							
Instructional Equipment	61,368						61,368
Non-Instructional Equipment	30,122						156,522
Total Facilities Acquisition and Construction Services	91,490						217,890
Total Expenditures	\$	993,114	\$	898,057	\$	73,608	\$ 4,273,767

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, 2025

Expenditures:	
Purchased Professional and Technical Services	\$ 476,489
Construction Services	<u>21,055,573</u>
Total Expenditures	<u>21,532,062</u>
Deficit Revenue and Other Financing Sources	
Under Expenditures	(21,532,062)
Fund Balance - Beginning of Year	<u>29,229,642</u>
Fund Balance - End of Year	<u><u>\$ 7,697,580</u></u>
<u>Recapitulation of Fund Balance:</u>	
Committed	\$ 5,055,936
Committed - Year End Encumbrances	<u>2,641,644</u>
Total Fund Balance - Budgetary Basis	7,697,580
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
City and State Grant Receivable not Recognized on the GAAP Basis	<u>(4,673,423)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 3,024,157</u></u>

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, 2025

	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	40,614,405		40,614,405	40,614,405
Expenditures:				
Purchased Professional and Technical Services	1,952,718	\$ 473,149	2,425,867	7,978,401
Construction Services	10,231,690	20,259,268	30,490,958	32,636,004
Total Expenditures	12,184,408	20,732,417	32,916,825	40,614,405
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 28,429,997	\$ (20,732,417)	\$ 7,697,580	\$ - 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	\$ 35,655,000
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	81%
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, 2025

	<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	97,172	\$ 3,340	100,512	100,000
Construction Services	1,523,383	796,305	2,319,688	2,320,200
Total Expenditures	1,620,555	799,645	2,420,200	2,420,200
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 799,645	\$ (799,645)	\$ - 0 -	\$ - 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	100%
Original Target Completion Date	06/30/24
Revised Target Completion Date	06/30/25

N/A - Not Available/Applicable

PROPRIETARY FUNDS

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Major Funds		
	Food Service	Summer FLASH Program	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 704,231	\$ 221,825	\$ 926,056
Interfund Receivable	497		497
Intergovernmental Accounts Receivable:			
State	1,497		1,497
Federal	21,290		21,290
Inventories	36,458		36,458
Total Current Assets	763,973	221,825	985,798
Non-Current Assets:			
Capital Assets	898,560		898,560
Less: Accumulated Depreciation	(768,780)		(768,780)
Total Non-Current Assets	129,780		129,780
Total Assets	893,753	221,825	1,115,578
LIABILITIES:			
Current Liabilities:			
Accounts Payable	17,344	1,848	19,192
Unearned Revenue - Donated Commodities	2,152		2,152
Unearned Revenue - Prepaid Sales	62,107		62,107
Unearned Revenue - Prepaid Tuition		144,262	144,262
Total Current Liabilities	81,603	146,110	227,713
Total Liabilities	81,603	146,110	227,713
NET POSITION:			
Investment in Capital Assets	129,780		129,780
Unrestricted	682,370	75,715	758,085
Total Net Position	\$ 812,150	\$ 75,715	\$ 887,865

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Funds		
	Food Service	Summer FLASH Program	Totals
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 878,369		\$ 878,369
Non-Reimbursable Programs	892,663		892,663
Program Fees		\$ 171,830	171,830
Miscellaneous Revenue	24,894		24,894
Total Operating Revenue	1,795,926	171,830	1,967,756
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	510,377		510,377
Non-Reimbursable Programs	533,147		533,147
Salaries	681,776	116,905	798,681
Employee Benefits	231,547	8,943	240,490
Purchased Professional Technical Services	5,949		5,949
Other Purchased Services	189,598		189,598
Supplies and Materials	114,648	8,260	122,908
Miscellaneous Expenses		673	673
Depreciation Expense	14,115		14,115
Total Operating Expenses	2,281,157	134,781	2,415,938
Operating Income/(Loss)	(485,231)	37,049	(448,182)
Non-Operating Revenue:			
Interest Income	8,891	1,398	10,289
State Sources:			
State School Lunch Program	21,359		21,359
State School Lunch Program - NJEIE	8,730		8,730
State School Breakfast Program	551		551
State School Breakfast Program - NJEIE	756		756
S-EBT Reimbursement	321		321
Federal Sources:			
National School Lunch Program	411,657		411,657
School Breakfast Program	24,667		24,667
S-EBT Reimbursement	322		322
Local Food for Schools (LFS) Cooperative Program	15,685		15,685
Food Distribution Program	66,568		66,568
Total Non-Operating Revenue	559,507	1,398	560,905
Change in Net Position	74,276	38,447	112,723
Net Position - Beginning of Year	737,874	37,268	775,142
Net Position - End of Year	\$ 812,150	\$ 75,715	\$ 887,865

