

**Kingsway Regional School District  
Board of Education  
Woolwich Township, New Jersey**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011**

# **Comprehensive Annual Financial Report**

**Of the**

**Kingsway Regional School District  
Board of Education**

**Woolwich Township, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

**Prepared by**

**Andrew R. Eubanks, RSBA  
School Business Administrator/Board Secretary**

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# **INTRODUCTORY SECTION**



# KINGSWAY REGIONAL SCHOOL DISTRICT

## ADMINISTRATION OFFICES

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WOOLWICH TOWNSHIP, NJ 08085-5041

Telephone: (856) 467-4600

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*Dr. James J. Lavender*  
Superintendent of Schools  
Ext. 4205

*Andrew R. Eubanks, RSBA,*  
School Business Administrator/  
Board Secretary, Ext. 4203

September 19, 2011

Honorable President and  
Members of the Board of Education  
Kingsway Regional School District  
County of Gloucester  
Woolwich Township, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Kingsway Regional School District (District) for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-01, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

GAAP require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to complement MD & A and should be read in conjunction with it. The Kingsway Regional School District's MD & A can be found immediately following the report of the Independent auditors.

## 1. Reporting Entity and Its Services

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

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2010-2011 fiscal year with an ADE of 2,232.1 students, which is 24.2 students above the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-11	2,232.1	1.1%
2009-10	2,207.9	3.6%
2008-09	2,130.4	4.2%
2007-08	2,044.0	1.2%
2006-07	2,019.2	6.3%

## 2. Economic Condition and Outlook

The Kingsway Regional School District is comprised of four sending districts: Swedesboro, Woolwich Township, South Harrison Township, and East Greenwich Township. In addition, the District receives students from Logan Township on a tuition basis. The area that the School District serves is predominantly rural and consists mainly of farms and residential developments, with the exception of Logan Township, which is home to several large industrial parks. As evidenced by the enrollment figures, the area is developing rapidly and indications are that this trend will continue into the foreseeable future.

## 3. Internal Accounting Controls

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance

that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

#### **4. Budgetary Controls**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. 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 project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

#### **5. Accounting System and Reports**

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

#### **6. Financial Information at Fiscal Year-End**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2010</u>	<u>Percent of Increase (Decrease)</u>
Local Sources - Tax Levy	\$ 17,340,318.00	55.91%	\$ 1,442,231.00	9.07%
Tuition	3,332,155.50	10.74%	(1,010,726.79)	-23.27%
Transportation Fees From				
Other LEAs	15,912.15	0.05%	(183,210.22)	-92.01%
Local Sources	9,625.00	0.03%	1,218.00	14.49%
State Sources	9,290,613.20	29.96%	2,383,781.18	34.51%
Federal Sources	717,515.61	2.31%	(955,885.78)	-57.12%
Miscellaneous	308,599.37	1.00%	46,837.42	17.89%
<b>Total</b>	<b>\$ 31,014,738.83</b>	<b>100.00%</b>	<b>\$ 1,724,244.81</b>	

The increase in local sources tax levy is due to the amount needed to balance the 2010-11 budget. The decrease in tuition revenue reflects a decrease in the number of students sent by Logan Township. The increase in State Aid is attributable to the State of New Jersey reclassifying funding from Federal Aid to State Aid. The increase in miscellaneous revenue was a result of a cancelation of prior year payables.

The decrease in federal sources is due to reclassifying federal funds to state funds.

The following schedule presents a summary of general fund, special revenue fund, capital Projects fund and debt service expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year's expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2010</u>	<u>Percent of Increase (Decrease)</u>
Current expense:				
Instruction	\$ 10,689,434.61	33.05%	\$ (504,655.62)	-4.51%
Undistributed Expenditures	16,893,289.68	52.24%	(90,492.44)	-0.53%
Capital Outlay	2,233,076.74	6.90%	1,456,683.80	187.62%
Debt Service	2,524,531.26	7.81%	152,425.00	6.43%
<b>Total</b>	<b>\$ 32,340,332.29</b>	<b>100.00%</b>	<b>\$ 1,013,960.74</b>	

The decrease in current expense - instruction is attributed to net effect of a decrease in salaries of teachers, an increase in other salaries, purchased services and supplies.

The net decrease in undistributed expenditures is attributed to the increases in salaries, an increase in tuition paid to other schools, a decrease in employee benefits and an increase in purchased services and supplies and a decrease in plant operation and maintenance.

The increase in capital outlay is attributed to the purchase of technology equipment.

The increase in debt service is attributed to the increase in the principal requirement for the Districts' bond issues and Bond Anticipation Note.

## **7. Debt Administration**

In December 1998, the Districts' voters approved a Bond Referendum in the amount of \$18,500,000.00. The proceeds of this bond issue were to provide funds for the construction of additions and renovations to the Kingsway Regional School. In May 2005 the board authorized refunding bonds in the amount of \$15,780,000.00 leaving a balance of \$1,100,000.00 of non-callable 1998 bonds. As of June 30, 2011 all non-callable 1998 bonds have been paid.

On July 29, 2004 the District completed the sale of \$16,914,000.00 of Serial Bonds with interest ranging from 4.50% in 2006 to 4.875% in 2031. The proceeds of these bonds were used to finance the Districts' Capital Projects approved by the voters on September 30, 2003. On November 21, 2006, the Board issued Refunding Bonds for this issue in the amount of \$9,075,000.00 leaving a non-callable balance of \$7,914,000.00. As of June 30, 2011 the non-callable bond balance was \$6,614,000.00.

On April 21, 2009, the Districts' voters approved a Bond Referendum in the amount of \$449,600.00. The proceeds were to fund the renovations of two High School science labs. On July 2, 2009 the Board issued Bond Anticipation Notes in the amount of \$449,600.00 to fund this project. As of June 30, 2011 the outstanding balance of this Bond Anticipation Note was \$299,600.00 which matures on July 1, 2011.

## **8. Cash Management**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. 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.

## 9. 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.

## 10. Independent Audit

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ball, Buckley and Seher, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 amended in 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 98-07. The auditor's report on the general purpose financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

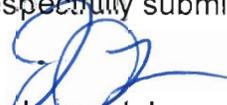
## 11. Service Efforts and Accomplishments

The District has recently completed a major building project with the construction of additions and renovations to the Kingsway Regional High School and the construction of a new Middle School. This had enhanced the educational quality of the District. The District continues to move forward in areas of core curriculum, facilities and resources available to students, staff and community. During the year under audit, major technology improvements were made to further enhance the educational goals of the district.

## 12. Acknowledgments

We would like to express our appreciation to the members of the Kingsway Regional School District Board of Education 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 our financial and accounting staff.

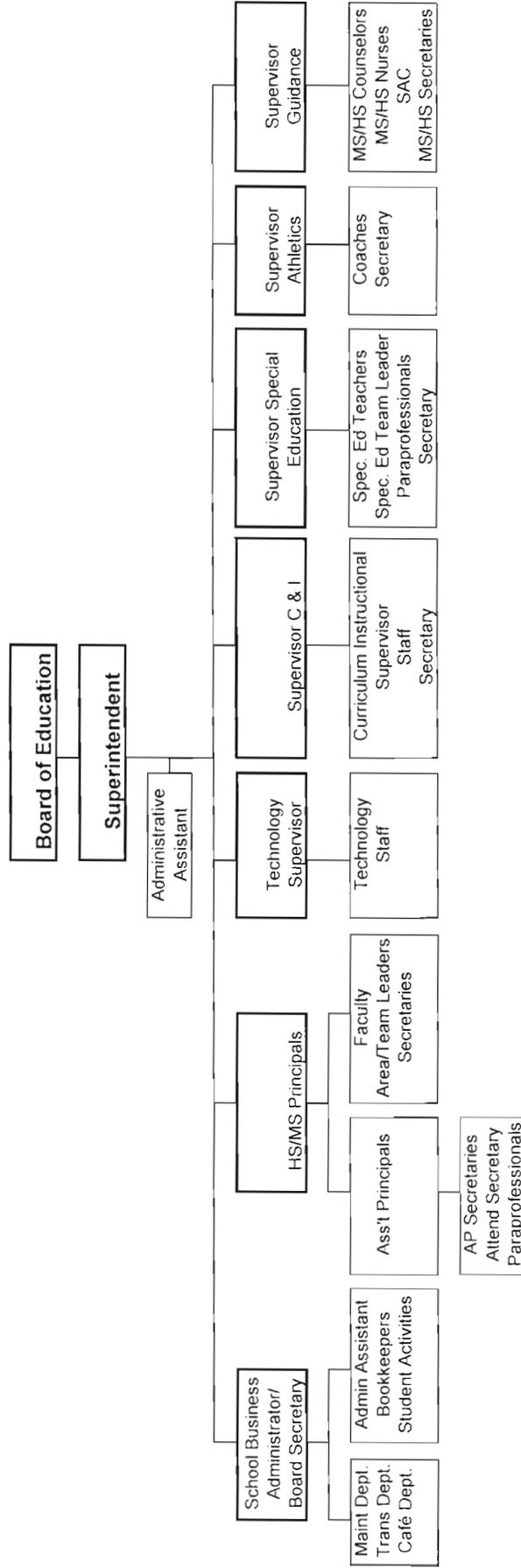
Respectfully submitted,

  
Dr. James J. Lavender  
Superintendent

Respectfully submitted,

  
Andrew R. Eubanks, RSBA  
School Business Administrator/Board  
Secretary

# Kingsway Regional School District Organizational Chart



**KINGSWAY REGIONAL BOARD OF EDUCATION  
WOOLWICH TOWNSHIP, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2011**

Term  
Expires

**Members of the Board of Education**

Mark Kehoe, President	2014
Katherine DiGiovacchino, Vice President	2013
Daniel Battisti	2014
Lauren Boerlin	2013
Teresa Catalano	2013
Deborah Cunningham	2012
Patrick M. Daley	2014
Lorraine Grasso	2012
John Lewis	2012
Brian Blackburn	2012

**Other Officials**

Dr. James J. Lavender, Superintendent  
Andrew R. Eubanks, Registered School Business Administrator/Board Secretary  
Charles Owens, Treasurer  
Derlys M. Gutierrez, Solicitor-effective 7/1/2010 through 6/30/2011  
Allan P. Dzwilewski, Solicitor-effective 7/1/2011 through 6/30/2012

**KINGSWAY REGIONAL BOARD OF EDUCATION  
Consultants and Advisors**

***Architect***

Garrison Architects  
130 Presidential Boulevard  
Bala Cynwyd, Pennsylvania 19004

***Audit Firm***

Ball, Buckley and Seher, LLP  
1301 North Broad Street  
Woodbury, New Jersey 08096

***Attorney***

Allan P. Dzwilewski  
Schwartz, Simon, Edelstein, & Celso, LLC  
44 Whippany Road  
Morristown, New Jersey 07960

***Official Depository***

The Bank / Swedesboro Office  
179 Kings Highway  
Woolwich Township, New Jersey 08085

# **FINANCIAL SECTION**



CERTIFIED PUBLIC ACCOUNTANTS



**UNQUALIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED  
BY REQUIRED SUPPLEMENTARY INFORMATION AND SUPPLEMENTARY  
SCHEDULE OF FEDERAL AND STATE AWARDS AND OTHER  
SUPPLEMENTARY INFORMATION - GOVERNMENTAL ENTITY**

**Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Kingsway Regional School District  
County of Gloucester  
Woolwich, New Jersey

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Kingsway Regional School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education of the Kingsway Regional School District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Kingsway Regional School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 19, 2011 on my consideration of the Board of Education of the Kingsway Regional School District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 19 and 59 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Kingsway Regional School District's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

BALL, BUCKLEY AND SEHER, LLP

A handwritten signature in black ink, reading "William H. Buckley, III". The signature is written in a cursive style with a long horizontal flourish extending to the right.

William H. Buckley, III  
Licensed Public School Accountant No. 86

September 19, 2011

**Kingsway Regional School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited**

---

It is a privilege to present to you the financial picture of Kingsway Regional School District (the District). The discussion and analysis of Kingsway Regional School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Total revenues of \$30,941,351. were comprised of general revenues in the amount of \$28,864,010. or 93.3 percent and program specific revenues from charges for services, grants and contributions in the amount of \$2,077,335. or 6.7 percent.

The District had \$31,643,450. in expenses related to governmental activities; only \$2,077,335. of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes, state aid and tuition) of \$30,941,351. were insufficient to provide for these programs.

Net assets for proprietary fund types increased in food service and community education. The overall increase resulted from operating revenues of \$1,065,091. Exceeding operating revenues of \$1,006,227. The GASB 34 requires the reclassification of interfund transactions into operating revenues or expenses. The net assets of \$204,074. show an increase of \$58,864. when compared to the 2010 net assets of \$145,209. Federal and State subsidies of \$180,597. in the food service fund increased income. Management will be looking at the food service operations maintain lunch prices and reduce labor costs.

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

This annual report consists of two distinct series of financial statements: the district-wide and the fund financial statements.

The district-wide reports are designed to show the District's overall economic activity. The *Statement of Net Assets* and *Statement of Activities* provide information about the governmental-type and business-type activities of the whole District, presenting both an aggregate view of District finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Kingsway Regional School District, the General, Special Revenue, Debt Service and Capital Projects funds are the most significant funds.

**Kingsway Regional School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited**

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**Reporting the School District as a Whole (district-wide)**

*Statement of Net Assets and the Statement of Activities*

The analysis of the District as a whole begins on page 20. The view of the District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why?" or "Why not?". The Statement of Net Assets and the Statement of Activities provide the basis for answering these questions. The statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and any changes in those assets. The change in net assets is important because it tells the reader that, for the District as a whole, *the financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, including factors not under the District's control, such as the District's property tax base, current property tax laws in New Jersey restricting revenue growth, facility conditions, required educational programs and other factors.

The Statement of Net Assets and the Statement of Activities are divided into two distinct kinds of activities:

**Governmental Activities** - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

**Business-Type Activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service operations are reported as a business activity.

**Reporting the School District's Most Significant Funds (Fund Financials)**

The analysis of the District's major funds begins on page 23. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

**Governmental Funds** - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides.

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

**Proprietary Funds-** Proprietary funds (the food service fund) has historically operated as an *enterprise fund* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the District as a whole.

**The School District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1  
Net Assets

	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>						
Current and other Assets	\$ 3,042,508	\$ 149,994	\$ 3,192,502	\$ 3,442,511	\$ 75,437	\$ 3,517,948
Capital Assets	38,456,235	74,322	\$ 38,530,557	39,248,019	106,667	\$ 39,354,686
<b>Total Assets</b>	<b>\$ 41,498,743</b>	<b>\$ 224,316</b>	<b>\$ 41,723,059</b>	<b>\$ 42,690,530</b>	<b>\$ 182,104</b>	<b>\$ 42,872,634</b>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 942,650	\$ 6,493	\$ 949,143	\$ 1,685,757	\$ 25,882	\$ 1,711,639
Long-Term Liabilities						
Due Within One Year	1,535,455		1,535,455	1,285,459		1,285,459
Due in More than One Year	28,601,530	13,750	\$ 28,615,280	28,598,106	11,013	\$ 28,609,119
<b>Total Liabilities</b>	<b>\$ 31,079,635</b>	<b>\$ 20,243</b>	<b>\$ 31,099,878</b>	<b>\$ 31,569,322</b>	<b>\$ 36,895</b>	<b>\$ 31,606,217</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	\$ 8,717,235	\$ 74,322	\$ 8,791,557	\$ 9,449,420	\$ 106,667	\$ 9,556,087
Restricted for:						
Capital Projects	1		1	1		1
Other Purposes	2,733,712		2,733,712	2,908,691		2,908,691
Unrestricted	(1,031,840)	129,752	(902,088)	(1,236,904)	38,542	(1,198,362)
<b>Total Net Assets</b>	<b>\$ 10,419,108</b>	<b>\$ 204,074</b>	<b>\$ 10,623,182</b>	<b>\$ 11,121,208</b>	<b>\$ 145,209</b>	<b>\$ 11,266,417</b>

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Table 2 shows the changes in net assets for fiscal year 2011 and 2010.

	Table 2 Changes in Net Assets					
	2011			2010		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Program Revenues:						
Charges for Services	\$ 943,221	\$ 886,381	\$ 1,829,602	\$ 1,184,917	\$ 822,769	\$ 2,007,686
Operating Grants and Contributions	1,134,114	180,597	1,314,711	1,091,333	172,749	1,264,082
General Revenues:						
Property Taxes	17,340,318		17,340,318	15,898,087		15,898,087
Grants and Entitlements	8,883,640		8,883,640	7,343,343		7,343,343
Other	2,640,058	(1,887)	2,638,171	5,273,279	(427,037)	4,846,242
<b>Total Revenues</b>	<b>30,941,351</b>	<b>1,065,091</b>	<b>32,006,442</b>	<b>30,790,959</b>	<b>568,481</b>	<b>31,359,440</b>
Program Expenses:						
Instruction	10,884,139		10,884,139	12,038,769		12,038,769
Tuition	1,862,674		1,862,674	1,729,187		1,729,187
Student & Instruction Related Services	2,132,387		2,132,387	2,212,311		2,212,311
School Administrative Services	1,272,945		1,272,945	1,326,729		1,326,729
General Administrative Services	537,466		537,466	439,397		439,397
Central office and Technology Services	569,573		569,573	626,864		626,864
Plant Operations and Maintenance	2,528,095		2,528,095	2,711,376		2,711,376
Pupil Transportation	2,821,829		2,821,829	3,080,396		3,080,396
Allocated Benefits	4,408,279		4,408,279	4,716,007		4,716,007
Unallocated Benefits	1,940,708		1,940,708	1,686,111		1,686,111
Interest on Long-Term Debt	1,245,834		1,245,834	1,287,509		1,287,509
Unallocation Depreciation	1,439,521		1,439,521	676,384		676,384
Food Service		1,006,227	1,006,227		949,241	949,241
<b>Total Expenses</b>	<b>31,643,450</b>	<b>1,006,227</b>	<b>32,649,677</b>	<b>32,531,040</b>	<b>949,241</b>	<b>33,480,281</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (702,099)</b>	<b>\$ 58,864</b>	<b>\$ (643,235)</b>	<b>\$ (1,740,081)</b>	<b>\$ (380,760)</b>	<b>\$ (2,120,841)</b>

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*Governmental Activities*

A tax levy in the amount of \$15,536,649.00 was approved by the voters in April 2010 for the operational expenses of the district. A tax levy in the amount of \$1,803,669.00 was raised for the payment of the districts bonded debt.