SUMMIT PUBLIC SCHOOLS
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Funds		
	Food Service	Summer FLASH Program	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,805,811	\$ 148,785	\$ 1,954,596
Payments to Food Service Management Company	(2,208,819)		(2,208,819)
Payments to/for Employees		(125,848)	(125,848)
Payments to Suppliers	(25,493)	(7,085)	(32,578)
Net Cash Provided by/(Used for) Operating Activities	(428,501)	15,852	(412,649)
Cash Flows from Investing Activities:			
Interest Income	8,891	1,398	10,289
Net Cash Provided by Investing Activities	8,891	1,398	10,289
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(27,131)		(27,131)
Net Cash (Used for) Capital and Related Financing Activities	(27,131)		(27,131)
Cash Flows by Noncapital Financing Activities:			
State Sources	31,691		31,691
Federal Sources	448,306		448,306
Net Cash Provided by Noncapital Financing Activities	479,997		479,997
Net Increase in Cash and Cash Equivalents	33,256	17,250	50,506
Cash and Cash Equivalents, July 1	670,975	204,575	875,550
Cash and Cash Equivalents, June 30	<u>\$ 704,231</u>	<u>\$ 221,825</u>	<u>\$ 926,056</u>
Adjustment to Reconcile Operating Income/(Loss)			
Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (485,231)	\$ 37,049	\$ (448,182)
Adjustment to Reconcile Operating Income/(Loss) to Net			
Cash Provided by/(Used for) Operating Activities:			
Depreciation	14,115		14,115
Food Distribution Program	66,568		66,568
Changes in Assets and Liabilities:			
Increase/(Decrease) in Accounts Payable	(30,067)	1,848	(28,219)
Increase in Unearned Revenue - Donated Commodities	152		152
Increase/(Decrease) in Unearned Revenue - Prepaid Sales/Fees	9,885	(23,045)	(13,160)
(Increase) in Inventory	(3,923)		(3,923)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (428,501)</u>	<u>\$ 15,852</u>	<u>\$ (412,649)</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 \$66,720 and utilized U.S.D.A. Commodities valued at \$66,568.

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, 2024</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
Technology Equipment	3.450%	\$ 810,000	<u>\$ 173,172</u>	<u>\$ 173,172</u>	<u>\$ - 0 -</u>
			<u><u>\$ 173,172</u></u>	<u><u>\$ 173,172</u></u>	<u><u>\$ - 0 -</u></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, 2024</u>	<u>Matured</u>	<u>Balance June 30, 2025</u>
FY2023 Technology Equipment	3.10%	\$ 173,156	\$ 113,149	\$ 34,388	\$ 78,761
FY2023 Copiers	3.10%	445,828	289,981	88,647	201,334
FY2023 Copiers	3.10%	396,149	<u>257,669</u>	<u>78,770</u>	<u>178,899</u>
			<u>\$ 660,799</u>	<u>\$ 201,805</u>	<u>\$ 458,994</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

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.

Exhibit

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$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	\$ 66,719,779
Restricted	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	11,919,396
Unrestricted/(Deficit)	(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)	(13,862,297)
Total Governmental Activities Net Position	\$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	\$ 64,776,878
Business-type Activities:										
Investment in Capital Assets	\$ 431,646	\$ 422,196	\$ 425,106	\$ 420,873	\$ 419,843	\$ 388,942	\$ 119,691	\$ 115,513	\$ 116,764	\$ 129,780
Unrestricted	538,729	642,158	89,816	180,719	120,563	5,974	217,133	481,565	658,378	758,085
Total Business-type Activities Net Position	\$ 970,375	\$ 1,064,354	\$ 514,922	\$ 601,592	\$ 540,406	\$ 394,916	\$ 336,824	\$ 597,078	\$ 775,142	\$ 887,865
District-wide:										
Net Investment in Capital Assets	\$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	\$ 66,849,559
Restricted	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	11,919,396
Unrestricted/(Deficit)	(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)	(13,104,212)
Total District Net Position	\$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	\$ 65,664,743

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 43,567,647
Special Education	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	12,174,430
Other Special Education								2,510,996	2,458,745	2,685,797
Other Instruction/School Sponsored	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	2,211,488
Support Services:										
Tuition								2,528,034	2,616,485	2,517,906
Student & Instruction Related Services	10,848,019	12,631,059	12,682,069	12,100,760	11,695,662	12,195,483	11,119,144	11,926,661	14,130,998	13,534,866
General Administrative Services	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	1,605,846
School Administrative Services	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	4,573,642
Central Services	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	1,621,748
Administrative Information Technology								567,952	722,328	707,638
Plant Operations and Maintenance	6,939,247	7,197,792	7,227,873	7,190,553	6,899,092	7,352,263	7,935,912	7,162,416	7,530,041	8,125,848
Pupil Transportation	887,633	1,052,710	958,686	1,054,288	868,786	798,570	1,098,160	1,445,063	1,471,552	1,554,635
Interest on Long-term Debt	35,021	35,021	35,021	48,503	23,089	45,682	39,016			
Total Governmental Activities Expenses	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	94,881,491
Business-type Activities:										
Food Service	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	2,281,157
Summer Flash Program	246,620	242,630	229,284	252,357	253,019	113,851	82,242	111,843	151,370	134,781
Transfers			605,000							
Total Business-type Activities Expense	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	2,415,938
Total District-wide Expenses	\$ 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	\$ 97,297,429
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 1,149,840	\$ 1,129,474	\$ 1,039,603	\$ 921,335	\$ 327,266	\$ 521,053	\$ 479,806	\$ 79,265	\$ 74,993	\$ 67,920
Special Education Instruction								502,005	343,183	261,068
Student and Instruction Related Services								880,500	678,338	1,019,292
Pupil Transportation										53,844
Operating Grants and Contributions	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	17,205,716
Capital Grants and Contributions	3,476,015	198,818	243,560	243,692	421,815	254,202	2,102,919	37,125	1,052,077	2,423,573
Total Governmental Activities Program Revenues	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	21,031,413
Business-type Activities:										
Charges for Services:										
Food Service	\$ 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	\$ 1,795,926
Summer Flash Program	222,380	280,340	274,139	260,632	229,596	80,995	83,765	114,553	149,134	171,830
Operating Grants and Contributions	401,461	429,897	408,049	381,724	367,285	824,791	1,540,994	797,798	625,859	550,616
Total Business-type Activities Program Revenues	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	2,518,372
Total District-wide Program Revenues	\$ 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	\$ 23,549,785