Instruction comprises 34.4 percent of governmental program expenses. Interest expense was 3.9 percent. Interest expense was attributable to the bonds issued during fiscal years 2004, 2005 and 2006.

Property taxes made up 56.0 percent of revenues for governmental activities for fiscal year 2011.

The Statement of Activities shows the cost of program services and the charges for these services and offsetting grants. Table 3 shows, for governmental activities, the total cost and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements and other revenue items.

**Table 3  
Governmental Activities**

	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 10,884,139	\$ 10,861,495	\$ 12,038,769	\$ 12,025,273
Tuition	1,862,674	1,537,642	1,729,187	1,418,739
Student & Instruction Related Services	2,132,387	2,029,297	2,212,311	2,132,429
School Administrative Services	1,272,945	1,272,945	1,326,729	1,326,729
General Administrative Services	537,466	537,466	439,397	439,397
Central office and Technology Services	569,573	569,573	626,864	626,864
Plant Operation and Maintenance	2,528,095	2,528,095	2,711,376	2,711,376
Pupil Transportation	2,821,829	1,878,609	3,080,396	1,887,072
Allocated Benefits	4,408,279	4,395,794	4,716,007	4,705,581
Unallocated Benefits	1,940,708	1,940,708	1,686,111	1,686,111
Special Schools				
Interest on Long Term Debt	1,245,834	574,971	1,287,509	618,834
Unallocated Depreciation	1,439,521	1,439,521	676,384	676,384
	<u>\$ 31,643,450</u>	<u>\$ 29,566,116</u>	<u>\$ 32,531,040</u>	<u>\$ 30,254,789</u>

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The dependence upon general revenues for governmental activities is apparent. One hundred percent of instructional activities are supported through taxes and other general revenues; for all governmental activities general revenue support is 100 percent of total governmental revenues. The community, as a whole, is by far the primary support for Kingsway Regional School District students.

*Business-Type Activities*

Business-type activities include the food service operation and the community education program. These programs had program revenues of \$1,065,091. and expenses of \$1,006,227. for fiscal year 2010. Over 16.9 percent of those program revenues were from grants and contributions in the form of the federal and state lunch programs for the reimbursable lunch program. Participation governs the amount of commodity food received by the District.

**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30,750,845. and expenditures of \$32,076,443. The net change in fund balance for the year was most significant in the general fund due to using \$1,741,468. of fund balance. The tax revenues for payment of the principal and interest flowed to the District's debt service fund in July 2010.

*General Fund Budgeting Highlights*

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

During the course of fiscal 2011, the District amended its general fund budget numerous times. Many of the amendments are due to changes in expenditure priorities in the district. The District uses a school-based budgeting system designed to tightly control total school budgets but provide flexibility for location management. Building principals prepare a budget request based course requirements and student enrollment projections.

For the General Fund, the final budget basis revenue was \$27,665,688. representing a \$1,692,778. increase from the final budgeted revenues. For the General Fund, the final budget basis expenditures were \$29,088,660. representing a 4.8% increase of \$(1,327,688.) more than the final budget .

The District's ending unobligated cash balance was \$66,407.

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal 2011, the District had \$61,078,899 invested in land, buildings, equipment; \$60,492,394. in governmental activities.

**Table 4  
Capital Assets at June 30, 2011**

	Governmental Activities	Business-Type Activities	Total
Land and Improvements	\$ 8,523,433	\$	\$ 8,523,433
Building and Improvements	46,598,364		46,598,364
Furniture and Equipment	2,931,911	586,505	3,518,416
Vehicles	2,438,686		2,438,686
<b>Total</b>	<b>\$ 60,492,394</b>	<b>\$ 586,505</b>	<b>\$ 61,078,899</b>

*Debt*

At June 30, 2011, the District had \$30,136,984. in debt outstanding, \$1,535,455. due within one year. Table 5 summarizes debt outstanding.

**Table 5  
Outstanding Debt at June 30, 2011**

	Governmental Activities	Business-Type Activities	Total
School Refunding Bonds of 3/1/99 Series	12,755,000		12,755,000
School Refunding Bonds of 8/17/04 Series	8,870,000		8,870,000
Construction of Middle School and Renovations to existing school building 2004 G) Bonds	6,614,000		6,614,000
Capital Leases	1,500,000		1,500,000
Compensated Absences	397,984	13,750	411,734
<b>Total</b>	<b>\$ 30,136,984</b>	<b>\$ 13,750</b>	<b>\$ 30,150,734</b>

On March 1, 1999, the District issued \$18,500,000 general obligation bonds at 4.65 percent for the construction of additions and renovations to the existing Kingsway school. On May 19, 2005, the District issued Refunding Bonds for \$15,780,000 of this series.

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On July 29, 2004 the District completed the sale of \$16,914,000. of Serial Bonds with interest ranging from 4.50% in 2006 to 4.875% in 2031. The proceeds of these bonds will be used to finance the Districts' Capital Projects approved by the voters on September 30, 2003. In November 2006, the District issued Refunding Bonds for this issue in the amount of \$9,075,000.

On April 21, 2009 the District voters approved a Bond Referendum in the amount of \$449,600.00. The proceeds were to fund the renovations of two High School science labs. On July 2, 2009 the Board issued Bond Anticipation Notes in the amount of \$449,600.00 to fund this project. As of June 30, 2011 there was a balance of \$299,600. on these Bond Anticipation Notes which matures on July 1, 2011 with an interest rate of 2.25%.

The District maintains an Aa2 bond rating.

**For the Future**

Life in the Kingsway Regional School District is a reflection of Gloucester County with its farming roots, increased residential migration from more populated areas. Residential growth has not eluded the District over the past few years. Increasing numbers of housing developments are being approved by the municipalities. Prices of new homes are in the \$180,000 to over \$500,000 price range. The new developments are attracting young families to the area as evidenced by the residential permits issued in the townships. Of the District's General Fund operations, 55.9 percent of the General Fund revenue is received from real estate taxes on residential, commercial, and industrial properties. In addition 13.1 percent is received from enrollment tuition, interest earnings and local cooperative ventures.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Andrew R. Eubanks, Registered School Business Administrator at Kingsway Regional School District, 213 Kings Highway, Woolwich Township, New Jersey 08098.

## **District-Wide Financial Statements**

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds and account groups as of June 30, 2011

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Net Assets**  
**June 30, 2011**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 66,406.80	\$ 136,154.42	\$ 202,561.22
Receivables, net	237,665.22	817.66	238,482.88
Inventory		13,022.24	13,022.24
Restricted assets:			
Restricted cash and cash equivalents	2,738,435.99		2,738,435.99
Capital assets, net	38,456,235.11	74,321.89	38,530,557.00
Total Assets	<u>41,498,743.12</u>	<u>224,316.21</u>	<u>41,723,059.33</u>
<b>LIABILITIES</b>			
Accounts Payable	146,938.80		146,938.80
Bond Anticipation Note Payable	299,600.00		299,600.00
Prepaid lunches		6,493.20	6,493.20
Deferred Revenue	7,069.10		7,069.10
Accrued interest payable	489,042.77		489,042.77
Noncurrent liabilities:			
Due within one year	1,535,454.50		1,535,454.50
Due beyond one year	28,601,529.70	13,749.60	28,615,279.30
Total liabilities	<u>31,079,634.87</u>	<u>20,242.80</u>	<u>31,099,877.67</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	8,717,235.11	74,321.89	8,791,557.00
Restricted for:			
Capital Projects	1.00		1.00
Other purposes	2,733,711.99		2,733,711.99
Unrestricted	(1,031,839.85)	129,751.52	(902,088.33)
Total net assets	<u>\$ 10,419,108.25</u>	<u>\$ 204,073.41</u>	<u>\$ 10,623,181.66</u>

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

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Functions/Programs	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
<b>Instruction:</b>							
Regular	\$ 7,878,158.32	\$ 22,644.00	\$	\$ 7,878,158.32	\$	\$	\$ (7,855,514.32)
Special education	2,194,808.25			(2,194,808.25)			(2,194,808.25)
Other instructional	56,161.55			(56,161.55)			(56,161.55)
School sponsored	755,010.76			(755,010.76)			(755,010.76)
<b>Undistributed:</b>							
Tuition	1,862,673.87	325,032.00		(1,537,641.87)			(1,537,641.87)
Student & instruction related services	2,132,387.14	103,090.21		(2,029,296.93)			(2,029,296.93)
School administrative services	1,272,944.78			(1,272,944.78)			(1,272,944.78)
General administrative services	537,466.19			(537,466.19)			(537,466.19)
Central office and technology services	569,572.95			(569,572.95)			(569,572.95)
Plant operations and maintenance	2,528,095.23			(2,528,095.23)			(2,528,095.23)
Pupil transportation	2,821,829.45			(1,878,608.55)			(1,878,608.55)
Allocated benefits	4,408,279.28	12,485.00		(4,395,794.28)			(4,395,794.28)
Unallocated benefits	1,940,707.79			(1,940,707.79)			(1,940,707.79)
Interest on long-term debt	1,245,834.39	670,863.00		(574,971.39)			(574,971.39)
Unallocated depreciation	1,439,520.95			(1,439,520.95)			(1,439,520.95)
<b>Total governmental activities</b>	<b>31,643,450.90</b>	<b>1,134,114.21</b>		<b>(29,566,115.79)</b>			<b>(29,566,115.79)</b>
<b>Business-type activities:</b>							
Food Service	1,003,315.30	180,596.91		(872,766.34)		50,047.95	50,047.95
Community Education Program	2,912.00			(13,615.00)		10,703.00	10,703.00
<b>Total business-type activities</b>	<b>1,006,227.30</b>	<b>180,596.91</b>		<b>(886,381.34)</b>		<b>60,750.95</b>	<b>60,750.95</b>
<b>Total primary government</b>	<b>\$ 32,649,678.20</b>	<b>\$ 1,314,711.12</b>	<b>\$ 0.00</b>	<b>\$ (29,566,115.79)</b>	<b>\$ 60,750.95</b>	<b>\$ (29,505,364.84)</b>	<b>\$ (29,505,364.84)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes.net				\$ 15,536,649.00	\$	\$	\$ 15,536,649.00
Taxes levied for debt service				1,803,669.00			1,803,669.00
Federal and State aid not restricted				8,883,639.60			8,883,639.60
Tuition received				3,332,155.50			3,332,155.50
Investment earnings				39,178.45		849.98	40,028.43
Miscellaneous income				269,420.92			269,420.92
Transportation fees from other LEA's within state				15,912.15			15,912.15
Net change in compensated absences				(32,418.80)		(2,737.00)	(35,155.80)
Net change in capital assets				(984,189.73)			(984,189.73)
<b>Total general revenues, special items, extraordinary items and transfers</b>				<b>28,864,016.09</b>	<b>(1,887.02)</b>		<b>28,862,129.07</b>
<b>Change in Net Assets</b>				<b>(702,099.70)</b>	<b>58,863.93</b>		<b>(643,235.77)</b>
<b>Net Assets - beginning</b>				<b>11,121,207.95</b>	<b>145,209.48</b>		<b>11,266,417.43</b>
<b>Net Assets - ending</b>				<b>\$ 10,419,108.25</b>	<b>\$ 204,073.41</b>		<b>\$ 10,623,181.66</b>

## Fund Financial Statements

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

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Balance Sheet  
 Governmental Funds  
 June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,794,915.79	\$ 4,723.00	\$	\$ 5,204.00	\$ 2,804,842.79
Receivables, net	20,923.43				20,923.43
Due from other funds	49,674.46				49,674.46
Receivables from other governments	166,873.94				166,873.94
<b>Total assets</b>	<b>\$ 3,032,387.62</b>	<b>\$ 4,723.00</b>	<b>\$</b>	<b>\$ 5,204.00</b>	<b>\$ 3,042,314.62</b>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>					
Cash Overdraft	\$	\$			\$ 0.00
Bond Anticipation Note Payable			299,600.00		299,600.00
Contracts Payable					0.00
Deferred Revenue	7,069.10				7,069.10
Accounts payable	142,022.41	4,723.00			146,745.41
<b>Total liabilities</b>	<b>149,091.51</b>	<b>4,723.00</b>	<b>299,600.00</b>		<b>453,414.51</b>

<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	255,125.00				255,125.00
Excess Surplus	1,174,789.99				1,174,789.99
Excess Surplus - designated for subsequent year's expenditures	1,070,629.00			5,204.00	1,075,833.00
Unrestricted/unreserved - designated for subsequent years expenditures	227,964.00				227,964.00
Capital Reserve Account	1.00				1.00
Unreserved:	154,787.12		(299,600.00)		(144,812.88)
<b>Total Fund balances</b>	<b>2,883,296.11</b>		<b>(299,600.00)</b>	<b>5,204.00</b>	<b>2,588,900.11</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,032,387.62</b>	<b>\$ 4,723.00</b>	<b>\$</b>	<b>\$ 5,204.00</b>	

KINGSWAY REGIONAL SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 60,492,394.02 and the accumulated depreciation is \$22,036,158.91					38,456,235.11
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see illustrative Note 4)					(30,136,984.20)
Interest on long term debt in the statement of activities is accrued, regardless of when due.					<u>(489,042.77)</u>
Net assets of governmental activities					<u>\$ 10,419,108.25</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
<b>REVENUES</b>					
Local Tax Levy	\$ 15,536,649.00	\$	\$	\$ 1,803,669.00	\$ 17,340,318.00
Tuition charges	3,332,155.50				3,332,155.50
Transportation fees from other LEA's	15,912.15				15,912.15
Miscellaneous	308,599.37	9,625.00			308,599.37
Local sources					9,625.00
State sources	8,619,750.20			670,863.00	9,290,613.20
Federal sources		717,515.61			717,515.61
Total revenues	27,813,066.22	727,140.61	-	2,474,532.00	31,014,738.83
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular	7,761,535.59	22,644.00			7,784,179.59
Special education	2,186,001.94				2,186,001.94
Other instructional	56,161.55				56,161.55
School sponsored	663,091.53				663,091.53
Undistributed:					
Tuition	1,537,641.87	325,032.00			1,862,673.87
Student & instruction related services	2,022,849.66	103,090.21			2,125,939.87
School administrative services	1,270,985.28				1,270,985.28
General administrative services	533,874.14				533,874.14
Central Services	305,323.56				305,323.56
Administration Inform. Technology Services	217,222.48				217,222.48
Plant operations and maintenance	2,488,071.64				2,488,071.64
Pupil transportation	1,740,211.77				1,740,211.77
Allocated benefits	4,395,794.28	12,485.00			4,408,279.28
Unallocated benefits	1,940,707.79				1,940,707.79
Debt service:					
Principal				1,260,000.00	1,260,000.00
Interest and other charges				1,264,531.26	1,264,531.26
Capital outlay	1,969,187.34	263,889.40			2,233,076.74
Total expenditures	29,088,660.42	727,140.61	-	2,524,531.26	32,340,332.29
Excess (Deficiency) of revenues over expenditures	(1,275,594.20)		-	(49,999.26)	(1,325,593.46)
<b>OTHER FINANCING SOURCES(USES)</b>					
Capital Leases (non-budgeted)	1,500,000.00		150,000.00		1,500,000.00
Transfers in	0.78			(0.78)	150,000.78
Transfers out			150,000.00	(0.78)	(0.78)
Total other financing sources and( uses)	1,500,000.78		150,000.00	(0.78)	1,650,000.00
Net change in fund balances	224,406.58		150,000.00	(50,000.04)	324,406.54
Fund balance (deficit) - July 1	2,658,889.53		(449,600.00)	55,204.04	2,264,493.57
Fund balance (deficit) - June 30	\$ 2,883,296.11	\$	\$ (299,600.00)	\$ 5,204.00	\$ 2,588,900.11

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2011**

Total net change in fund balances - governmental funds (from B-2) \$ 324,406.54

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation in the period.

Depreciation Expense	\$ (1,871,671.32)	
Capital Outlay below Capitalization Limits	(969,424.73)	
Assets Retired	(14,765.00)	
Capital Outlay	<u>2,064,076.74</u>	
		(791,784.31)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities:

Bond principal		1,110,000.00
Capital leases		169,000.00
Compensated absences		(32,418.80)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenues in the statements of activities, issuing debt increases long term liabilities in the statement of net assets

Capital Leases		(1,500,000.00)
----------------	--	----------------

Adjustments to revenue realized in 2010-11 but are not revenues for GAAP purposes:

Enterprise fund

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

18,696.87

\$ (702,099.70)

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Food Service	Community Education	Totals	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 125,446.81	\$ 10,707.61	\$ 136,154.42	\$
Accounts receivable				49,094.33
Other receivables	817.66		817.66	
Inventories	13,022.24		13,022.24	
Total current assets	<u>139,286.71</u>	<u>10,707.61</u>	<u>149,994.32</u>	<u>49,094.33</u>
Noncurrent assets:				
Equipment	586,504.70		586,504.70	
Less Accumulated depreciation	(512,182.81)		(512,182.81)	
Total noncurrent assets	<u>74,321.89</u>		<u>74,321.89</u>	
Total assets	<u>\$ 213,608.60</u>	<u>\$ 10,707.61</u>	<u>\$ 224,316.21</u>	<u>\$ 49,094.33</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$	\$	\$	\$ 193.39
Interfund accounts payable				48,900.94
Prepaid lunches	6,493.20		6,493.20	
Total current liabilities	<u>6,493.20</u>		<u>6,493.20</u>	<u>49,094.33</u>
Noncurrent liabilities:				
Compensated absences	13,749.60		13,749.60	
Total noncurrent liabilities	<u>13,749.60</u>		<u>13,749.60</u>	<u>0.00</u>
Total liabilities	<u>\$ 20,242.80</u>	<u>\$</u>	<u>\$ 20,242.80</u>	<u>\$ 49,094.33</u>
<b>NET ASSETS</b>				
Investment in capital assets net of related debt	\$ 74,321.89	\$	\$ 74,321.89	\$
Unrestricted	119,043.91	10,707.61	129,751.52	
Total net assets	<u>\$ 193,365.80</u>	<u>\$ 10,707.61</u>	<u>\$ 204,073.41</u>	<u>\$ 0.00</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**for the Fiscal Year ended June 30, 2011**