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (73,850,078)
Business-type Activities	8,695	93,979	(549,432)	86,670	(61,186)	(145,490)	177,680	244,347	158,085	102,434
Total District-wide Net Expense	<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>	<u>\$ (73,747,644)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 73,233,933
Unrestricted Grants and Contributions	72,410	82,938	119,435	119,912				391,723	392,352	455,276
City Improvement Authorization								1,555,845	10,679,185	22,008,327
Investment Earnings								94,210	448,651	670,630
Miscellaneous Income	160,620	405,305	371,703	366,514	471,341	210,035	204,476	278,791	330,791	240,427
Transfers				605,000						
Donated Capital Assets					21,000					
Loss on Disposal of Assets		(30,319)	(4,860)	(20,400)						
Total Governmental Activities	<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>	<u>96,608,593</u>
Business-type Activities:										
Investment Earnings								15,907	19,979	10,289
Total Business-type Activities								15,907	19,979	10,289
Total District-wide General Revenues and Other Changes in Net Position	<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>	<u>\$ 96,618,882</u>
Change in Net Position:										
Governmental Activities	\$ 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	\$ 22,758,515
Business-type Activities	8,695	93,979	(549,432)	86,670	(61,186)	(145,490)	177,680	260,254	178,064	112,723
Total District-wide Change in Net Position	<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>	<u>\$ 22,871,238</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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 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	\$ 11,355,357
Committed					606,676	155,387				
Assigned	470,376	190,483	248,496	627,216	953,543	739,571	1,447,801	2,134,167	2,558,622	1,643,167
Unassigned	957,397	944,299	959,194	924,530	869,507	2,338,129	2,939,957	1,428,478	1,079,279	1,105,315
Total General Fund	\$ 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	\$ 14,103,839
All Other Governmental Funds:										
Restricted			\$ 922,190	\$ 818,036	\$ 511,755	\$ 551,098	\$ 598,407	\$ 648,341	\$ 516,412	\$ 564,039
Committed									124,319	3,024,157
Unreserved, Reported in:										
Capital Projects Fund	\$ 613,660	\$ 613,660						(440,829)		
Unassigned/(Deficit)										
Total All Other Governmental Funds	\$ 613,660	\$ 613,660	\$ 922,190	\$ 818,036	\$ 511,755	\$ 551,098	\$ 598,407	\$ 207,512	\$ 640,731	\$ 3,588,196
Total Governmental Funds	\$ 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	\$ 17,692,035

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	\$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	\$73,233,933
Tuition Charges	1,149,840	1,129,474	1,010,265	921,335	290,943	487,525	454,505	581,270	418,176	328,988
Interest Earnings								34,415	54,003	37,791
Miscellaneous	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	2,778,119
State Sources	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	26,234,665
Federal Sources	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	4,013,950
Total Revenue	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	106,681,290
Expenditures:										
Instruction:										
Regular Instruction	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	29,359,185
Special Education Instruction	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	8,301,347
Other Special Instruction	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	1,717,532
School-Sponsored/Other Instruction	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	1,687,501
Support Services:										
Tuition										
Student & Other Instruction Related Services	9,328,895	9,889,736	10,098,889	10,557,260	10,669,833	10,737,796	11,264,934	2,528,034	2,616,485	2,517,906
General Administrative Services	1,995,618	2,225,933	1,720,572	1,677,690	1,737,757	1,583,319	1,746,915	8,975,915	9,697,596	9,863,701
School Administrative Services	3,880,112	4,388,952	4,484,354	4,363,607	4,260,819	4,518,264	4,912,458	1,186,321	1,228,069	1,336,161
Central Services	1,532,450	1,512,551	1,490,595	1,597,688	1,579,868	1,809,051	1,802,503	3,102,196	3,118,527	3,162,969
Administrative Information Technology								1,071,788	1,166,783	1,192,545
Plant Operations and Maintenance	6,686,176	6,700,787	6,555,671	6,759,941	6,539,790	6,769,074	7,893,867	568,928	623,242	644,840
Student Transportation	782,285	980,021	950,688	1,050,493	865,735	792,624	1,097,765	6,036,789	6,265,306	6,999,780
Unallocated Benefits								1,353,082	1,406,991	1,456,673
Capital Outlay	5,051,776	1,036,035	2,053,570	2,970,276	2,580,690	3,110,769	3,873,853	32,129,663	33,927,120	35,572,306
Total Expenditures	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	126,832,005