	Business-type Activities - Enterprise Fund			Governmental Activities -
	Food Service	Community Education	Total Enterprise	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Local sources:				
Transportaion Fees charged to other LEA's	\$	\$	\$	\$ 902,741.08
Field Trips				4,229.83
Sale of Gasoline				16,721.26
Miscellaneous				19,528.73
Daily Sales-Reimbursable Programs	489,871.23		489,871.23	
Daily Sales-Non-reimbursable Programs	353,809.79		353,809.79	
Vending machine sales	25,712.30		25,712.30	
Special function	3,373.02		3,373.02	
Program fees		13,615.00	13,615.00	
<b>Total operating revenues</b>	<b>872,766.34</b>	<b>13,615.00</b>	<b>886,381.34</b>	<b>943,220.90</b>
<b>OPERATING EXPENSES:</b>				
Salaries and employee benefits	515,095.27		515,095.27	668,755.39
Supplies and materials	28,349.22		28,349.22	131,625.25
Repairs and other expenses	5,111.03		5,111.03	1,864.96
Other Purchased Services - Contracted Services				99,122.52
Miscellaneous purchased services	13,247.88	2,102.00	15,349.88	25,825.13
Depreciation	32,345.42		32,345.42	
Miscellaneous expense	60.09	810.00	870.09	115.50
Transportaton/Administrative costs - Due General Fund				15,912.15
Cost of sales	409,106.39		409,106.39	
<b>Total operating expenses</b>	<b>1,003,315.30</b>	<b>2,912.00</b>	<b>1,006,227.30</b>	<b>943,220.90</b>
<b>Operating income (loss)</b>	<b>(130,548.96)</b>	<b>10,703.00</b>	<b>(119,845.96)</b>	<b>0.00</b>
Nonoperating revenues (loss):				
Interest earned	845.37	4.61	849.98	
State sources:				
State school lunch program	8,379.09		8,379.09	
Federal sources:				
Nutrition reimbursements	131,729.08		131,729.08	
U.S.D.A. commodities	40,488.74		40,488.74	
<b>Total nonoperating revenues</b>	<b>181,442.28</b>	<b>4.61</b>	<b>181,446.89</b>	
<b>Net Income (Loss)</b>	<b>50,893.32</b>	<b>10,707.61</b>	<b>61,600.93</b>	
<b>Net change in compensated absences</b>	<b>(2,737.00)</b>		<b>(2,737.00)</b>	
<b>Change in net assets</b>	<b>48,156.32</b>	<b>10,707.61</b>	<b>58,863.93</b>	
<b>Total net assets - beginning</b>	<b>145,209.48</b>		<b>145,209.48</b>	
<b>Total net assets - ending</b>	<b>\$ 193,365.80</b>	<b>\$ 10,707.61</b>	<b>\$ 204,073.41</b>	<b>\$ 0.00</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**for the Year ended June 30, 2011**

	Business-type Activities- Enterprise Funds			Governmental Activities -
	Food Service	Community Education	Total Enterprise	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 871,506.83	\$ 13,615.00	\$ 885,121.83	\$ 979,279.51
Payments to employees	(363,797.08)		(363,797.08)	(511,906.00)
Payments for employee benefits	(151,298.19)		(151,298.19)	(156,849.39)
Payments to suppliers	(473,218.83)	(2,912.00)	(476,130.83)	(294,087.97)
Net cash provided by (used for) operating activities	<u>(116,807.27)</u>	<u>10,703.00</u>	<u>(106,104.27)</u>	<u>16,436.15</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State sources	9,063.27		9,063.27	
Federal sources	181,072.07		181,072.07	
Operating subsidies and transfers to other funds				(16,436.15)
Net cash provided by (used for) non-capital financing activities	<u>190,135.34</u>		<u>190,135.34</u>	<u>(16,436.15)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earned	845.37	4.61	849.98	
Net cash provided by (used for) investing activities	<u>845.37</u>	<u>4.61</u>	<u>849.98</u>	<u>0.00</u>
Net increase (decrease) in cash and cash equivalents	74,173.44	10,707.61	84,881.05	0.00
Balances - beginning of year	<u>51,273.37</u>		<u>51,273.37</u>	
Balances - end of year	<u>\$ 125,446.81</u>	<u>\$ 10,707.61</u>	<u>\$ 136,154.42</u>	<u>\$ 0.00</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 50,893.32	10,707.61	61,600.93	\$
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities				
Depreciation	32,345.42		32,345.42	
Change in assets and liabilities:				
(Increase) decrease in inventories	1,399.78		1,399.78	
(Increase) decrease in accounts receivable, net	8,924.07		8,924.07	
Increase (decrease) in accounts payable	(18,744.00)		(18,744.00)	
(Increase (decrease) in prepaid lunches	(645.15)		(645.15)	
Increase (decrease) in interfund accounts payable				(16,436.15)
Net cash provided (used) by operating activities	<u>\$ 74,173.44</u>	<u>\$ 10,707.61</u>	<u>\$ 84,881.05</u>	<u>\$ (16,436.15)</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 110,549.86	\$ 202,338.10	\$ 237,650.30
Total Assets	<u>\$ 110,549.86</u>	<u>\$ 202,338.10</u>	<u>\$ 237,650.30</u>
<b>LIABILITIES</b>			
Payroll deductions and withholdings	\$	\$	\$ 24,739.09
Payable to student groups			212,137.52
Interfund accounts payable			<u>773.52</u>
Total Liabilities			<u>\$ 237,650.13</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>\$ 110,549.86</u>		
Reserved for scholarships		<u>\$ 202,338.10</u>	

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2011**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Local Sources:			
Contributions	\$ 600.00	\$	\$ 600.00
Board Contributions		200,000.00	200,000.00
Transfer from Payroll Agency Account		45,464.30	45,464.30
Interest on Investments	<u>2,103.49</u>	<u>590.44</u>	<u>2,693.93</u>
Total operating revenues	<u>2,703.49</u>	<u>246,054.74</u>	<u>248,758.23</u>
<b>OPERATING EXPENSES:</b>			
Unemployment compensation insurance claims		169,859.17	169,859.17
Scholarship Payments	<u>3,100.00</u>		<u>3,100.00</u>
Total operating expenses	<u>3,100.00</u>	<u>169,859.17</u>	<u>172,959.17</u>
Operating income (loss)	(396.51)	76,195.57	75,799.06
Fund balance - July 1	<u>202,734.61</u>	<u>34,354.29</u>	<u>237,088.90</u>
Fund Balance - June 30	<u><u>\$ 202,338.10</u></u>	<u><u>\$ 110,549.86</u></u>	<u><u>\$ 312,887.96</u></u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Kingsway Regional School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms and one sending district member appointed annually. The purpose of the district is to educate students in grades 7-12. The Kingsway Regional School District had an enrollment at June 30, 2011 of 2,232 students.

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

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

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

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Government-wide and Fund Financial Statements (Continued)**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, state equalizations monies, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**D. Fund Accounting**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GOVERNMENTAL FUNDS**

**General Fund** – The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay subfund.

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

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

**Special Revenue Fund** – The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

**PROPRIETARY FUNDS**

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

**Enterprise Funds** – The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Enterprise Funds (Continued)**

income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The District's Enterprise Fund is comprised of the Food Service Fund.

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

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

Food Service Fund:	
Equipment	7 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

**Internal Service Fund** – The Internal Service Fund has been established to account for the financing of transportation services provided by the Kingsway Regional School District for use by various other districts within the County of Gloucester. Services are provided on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

**Trust and Agency Funds** – The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** – An Expendable Trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and the following scholarship funds:

Wayne Winter Scholarship Fund	Lucinda Molitor Scholarship Fund
Joseph Bona Scholarship Fund	Maureen Lavin Scholarship Fund
John J. Carozzi, Jr. Scholarship Fund	

**Nonexpendable Trust Fund** – A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Agency Funds** – Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets/Budgetary Control (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$27,665,688.22	\$463,251.21
Difference – budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		\$263,889.40
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		
School Year 2010-2011	(605,156.00)	
School Year 2009-2010	752,534.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$27,813,066.22</u>	<u>\$727,140.61</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$29,088,660.42	\$463,251.21
Differences – budget 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.		\$263,889.40
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$29,088,660.42</u>	<u>\$727,140.61</u>

**F. Encumbrances**

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

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Encumbrances (Continued)**

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

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

**G. Cash, Cash Equivalents and Investments**

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

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

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. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units.

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

**H. Tuition Receivable**

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

**I. Tuition Payable**

Tuition charges for the fiscal years 2010-2011 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**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.

Inventories in the Proprietary Funds 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, 2011.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. 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.

**L. Fixed Assets**

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 1995 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in the general fixed assets account group are not depreciated.

**M. Compensated Absences**

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

Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the General Long-Term Debt Account Group.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**N. Deferred Revenue**

Deferred revenue in the general fund represents cash that has been received but not yet earned.

**O. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. Fund Equity**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**Q. Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The amounts on deposit of the Board of Education's cash and investments at June 30, 2011 are categorized as follows: F.D.I.C. insured (Category 1) and all others (Category 3)

<u>Category</u>	<u>Amount</u>
Cash and Investments:	
F.D.I.C. Insured	\$ 500,000.00
G.U.D.P.A. Insured	<u>3,648,751.12</u>
	<u>\$ 4,148,751.12</u>

The carrying value of cash and investments on deposit is \$3,491,559.78.