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ 354,384	\$ 564,709	\$ (346,619)	\$ (452,424)	\$ 1,858,166	\$ 657,215	\$ 483,910	\$ (278,153)	\$ (9,608,486)	\$ (20,150,715)
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			(276,609)							
City Improvement Authorization Transfers			605,000					1,555,845	10,679,185	22,008,327
Total Other Financing Sources/(Uses)	- 0 -	- 0 -	328,391	659,093	810,000	- 0 -	1,422,861	1,555,845	10,679,185	22,008,327
Net Change in Fund Balances	\$ 354,384	\$ 564,709	\$ (18,228)	\$ 206,669	\$ 2,668,166	\$ 657,215	\$ 1,906,771	\$ 1,277,692	\$ 1,070,699	\$ 1,857,612
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	Transportation Fees	Rentals	Prior Year Refunds	E-Rate Reimbursement	Miscellaneous	Total
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
2025	670,630	328,988	\$ 53,844		68,777		171,650	1,293,889

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)
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
2024	9,335,200	2,738,919,200	- 0 -	- 0 -	315,806,300	196,608,000	91,247,100	3,351,915,800	2,549,407	3,354,465,207	473,058,100	2.266	9,404,642,412

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 - 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	
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
2024	2.266		2.266	1.016	1.073	4.355

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	2024		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Summit West Celgene, LLC	\$ 153,900,000	1	4.59%
Summit East Corporate Property LLC	44,990,900	2	1.34%
RWX 25 Deforest Owner LLC	20,225,600	3	0.60%
Summit Clayton Association & NE Summit Assoc.	12,080,000	4	0.36%
1st Union National Bank	11,387,400	5	0.34%
Atlantic Health System Dunitz	10,565,500	6	0.31%
Constantine CXII LLC Goldberg Realty	8,940,000	7	0.27%
RWX 1 DeForest Owner Group, LLC	8,769,100	8	0.26%
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>8.58%</u>

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Summit West Celgene, LLC	\$ 151,686,300	1	4.88%
Celgene Corporation	40,283,900	2	1.30%
NREF 111 25 Deforest	14,300,200	3	0.46%
Summit Clayton Association	10,400,000	4	0.33%
1st Union National Bank c/o T. Rueters	10,387,400	5	0.33%
120 Summit Avenue % Normandy Real Est.	8,769,100	6	0.28%
Canoe Brook County Club	7,250,000	7	0.23%
41 Springfield Avenue LLC	7,000,000	8	0.23%
PSI Summit Hospital	6,500,000	9	0.21%
Claremont Corporate Center	5,676,800	10	0.18%
	<u>\$ 262,253,700</u>		<u>8.44%</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	
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	69,767,778	69,767,778	100.00%	- 0 -
2024	71,131,283	71,131,283	100.00%	- 0 -
2025	73,233,933	73,233,933	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)			
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	0.06%	54
2024		833,971		833,971	0.04%	36
2025		458,994		458,994	0.02%	20

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, 2024
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	\$ 62,788,743	100.00%	\$ 62,788,743
Union County General Obligation Debt	482,595,186	6.10%	<u>29,417,690</u>
Subtotal, Overlapping Debt			92,206,433
Summit Public Schools Direct Debt			<u>- 0 -</u>
Total Direct and Overlapping Debt			<u><u>\$ 92,206,433</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				
	2016	2017	2018	2019	2020
Debt Limit	\$ 278,689,697	\$ 286,810,415	\$ 290,114,527	\$ 291,967,722	\$ 293,142,830
Total Net Debt Applicable to Limit *	49,215,985	47,733,211	51,647,571	35,571,985	29,506,985
Legal Debt Margin	<u>\$ 229,473,712</u>	<u>\$ 239,077,204</u>	<u>\$ 238,466,956</u>	<u>\$ 256,395,737</u>	<u>\$ 263,635,845</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	17.66%	16.64%	17.80%	12.18%	10.07%

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 296,399,624	\$ 300,253,544	\$ 314,604,838	\$ 336,908,730	\$ 370,602,177
Total Net Debt Applicable to Limit *	24,170,000	69,017,771	65,576,761	62,972,643	62,788,743
Legal Debt Margin	<u>\$ 272,229,624</u>	<u>\$ 231,235,773</u>	<u>\$ 172,561,919</u>	<u>\$ 273,936,087</u>	<u>\$ 307,813,434</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.15%	22.99%	20.84%	18.69%	16.94%

Legal Debt Margin Calculation for Fiscal Year 2025	
Year Ended December 31,	Equalized Valuation Basis
2022	8,512,942,632
2023	9,146,400,280
2024	10,135,820,381
	<u>\$ 27,795,163,293</u>
Average Equalized Valuation of Taxable Property	<u>\$ 9,265,054,431</u>
Debt Limit (4% of Average Equalization Value) ^a	\$ 370,602,177
Debt Extension	
Net Bonded School Debt	62,788,743
Legal Debt Margin	<u>\$ 307,813,434</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>
2016	21,906	\$ 59,979	\$ 1,313,899,974	3.4%
2017	21,964	61,956	1,360,801,584	3.1%
2018	21,965	64,530	1,417,401,450	2.7%
2019	21,911	68,042	1,490,868,262	2.3%
2020	21,812	70,018	1,527,232,616	6.3%
2021	22,526	75,432	1,699,181,232	4.2%
2022	22,342	78,440	1,752,506,480	2.5%
2023	22,344	82,502	1,843,424,688	3.4%
2024	23,102	82,502 *	1,905,961,204 ***	3.1%
2025	23,102 **	82,502 *	1,905,961,204 ***	N/A

* - Latest Union County per capita personal income available (2023) was used for calculation purposes.

** - Latest population data available (2024) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Union County per capita personal income (2023) 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	2024		Percentage of Total Employment
	Employees	Rank	
Merck & Co.	6,000	1	2.08%
Overlook Medical Center	3,487	2	1.21%
Trinitas Regional Medical Center	3,000	3	1.04%
Summit Medical Group	2,305	4	0.80%
Blue Apron	2,000	5	0.69%
Nokia	1,800	6	0.62%
Kean University	1,000	7	0.35%
Maher Terminals Inc	1,000	8	0.35%
Children's Specialized Hospital	500	9	0.17%
Robert Wood Johnson University Hospital	500	10	0.17%
	<u>21,592</u>		<u>7.47%</u>
Total Employment	<u>288,988</u>		
Employer	2015		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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction:										
Regular	303.94	31.33	298.23	305.00	291.93	291.43	290.00	309.64	305.80	304.25
Special Education	142.67	142.98	145.38	156.00	154.50	159.50	158.50	155.66	154.10	152.72
Special Education/Other Special Instruction	20.50	22.50	22.50	23.20	22.00	22.00	19.50	21.00	21.00	21.50
Support Services:										
Student & Instruction-Related Services	58.37	60.37	60.37	63.30	61.97	64.17	60.26	62.05	66.82	69.08
School Administrative Services	31.70	31.99	31.70	32.00	30.70	30.70	29.00	30.70	30.30	30.30
General Administrative Services	6.00	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	5.00
Central Services	11.00	10.00	10.00	10.00	11.00	11.00	11.00	10.00	10.00	10.00
Administrative Information Technology	1.30	1.30	1.33	1.33	1.33	1.33	1.33	6.78	6.25	6.25
Plant Operations and Maintenance	51.98	53.48	52.95	53.50	53.45	53.45	53.45	47.26	45.26	43.63
Pupil Transportation	2.75	2.25	1.25	1.25	1.25	1.00	1.00	0.38	1.25	1.25
Total	630.21	363.20	630.71	652.58	634.13	640.58	630.04	649.47	646.78	643.98

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 School	Middle School	High School				
2016	4,112	\$ 73,426,421	\$ 17,857	3.03%	401	1:11	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	1:11	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	1:11	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	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	1:10	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	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	1:10	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	1:09	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	1:08	3,992.3	3,779.8	1.54%	94.68%
2025	4,029	103,812,446	25,766	2.11%	415	1:09	1:09	1:09	4,022.1	3,806.1	0.70%	94.63%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<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	53,837
Capacity (students)	415	415	415	415	415	415	415	415	415	415
Enrollment	360	361	367	367	323	315	301	304	322	340
Franklin Elementary										
Square Feet	48,280	48,280	48,280	48,280	48,280	48,280	48,280	48,280	48,280	57,675
Capacity (students)	349	349	349	349	349	349	349	349	349	349
Enrollment	349	365	347	347	340	327	319	327	350	367
Jefferson Elementary										
Square Feet	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	44,890	55,895
Capacity (students)	263	263	263	263	263	263	263	263	263	263
Enrollment	227	237	221	221	214	204	202	215	225	223
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	138	138	108	108	125	140	124	144	122	133
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	298	288	311	311	328	326	331	328	360	349
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)	349	349	349	349	349	349	349	349	349	373
Enrollment	349	362	364	364	337	336	320	310	303	320
Wilson Primary Center										
Square Feet	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000	32,000
Capacity (students)	175	175	175	175	175	175	175	175	175	175
Enrollment	163	144	138	138	195	159	166	201	204	218

SUMMIT PUBLIC SCHOOLS
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

District Building	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<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	154,973
Capacity (students)	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023	1,023
Enrollment	954	927	922	922	974	941	960	942	929	876
<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	255,074
Capacity (students)	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247	1,247
Enrollment	1,274	1,239	1,175	1,175	1,118	1,135	1,132	1,141	1,147	1,203