**NOTE 3 – FIXED ASSETS**

The following schedule is a summarization of the changes in the general fixed assets by source for the fiscal year ended June 30, 2011.

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2011</u>
General Fund	\$14,007,042.93	\$740,667.01	(\$14,765.00)	\$14,732,944.94
Capital Projects Fund	45,370,991.08			45,370,991.08
Special Revenue Fund	<u>34,473.00</u>	<u>353,985.00</u>	<u>                    </u>	<u>388,458.00</u>
Total	<u>\$59,412,507.01</u>	<u>\$1,094,652.01</u>	<u>(\$14,765.00)</u>	\$60,492,394.02
Less: Accumulated Depreciation				<u>\$22,036,158.91</u>
Net Fixed Assets				<u>\$38,456,235.11</u>

The following is a summary of proprietary fund type fixed assets at June 30, 2011:

Machinery and Equipment	\$586,504.70
Less: Accumulated Depreciation	<u>(512,182.81)</u>
Net Fixed Assets	<u>\$74,321.89</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 4 - GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance As of July 1, 2010	Issued	Retired	Balance As of June 30, 2011
Compensated Absences Payable	\$365,565.40	\$32,418.80	\$	\$397,984.20
Capital Leases Payable	169,000.00	1,500,000.00	169,000.00	1,500,000.00
Bonds Payable	<u>29,349,000.00</u>		<u>1,110,000.00</u>	<u>28,239,000.00</u>
Total	<u>\$29,883,565.40</u>	<u>\$1,532,418.80</u>	<u>\$1,279,000.00</u>	<u>\$30,136,984.20</u>

**A. Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Principal and interest due on serial bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2012	\$ 1,160,000.00	\$ 1,214,656.26	\$ 2,374,656.26
2013	\$ 1,165,000.00	\$ 1,162,556.26	\$ 2,327,556.26
2014	\$ 1,215,000.00	\$ 1,110,256.26	\$ 2,325,256.26
2015	\$ 1,365,000.00	\$ 1,055,706.26	\$ 2,420,706.26
2016	\$ 1,465,000.00	\$ 989,206.26	\$ 2,454,206.26
2017	\$ 1,460,000.00	\$ 926,856.26	\$ 2,386,856.26
2018	\$ 1,510,000.00	\$ 864,706.26	\$ 2,374,706.26
2019	\$ 1,600,000.00	\$ 800,556.26	\$ 2,400,556.26
2020	\$ 1,590,000.00	\$ 732,056.26	\$ 2,322,056.26
2021	\$ 1,735,000.00	\$ 663,956.26	\$ 2,398,956.26
2022	\$ 1,830,000.00	\$ 588,398.76	\$ 2,418,398.76
2023	\$ 1,820,000.00	\$ 508,308.76	\$ 2,328,308.76
2024	\$ 1,824,000.00	\$ 428,046.26	\$ 2,252,046.26
2025	\$ 1,235,000.00	\$ 347,543.76	\$ 1,582,543.76
2026	\$ 1,230,000.00	\$ 298,143.76	\$ 1,528,143.76
2027	\$ 1,220,000.00	\$ 248,943.76	\$ 1,468,943.76
2028	\$ 1,215,000.00	\$ 198,618.76	\$ 1,413,618.76
2029	\$ 1,210,000.00	\$ 148,500.00	\$ 1,358,500.00
2030	\$ 1,200,000.00	\$ 98,587.50	\$ 1,298,587.50
2031	\$ 1,190,000.00	\$ 49,087.50	\$ 1,239,087.50
	<u>\$28,239,000.00</u>	<u>\$12,434,691.42</u>	<u>\$40,673,691.42</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 4 - GENERAL LONG-TERM DEBT (Continued)**

**B. Bonds Authorized But Not Issued**

Bond Anticipation note matured on July 1, 2011 at which time the district paid \$146,000.00 on principal. A new note in the amount of \$153,600.00 was issued and matures on July 1, 2012 with interest at 2.25%.

**C. Capital Leases Payable**

As of June 30, 2011, the Board had Capital Leases outstanding for Technology Equipment in the amount of \$1,500,000.00.

The following is a schedule of the future minimum lease payments under these capital leases, and present value of the net minimum lease payments at June 30, 2011.

	Year	Amount
	2012	\$ 347,550.00
	2013	\$ 338,040.00
	2014	\$ 328,530.00
	2015	\$ 319,020.00
	2016	\$ 309,510.00
Total Minimum Lease Payments		\$ 1,642,650.00
Less: Amount Representing Interest		\$ 142,650.00
Present value of net minimum lease payments		\$ 1,500,000.00

**NOTE 5 – PENSION PLANS**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by Writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)**– The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current stature, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 5 – PENSION PLANS (Continued)**

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members.

The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

**Significant Legislation** – During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for a TPAF and PERS were reduced.

**Contribution Requirements** – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members of contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 5 – PENSION PLANS (Continued)**

**Contribution Requirements (Continued)**

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$788,748.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$ 864,506.20 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general- purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NOTE 6 – POST-EMPLOYMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, 103 amended the law to eliminate the funding of post- retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post retirement medical benefits for State employees and retired educationalemployees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post- retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994 with an additional contribution beginning in Fiscal Year 1996 to maintain a medical reserve of one half of one percent of the active State payroll.

The State made post-retirement (PRM) contributions of \$1.38 billion for Fiscal Year 2009 and \$3.22 million for Fiscal Year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

**NOTE 7 – COMPENSATED ABSENCES**

District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon retirement and those with ten (10) years of service in the District, the District shall pay the employee for unused sick leave in accordance with the Districts' agreements with the various employee unions. Vacation days not used during the year may only be carried forward with approval from the Superintendent.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. the current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long- term liability balance of compensated absences. This liability is reflected on the statement of net assets Exhibit A-1.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7 – COMPENSATED ABSENCES (Continued)**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, \$13,749.60 liability existed for compensated absences in the Food Service Fund.

**NOTE 8 – INTERFUND RECEIVABLES AND PAYABLES**

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution.

In addition, interest earned in the payroll, payroll agency, and athletic accounts was recorded as income in the general fund and set up as interfunds.

There were several other interfund balances recorded which were the result of interest earnings in other fund.

Analysis of interfunds - Due General Fund:

Internal Services Fund	\$48,900.94
Trust and Agency Funds:	
Interest on investments:	
Payroll /Agency Accounts	644.62
Student Activity/Athletic accounts	<u>128.90</u>
Total	<u>\$49,674.46</u>

**NOTE 9 – 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, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.  
Siracusa Benefits Programs  
The Equitable Life Assurance Society of the US  
403(b) ASP

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 10 – RISK MANAGEMENT**

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

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

**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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$200,000.00	\$45,464.30	\$169,859.10	\$110,549.86
2009-2010	\$20,000.00	\$23,553.66	\$55,403.40	\$34,354.29
2008-2009	\$20,000.00	\$28,509.37	\$16,131.36	\$45,885.70

**NOTE 11 – DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$0.00 in the General Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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 require that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district can not recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to P.L. 2003, c.97 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$0.00 is equal to (or) is less than the last state aid payment of \$605,156.00.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 12 - FUND BALANCE APPROPRIATED**

**General Fund** – Of the \$2,883,296.11 General Fund fund balance at June 30, 2011, \$255,125.00 is reserved for encumbrances; \$1,174,789.99 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$1.00 has been reserved in the Capital Reserve Account; \$1,298,593.00 has been appropriated and also included as anticipated revenue for the year ending June 30, 2012, and \$154,787.12 is unreserved and undesignated.

**Debt Service Fund** – The Debt Service Fund fund balance at June 30, 2011 is \$5,204.00.

**NOTE 13 – CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$1,174,789.99.

**NOTE 14 – RETAINED EARNINGS**

The Food Service Fund has a cumulative retained earnings of \$193,365.80 as of June 30, 2011. There is \$0.00 provided for the 2011-2012 General Fund Budget to cover an anticipated deficit. The Community Education fund has a cumulative retained earnings of \$10,707.61 as of June 30, 2011. There is \$0.00 provided in the 2011-2012 General Fund budget to cover an expected deficit.

**NOTE 15 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Kingsway Regional Board of Education by inclusion of \$1.00 on October 3, 2000 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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 16 – LITIGATION**

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the Financial Statements.

**NOTE 17- SUBSEQUENT EVENTS**

The District has authorized a special election for September 27, 2011, in which the voters will be asked to approve a \$31,122,450.00 project for additions and improvements to the Kingsway Regional High School and the Kingsway Middle School. If approved, the project would be funded by a \$8,463,401.00 grant from the State of New Jersey and the authorization to issue \$22,659,049.00 in bonds of the School District.