Number of Schools at June 30, 2025

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*	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Summit High School	\$ 363,274	\$ 348,455	\$ 427,676	\$ 409,298	\$ 409,721	\$ 448,349	\$ 561,705	\$ 277,929	\$ 283,691	\$ 683,090
Lawton C. Johnson Middle School	267,386	252,410	309,796	296,483	326,787	309,431	387,664	180,385	207,822	253,666
Brayton Elementary School	92,573	90,594	111,191	106,413	118,904	135,183	169,361	74,666	76,866	82,973
Franklin Elementary School	96,467	97,233	119,339	114,211	124,016	120,263	150,669	87,107	92,089	94,594
Jefferson Elementary School	136,941	90,852	111,507	106,716	87,632	81,335	101,899	114,397	116,290	118,976
Lincoln-Hubbard Elementary School	121,422	125,767	154,360	147,727	117,337	155,259	194,513	96,385	99,042	89,290
Washington Elementary School	102,937	89,925	110,369	105,626	119,664	110,494	138,430	69,482	81,831	75,690
Jefferson Primary Center		35,403	43,453	41,585	47,611	49,235	61,683	24,135	25,706	18,638
Wilson Primary Center	41,695	53,948	66,213	63,368	64,693	60,871	76,261	24,135	25,706	18,638
Total School Facilities	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	1,435,555
Other Facilities										
Stadium	5,809	6,042	6,283	6,535	6,666					
Administration	11,518	11,748	11,983	12,223	12,712	84,854	106,308	193,367	270,531	151,469
Total Other Facilities	17,327	17,790	18,266	18,758	19,378	84,854	106,308	193,367	270,531	151,469
Grand Total	\$ 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	\$ 1,587,024

* - 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, 2025

	<u>Coverage</u>	<u>Deductible</u>
Commercial Package Policy - Diploma Joint Insurance Fund:		
Commercial General Liability		
Each Occurrence	\$ 16,000,000	
General Aggregate	16,000,000	
Products/Completed Operations Agg.	Incl. in each occurrence	
Personal & Advertising Injury	Incl. in each occurrence	
Fire Damage	16,000,000	
Medical Expense	10,000	
Employee Benefits Liability	16,000,000	\$ 1,000
Property - Diploma Joint Insurance Fund:		
Blanket Building	100,000,000	
Blanket Personal Property	Incl. in each occurrence	\$ 5,000
Blanket EDP	350,000,000	1,000
Employee Dishonesty	500,000	1,000
Business Automobile - Diploma Joint Insurance Fund:		
Liability	16,000,000	
Uninsured Motorist	\$25,000/50,000/25,000	
Underinsured Motorist	\$25,000/50,000/25,000	
Personal Injury Protection	250,000	
Comprehensive Deductible		1,000
Collision Deductible		1,000
Boiler and Machinery - NJ Scholls Insurance Group:		
Blanket Property Damage - Inc. in Property Limit	100,000,000	25,000
Extra Expense - Actual Loss Sustained: 12 Consecutive Months	10,000,000	
Hazardous Substance Limitation	1,000,000	10,000
Board of Education Liability - NJ Schools Insurance Group:		
Each Claim	16,000,000	15,000
Annual Aggregate	16,000,000	
Excess Umbrella Policy - Fireman's Fund (NJCAP Shared):		
Per Occurrence	25,000,000	
Annual Aggregate	25,000,000	
** Excess Over Primary Limit of \$16,000,000 and Secondary NJUEP if \$30,000,000		
Workers Compensation Policy - NJ Schools Insurance Group:		
Employers Liability	3,000,000	
Excess Umbrella Policy - NJUEP Program - Hudson/Allied/Great American		
Per Occurrence	30,000,000	
Annual Aggregate	30,000,000	
** 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, and each major fund of the Summit Public Schools (the "District"), in the County of Union, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2025.

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
Page 2

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.

November 20, 2025
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 State Program;
Report on Internal Control Over Compliance Required by 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 State Program

Opinion on Each Major 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 *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2025. 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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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 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 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.