# Budgetary Comparison Schedules

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 15,536,649.00	\$	\$ 15,536,649.00	\$ 15,536,649.00	\$
Tuition	3,414,907.00		3,414,907.00	3,332,155.50	(82,751.50)
Transportation fees from other LEAs within state	100,000.00		100,000.00	15,912.15	(84,087.85)
Miscellaneous	75,000.00	158,400.00	233,400.00	308,599.37	75,199.37
<b>Total - Local Sources</b>	<b>19,126,556.00</b>	<b>158,400.00</b>	<b>19,284,956.00</b>	<b>19,193,316.02</b>	<b>(91,639.98)</b>
State Sources:					
Equalization Aid	5,959,551.00	(392,386.00)	5,567,165.00	5,567,165.00	
Categorical Special Education Aid	618,332.00	392,386.00	1,010,718.00	1,010,718.00	
Extraordinary Aid	88,130.00		88,130.00	205,424.00	117,294.00
Non-Public Transportation				18,939.00	18,939.00
TPAF Grant				16,872.00	16,872.00
On-Behalf TPAF Contribution (non-budgeted)				788,748.00	788,748.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				864,506.20	864,506.20
<b>Total - State Sources</b>	<b>6,666,013.00</b>	<b>0.00</b>	<b>6,666,013.00</b>	<b>8,472,372.20</b>	<b>1,806,359.20</b>
Federal Sources:					
Medicaid Reimbursement (SEMI)	21,941.00		21,941.00		(21,941.00)
<b>Total Federal Sources</b>	<b>21,941.00</b>	<b>0.00</b>	<b>21,941.00</b>	<b>21,941.00</b>	<b>(21,941.00)</b>
<b>Total Revenues</b>	<b>25,814,510.00</b>	<b>158,400.00</b>	<b>25,972,910.00</b>	<b>27,665,888.22</b>	<b>1,692,778.22</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Grades 6-8	2,473,384.00	20,900.00	2,494,284.00	2,447,062.03	47,221.97
Grades 9-12	4,826,178.00	(84,100.00)	4,742,078.00	4,718,951.33	23,126.67
Home instruction:					
Salaries of teachers	14,500.00	27,500.00	42,000.00	33,269.56	8,730.44
Purchased professional/educational services	49,000.00	(350.00)	48,650.00	35,293.84	13,356.16
Other Purchased Services	300.00	2,500.00	2,800.00	1,013.90	1,786.10
Regular programs - Undistributed:					
Other Salaries for Instruction	79,426.00	2,000.00	81,426.00	80,587.21	838.79
Purchased professional/educational services	1,500.00	(600.00)	900.00	873.62	26.38
Other purchased services	152,575.00	(7,688.00)	144,887.00	138,678.48	6,208.52
General supplies	270,963.00	(23,360.00)	247,603.00	233,832.17	13,770.83
Textbooks	65,400.00	9,400.00	74,800.00	71,973.45	2,826.55
<b>Total regular programs</b>	<b>7,933,226.00</b>	<b>(53,798.00)</b>	<b>7,879,428.00</b>	<b>7,761,535.59</b>	<b>117,892.41</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
Budgetary Comparison Schedule  
General Fund

for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
<b>Special education:</b>					
Behavioral Disabilities					
Salaries of Teachers	\$ 108,892.00	\$	\$ 108,892.00	\$ 93,383.20	\$ 15,508.80
Other Salaries for Instruction	59,959.00	(2,200.00)	57,759.00	42,283.00	15,476.00
Other Purchased Services	2,000.00		2,000.00		2,000.00
Teaching Supplies	2,000.00		2,000.00	322.44	1,677.56
Total Behavioral Disabilities	<u>172,851.00</u>	<u>(2,200.00)</u>	<u>170,651.00</u>	<u>135,988.64</u>	<u>34,662.36</u>
Multiple Disabilities					
Salaries of Teachers	134,064.00	35,000.00	169,064.00	149,083.05	19,980.95
Other Salaries for Instruction	130,186.00	(35,000.00)	95,186.00	88,709.56	6,476.44
Other Purchased Services	3,000.00		3,000.00	958.17	2,041.83
Teaching Supplies	25,300.00		25,300.00	15,639.82	9,660.18
Textbooks	2,000.00		2,000.00	1,506.76	493.24
Total Multiple Disabilities	<u>294,550.00</u>	<u>0.00</u>	<u>294,550.00</u>	<u>255,897.36</u>	<u>38,652.64</u>
Resource center:					
Salaries of teachers	1,407,950.00	19,500.00	1,427,450.00	1,418,400.88	9,049.12
Other Salaries for Instruction	238,937.00	85,000.00	323,937.00	312,145.45	11,791.55
Other Purchased Services		100.00	100.00	80.00	20.00
Teaching supplies	17,081.00	(100.00)	16,981.00	11,725.93	5,255.07
Textbooks	2,000.00		2,000.00	857.50	1,142.50
Total resource room	<u>1,665,968.00</u>	<u>104,500.00</u>	<u>1,770,468.00</u>	<u>1,743,209.76</u>	<u>27,258.24</u>
Special Education-Home Instruction					
Salaries of teachers	14,500.00	11,000.00	25,500.00	24,624.16	875.84
Purchased professional/educational services	30,000.00	24,000.00	54,000.00	26,282.02	27,717.98
Total Special Education-Home Instruction	<u>44,500.00</u>	<u>35,000.00</u>	<u>79,500.00</u>	<u>50,906.18</u>	<u>28,593.82</u>
Total special education	<u>2,177,869.00</u>	<u>137,300.00</u>	<u>2,315,169.00</u>	<u>2,186,001.94</u>	<u>129,167.06</u>
Basic skills/remedial:					
Teaching supplies	3,096.00	(820.00)	2,276.00	1,848.18	427.82
Textbooks	6,166.00	(680.00)	5,486.00	4,670.37	815.63
Total basic skills/remedial	<u>9,262.00</u>	<u>(1,500.00)</u>	<u>7,762.00</u>	<u>6,518.55</u>	<u>1,243.45</u>
Bilingual Education - Instruction					
Salaries of teachers	52,157.00		52,157.00	49,643.00	2,514.00
Total bilingual education	<u>52,157.00</u>		<u>52,157.00</u>	<u>49,643.00</u>	<u>2,514.00</u>
School sponsored cocurricular activities:					
Salaries	108,378.00	200.00	108,578.00	87,914.07	20,663.93
Other Purchased Services	300.00		300.00		300.00
General supplies	23,105.00	(4,000.00)	19,105.00	16,669.17	2,435.83
Other Objects	1,112.00		1,112.00	257.00	855.00
Total school sponsored cocurricular activities	<u>132,895.00</u>	<u>(3,800.00)</u>	<u>129,095.00</u>	<u>104,840.24</u>	<u>24,254.76</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
School sponsored athletics:					
Salaries	\$ 394,704.00	\$	\$ 394,704.00	\$ 358,397.01	\$ 36,306.99
Purchased services	69,542.00	6,384.00	75,926.00	62,846.63	13,079.37
General supplies	105,594.00		105,594.00	98,992.38	6,601.62
Other objects	25,695.00		25,695.00	24,937.00	758.00
Total school sponsored athletics	595,535.00	6,384.00	601,919.00	545,173.02	56,745.98
Before/After School Programs					
Salaries	3,143.00	16,900.00	20,043.00	10,528.27	9,514.73
Total before/after programs	3,143.00	16,900.00	20,043.00	10,528.27	9,514.73
At Risk Program					
Purchased professional educational services	2,600.00		2,600.00	2,550.00	50.00
Total at-risk program	2,600.00		2,600.00	2,550.00	50.00
Total Instruction	10,906,687.00	101,486.00	11,008,173.00	10,666,790.61	341,382.39
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs within the state-Regular	130,551.00	(10,000.00)	120,551.00	44,411.09	76,149.91
Tuition to other LEAs within the state-Special	29,386.00	(25,000.00)	4,386.00		4,386.00
Tuition to county vocational school districts-Special	136,800.00		136,800.00	118,986.00	17,814.00
Tuition to county vocational school districts-Regular	148,000.00	10,000.00	158,000.00	153,000.00	5,000.00
Tuition to county special services school districts and regional day schools	563,143.00		563,143.00	520,422.00	42,721.00
Tuition to private schools for the handicapped - within the state	744,778.00	(106,500.00)	638,278.00	569,217.78	69,060.22
Tuition to private schools for the handicapped - out of state	109,080.00		109,080.00	96,355.00	12,725.00
Tuition - State Facilities	35,250.00		35,250.00	35,250.00	
Total undistributed expenditures - instruction	1,896,998.00	(131,500.00)	1,765,498.00	1,537,641.87	227,856.13
Attendance and social work services:					
Salaries	38,732.00	28,585.00	67,317.00	65,839.26	1,477.74
Supplies and materials	1,100.00		1,100.00	71.75	1,028.25
Total attendance and social work services	39,832.00	28,585.00	68,417.00	65,911.01	2,505.99
Health services:					
Salaries	212,349.00	(2,000.00)	210,349.00	198,390.36	11,958.64
Purchased technical services	11,875.00	(100.00)	11,775.00	3,480.00	8,295.00
Other Purchased Services	18,200.00		18,200.00	17,440.94	759.06
General supplies	3,300.00	100.00	3,400.00	3,162.67	237.33
Total health services	245,724.00	(2,000.00)	243,724.00	222,473.97	21,250.03
Related Services:					
Purchased Educational Services	153,748.00		153,748.00	135,219.50	18,528.50
Supplies	250.00		250.00		250.00
Total Related Services	153,998.00	0.00	153,998.00	135,219.50	18,778.50