November 20, 2025
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 EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Repayment of Prior Years' Balances	Balance at June 30, 2025			MEMO		
				Budgetary Accounts Receivable	Budgetary 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	25-495-034-5120-089	7/1/24-6/30/25	\$ 4,675,859									\$ (459,511)	\$ 4,675,859
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	462,813									(45,482)	462,813
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	203,264									(19,975)	203,264
Extraordinary Special Education Costs Aid	25-100-034-5120-473	7/1/24-6/30/25	596,681									(596,681)	596,681
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	2,842,340									(139,134)	2,842,340
Menstrual Products Reimbursement	N/A	7/1/24-6/30/25	514									(514)	514
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25	3,820,048										3,820,048
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	12,913,402										12,913,402
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	159,962										159,962
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	6,956										6,956
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	4,140,348	\$ (400,905)									4,140,348
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	391,879	(37,945)									391,879
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	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
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	2,745,617	(134,841)									2,745,617
Subtotal - General Fund				(1,072,182)			25,492,724		(736,329)			(1,261,297)	33,641,756
Special Revenue Fund Aid:													
Nonpublic Auxiliary Services:													
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	3,468				3,468				\$ 3,468		3,596
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	5,394									(251)	251
Home Instruction	N/A	7/1/24-6/30/25	251										4,199
Home Instruction	N/A	7/1/23-6/30/24	4,199	(4,199)									
Nonpublic Handicapped Services:													
Supplementary Instruction	25-100-034-5120-066	7/1/24-6/30/25	46,256										39,648
Supplementary Instruction	24-100-034-5120-066	7/1/23-6/30/24	40,474			6,608					6,608		33,866
Supplementary Instruction	23-100-034-5120-066	7/1/22-6/30/23	41,300			343					343		40,957
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	17,670								3,720		13,950
Corrective Speech	24-100-034-5120-066	7/1/23-6/30/24	16,740			930						(930)	15,810
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	84,364								21,802		62,562
Examination and Classification	24-100-034-5120-066	7/1/23-6/30/24	75,064			18,566						(18,566)	56,498
N.J. Nonpublic Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	19,689								93		19,596
N.J. Nonpublic Nursing Aid	25-100-034-5120-070	7/1/24-6/30/25	114,790								11,899		102,891
N.J. Nonpublic Nursing Aid	24-100-034-5120-070	7/1/23-6/30/24	184,920			75,720						(75,720)	109,200
N.J. Nonpublic Technology Initiative	25-100-034-5120-373	7/1/24-6/30/25	74,382								3,093		71,289
N.J. Nonpublic Security Aid	25-100-034-5120-509	7/1/24-6/30/25	311,395								5,570		305,825
Subtotal - Special Revenue Fund				(4,199)		103,965	676,213		(251)		56,596	(251)	880,138
Total State Department of Education				(1,076,381)		103,965	26,168,937		(736,580)		56,596	(1,261,548)	34,521,894

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

N/A - Not Available/Applicable

SUMMIT PUBLIC SCHOOLS
NOTES TO THE SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of the Summit Public Schools under programs of the state government for the fiscal year ended June 30, 2025. The information in this schedule 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 schedule presents only a selected portion of the operations of the District, it is not intended to and does 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 schedule of expenditures of 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. 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 (\$66,436) for the general fund, (\$230,703) (of which (\$0-) relates to federal grants and (\$107,553) relates to local grants) for the Special Revenue Fund and \$24,431,900 for the Capital Projects 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, 2025
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

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

	<u>State</u>
General Fund	\$ 25,615,403
Special Revenue Fund	619,262
Capital Projects Fund	
Food Service Fund	<u>31,717</u>
Total Awards	<u><u>\$ 26,266,382</u></u>

NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 5. 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, 2025.

SUMMIT PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

K-6

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 (Not Available)

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.	<u>Grant Period</u>		Award Amount	Budgetary Expenditures
		Start	End		
General Fund State Aid					
Special Education Aid	25-495-034-5120-089	7/1/2024	6/30/2025	\$ 4,675,859	\$ 4,675,859
Security Aid	25-495-034-5120-084	7/1/2024	6/30/2025	462,813	462,813
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?		_____ X	Yes	_____	No

Section II - Financial Statement Findings - N/A

Section III - State Financial Assistance Findings and Questioned Costs - N/A

SUMMIT PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Fiscal Year Findings:

The District had no prior fiscal year audit findings.

SUMMIT PUBLIC SCHOOLS
COUNTY OF UNION
FEDERAL SINGLE AUDIT
FISCAL YEAR ENDED JUNE 30, 2025

SUMMIT PUBLIC SCHOOLS
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FISCAL YEAR ENDED JUNE 30, 2025

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Report on Compliance For Each Major Federal Program; Report on Internal Control
Over Compliance and Report on Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance

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 Program

Opinion on Each Major Federal 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* that could have a direct and material effect on each of the District's major federal programs for the fiscal year ended June 30, 2025. The District's major Federal 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 programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal 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*) and 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). Our responsibilities under those standards and the Uniform Guidance 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 program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

The Honorable President and Members
of the Board of Education
Summit Public Schools
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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 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 program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, 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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 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.

The Honorable President and Members
of the Board of Education
Summit Public Schools
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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. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated November 20, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

December 8, 2025
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 EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expendi- tures	Cancellation of Prior		Balance at June 30, 2025		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Year Accounts Payable	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	ESEA509025	7/1/24-9/30/25	\$ 193,354		\$ 125,312	\$ (182,308)		\$ 501	\$ (56,996)			
Title I	84.010	ESEA509024	7/1/23-9/30/24	214,477	\$ (63,394)	62,893	(182,308)		501	(56,996)			
Total Title I					(63,394)	188,205	(59,541)			(21,696)			
Title IIA	84.367	ESEA509025	7/1/24-9/30/25	73,158		37,845							
Title IIA	84.367	ESEA509024	7/1/23-9/30/24	67,470	(31,470)	31,305			165				
Total Title II					(31,470)	69,150	(59,541)		165	(21,696)			
Title III	84.365	ESEA509025	7/1/24-9/30/25	48,900		19,199	(22,693)			(3,494)			
Title III	84.365	ESEA509024	7/1/23-9/30/24	35,888	(2,951)	2,951							
Total Title III					(2,951)	22,150	(22,693)			(3,494)			
Title III - Immigrant	84.365	ESEA509025	7/1/24-9/30/25	10,608		9,432	(10,028)			(596)			
Total Title III - Immigrant						9,432	(10,028)			(596)			
Title IV	84.424	ESEA509024	7/1/23-9/30/24	18,934	(3,808)	3,808							
Total Title IV					(3,808)	3,808							
Education Stabilization Fund:													
COVID-19 - ARP:													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	2,262,514	(67,019)	67,019							
Learning Acceleration	84.425U	S425U210027	3/13/20-9/30/24	332,213	(44,487)	51,893	(7,406)						
Comprehensive Beyond School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(8,512)	20,666	(12,154)						
COVID-19 - ARP GEER:													
NJ High Impact Tutoring Grant	84.425C	E2400298	10/1/23-8/31/24	154,000		46,725	(114,803)			(68,078)			
Total Education Stabilization Fund					(120,018)	186,303	(134,363)			(68,078)			
Special Education Cluster (IDEA):													
I.D.E.A. Part B, Basic	84.027	IDEA509025	7/1/24-9/30/25	1,473,266		877,813	(1,119,145)			(241,332)			
I.D.E.A. Part B, Basic	84.027	IDEA509024	7/1/23-9/30/24	1,425,700	(246,979)	246,979							
I.D.E.A. Preschool	84.173	IDEA509025	7/1/24-9/30/25	38,498	(246,979)	38,498	(38,498)			(241,332)			
Total Special Education Cluster (IDEA)					(246,979)	1,163,290	(1,157,643)			(241,332)			
Total U.S. Department of Education/Special Revenue Fund					(468,620)	1,642,338	(1,566,576)		666	(392,192)			
U.S. Department of Homeland Security:													
Passed-through State Department of Law and Public Safety:													
General Fund:													
Disaster Grants - Public Assistance - FEMA:	97.036	N/A	9/1/21-9/3/21	33,250		5,450	(5,450)						
Hurricane Ida						5,450	(5,450)						
Total U.S. Department of Homeland Security / Total Disaster Grants - Public Assistance - FEMA													

SUMMIT PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2024			Cancellation of Prior Year Accounts Payable	Balance at June 30, 2025		Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received		Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Health and Human Services:											
Medicaid Cluster:											
Medicaid Assistance Program	93.778	N/A	7/1/24-6/30/25	\$ 18,351			\$ 18,351		\$ (18,351)		
Total U.S. Department of Health and Human Services/Total Medicaid Cluster							18,351		(18,351)		
U.S. Department of Agriculture:											
Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	66,720			66,720		(64,568)	\$ 2,152	
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	83,937		\$ 2,000			(2,000)		
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	411,657			391,730		(411,657)	\$ (19,927)	
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	362,786	\$ (16,449)		16,449				
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	24,667			23,304		(24,667)	(1,363)	
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	15,592	(816)		816				
Total Child Nutrition Cluster					(17,265)	2,000	499,019		(502,892)	2,152	
Summer Electronic Benefit Transfer (S-EBT)	10.646	N/A	7/1/24-6/30/25	322			322		(322)		
Local Food for Schools (LFS) Cooperative Program	10.185	N/A	7/1/24-6/30/25	15,685			15,685		(15,685)		
Total U.S. Department of Agriculture					(17,265)	2,000	515,026		(21,290)	2,152	
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)		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-VEEVR-68352	1/26/23-1/26/25	1,815,150			765,323		(765,323)		
COVID-19 - School and Small Business Ventilation and Energy Efficiency Verification and Repair Program:											
HVAC Replacement	21.027	SSB-VEEVR-68351	3/8/23-9/8/25	3,184,850			1,658,250		(1,658,250)		
Total U.S. Department of Treasury/Capital Projects Fund					(232,886)		2,423,573		(2,423,573)		
Total Federal Awards					(718,771)	2,000	4,837,624	\$ 666	\$ (413,482)	\$ 2,152	\$ -0-
N/A - Not Available/Applicable											

SEE THE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SUMMIT PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Summit Public Schools under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule 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"). Because the schedule presents only a selected portion of the operations of the District, this is not intended to and does 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 schedule of expenditures of federal awards are reported on the budgetary basis of accounting with the exception of programs noted under the food service fund, which are presented on the accrual basis of accounting. Under the budgetary basis of accounting, revenue is recognized when measurable and available and expenditures are recorded when the related liability is incurred. Under 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. 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 schedule 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 minimum indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The 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.

SUMMIT PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

	<u>Federal</u>
General Fund	\$ 23,801
Special Revenue Fund	1,566,576
Capital Projects Fund	2,423,573
Food Service Fund	<u>518,899</u>
Total Awards	<u><u>\$ 4,532,849</u></u>

NOTE 5. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and 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, 2025, \$3,512,775 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, 2025

K-6

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
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Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster (IDEA):					
I.D.E.A. Part B, Basic	84.027	7/1/2024	9/30/2025	\$ 1,473,266	\$ 1,119,145
I.D.E.A. Preschool	84.173	7/1/2024	9/30/2025	38,498	38,498
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		X	Yes		No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards Findings and Questioned Costs - N/A

SUMMIT PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

The District had no prior year audit findings.