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
Other support services-students-regular:					
Salaries of other professional staff	\$ 619,685.00	\$ 59,103.00	\$ 678,788.00	\$ 672,885.48	\$ 5,902.52
Salaries of secretarial and clerical assistants	115,928.00	2,000.00	117,928.00	117,664.24	263.76
Other purchased professional and technical services	20,400.00	(1,850.00)	18,550.00	16,432.32	2,117.68
Other purchased services	39,914.00	(6,950.00)	32,964.00	27,954.77	5,009.23
General supplies	3,250.00	1,000.00	4,250.00	4,172.28	77.72
Other Objects	200.00	1,600.00	1,800.00	1,720.00	80.00
<b>Total other support services-students-regular</b>	<b>799,377.00</b>	<b>54,903.00</b>	<b>854,280.00</b>	<b>840,829.09</b>	<b>13,450.91</b>
Other support services - students - special services:					
Salaries of other professional staff	261,918.00	(2,800.00)	259,118.00	255,303.46	3,814.54
Salaries of secretarial and clerical assistants	37,000.00		37,000.00	35,972.82	1,027.18
Purchased Professional - Educational Services	10,000.00	1,000.00	11,000.00	10,473.74	526.26
Other purchased professional and technical services	18,750.00	15,500.00	34,250.00	32,123.57	2,126.43
Miscellaneous purchased services	13,000.00		13,000.00	6,294.68	6,705.32
Supplies and materials	5,700.00		5,700.00	5,641.12	58.88
Other objects	1,200.00	800.00	2,000.00	1,575.00	425.00
<b>Total other support services - students - special services</b>	<b>347,568.00</b>	<b>14,500.00</b>	<b>362,068.00</b>	<b>347,384.39</b>	<b>14,683.61</b>
Improvement of instruction services/other support services - instructional staff:					
Salaries of other professional staff	6,500.00		6,500.00	6,500.00	
Salaries of secretarial and clerical assistants	45,920.00		45,920.00	43,247.33	2,672.67
Other Salaries	168,427.00		168,427.00	166,992.79	1,434.21
Other purchased services	6,100.00		6,100.00	2,941.85	3,158.15
General supplies	10,000.00		10,000.00	3,055.34	6,944.66
Other Objects	1,000.00	900.00	1,900.00	1,600.00	300.00
<b>Total improvement of instruction services/other support services-instructional staff</b>	<b>237,947.00</b>	<b>900.00</b>	<b>238,847.00</b>	<b>217,837.31</b>	<b>21,009.69</b>
Educational media services/school library:					
Salaries	118,065.00		165,105.00	144,561.98	20,543.02
Other purchased services	6,246.00	47,040.00	7,600.00	7,121.67	478.33
Supplies and materials	28,039.00	(4,744.00)	23,295.00	22,984.53	310.47
<b>Total educational media services/school library</b>	<b>152,350.00</b>	<b>43,650.00</b>	<b>196,000.00</b>	<b>174,668.18</b>	<b>21,331.82</b>
Instructional Staff Training:					
Salaries	10,500.00		10,500.00	5,962.42	4,537.58
Purchased Educational Services	2,500.00	(250.00)	2,250.00	1,418.00	832.00
Other Purchased Services	26,000.00	(650.00)	25,350.00	10,635.09	14,714.91
Supplies	1,000.00		1,000.00	510.70	489.30
<b>Total Instructional Staff Training</b>	<b>40,000.00</b>	<b>(900.00)</b>	<b>39,100.00</b>	<b>18,526.21</b>	<b>20,573.79</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
<b>Support services general administration:</b>					
Salaries	\$ 213,309.00	\$ 9,250.00	\$ 222,559.00	\$ 218,219.01	\$ 4,339.99
Legal services	35,000.00	7,500.00	42,500.00	38,121.04	4,378.96
Other purchased professional services	84,000.00	(10,500.00)	73,500.00	64,699.94	8,800.06
Communications/telephone	85,220.00	(2,000.00)	83,220.00	65,688.19	17,531.81
BOE other purchased services	4,500.00	(4,124.00)	376.00	50.00	326.00
Other purchased services	116,740.00	15,500.00	132,240.00	124,370.57	7,869.43
Supplies and materials	4,000.00	5,500.00	9,500.00	7,939.99	1,560.01
Other Objects	2,000.00	1,025.00	3,025.00	2,508.00	517.00
BOE membership dues and fees	12,519.00		12,519.00	12,277.40	241.60
<b>Total support services general administration</b>	<b>557,288.00</b>	<b>22,151.00</b>	<b>579,439.00</b>	<b>533,874.14</b>	<b>45,564.86</b>
<b>Support services school administration:</b>					
Salaries of principals/assistant principals	565,546.00	(4,100.00)	561,446.00	559,535.12	1,910.88
Salaries of other professionals	377,188.00		377,188.00	371,146.13	6,041.87
Salaries of secretarial and clerical assistants	276,811.00		276,811.00	262,264.73	14,546.27
Other purchased services	106,400.00	(12,572.00)	93,828.00	53,019.30	40,808.70
Supplies and materials	25,400.00	(3,860.00)	21,540.00	16,826.00	4,714.00
Other Objects	5,600.00	3,445.00	9,045.00	8,194.00	851.00
<b>Total support services school administration</b>	<b>1,356,945.00</b>	<b>(17,087.00)</b>	<b>1,339,858.00</b>	<b>1,270,985.28</b>	<b>68,872.72</b>
<b>Central Services:</b>					
Salaries	258,714.00	2,000.00	260,714.00	257,248.81	3,465.19
Other purchased services	28,000.00		28,000.00	25,195.87	2,804.13
Supplies	3,000.00		3,000.00	2,224.96	775.04
Interest on lease purchase agreements	6,110.00		6,110.00	6,100.92	9.08
Interest on bond anticipation agreements	13,488.00		13,488.00	13,488.00	
Other objects	1,500.00		1,500.00	1,065.00	435.00
<b>Total central services</b>	<b>310,812.00</b>	<b>2,000.00</b>	<b>312,812.00</b>	<b>305,323.56</b>	<b>7,488.44</b>
<b>Administration Information Technology:</b>					
Salaries	226,315.00	(9,000.00)	217,315.00	213,752.48	3,562.52
Other Purchased Service	8,000.00	(2,000.00)	6,000.00	3,470.00	2,530.00
Supplies	1,500.00		1,500.00		1,500.00
Other objects	500.00		500.00		500.00
<b>Total administration information technology</b>	<b>236,315.00</b>	<b>(11,000.00)</b>	<b>225,315.00</b>	<b>217,222.48</b>	<b>8,092.52</b>
<b>Allowable Maintenance of School Facilities:</b>					
Maintenance Services	112,872.00	(3,500.00)	109,372.00	83,646.14	25,725.86
<b>Total allowable maintenance of school facilities</b>	<b>112,872.00</b>	<b>(3,500.00)</b>	<b>109,372.00</b>	<b>83,646.14</b>	<b>25,725.86</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
<b>Other operation and maintenance of plant services:</b>					
Salaries	\$ 1,034,015.00	\$ 30,560.00	\$ 1,064,575.00	\$ 1,007,879.59	\$ 56,695.41
Purchased technical services	8,121.00		8,121.00	6,626.75	1,494.25
Cleaning, repair and maintenance services	203,634.00	(45,250.00)	158,384.00	111,685.67	46,698.33
Other purchased property services	133,650.00		133,650.00	127,836.60	5,813.40
Insurance	95,401.00	(7,000.00)	88,401.00	87,926.00	475.00
Miscellaneous purchased services	3,180.00		3,180.00	800.00	2,380.00
General supplies	238,785.00	(20,000.00)	218,785.00	141,231.59	77,553.41
Energy (heat and electricity)	681,000.00	20,000.00	701,000.00	683,949.76	17,050.24
Total other operation and maintenance of plant services	<u>2,397,786.00</u>	<u>(21,690.00)</u>	<u>2,376,096.00</u>	<u>2,167,935.96</u>	<u>208,160.04</u>
<b>Care and Upkeep of Grounds</b>					
Salaries	161,000.00	(40,560.00)	120,440.00	111,615.99	8,824.01
Cleaning, repair and maintenance services	2,900.00	6,700.00	9,600.00	8,832.80	767.20
General supplies	71,205.00	(6,700.00)	64,505.00	49,570.75	14,934.25
Total care and upkeep of grounds	<u>235,105.00</u>	<u>(40,560.00)</u>	<u>194,545.00</u>	<u>170,019.54</u>	<u>24,525.46</u>
<b>Security</b>					
Purchased technical services	65,000.00		65,000.00	65,000.00	
Supplies		2,000.00	2,000.00	1,470.00	530.00
Total security	<u>65,000.00</u>	<u>2,000.00</u>	<u>67,000.00</u>	<u>66,470.00</u>	<u>530.00</u>
Total operation and maintenance of plant services	<u>2,810,763.00</u>	<u>(63,750.00)</u>	<u>2,747,013.00</u>	<u>2,488,071.64</u>	<u>258,941.36</u>
<b>Student transportation services:</b>					
Salaries for pupil transportation (between home and school) - regular	476,917.00	(14,000.00)	462,917.00	372,383.43	90,533.57
Salaries for pupil transportation (between home and school) - special	25,041.00		25,041.00	14,793.73	10,247.27
Salaries for pupil transportation (other than between home and school)	53,915.00		53,915.00	32,199.99	21,715.01
Cleaning, repair and maint. services	11,750.00	(3,700.00)	8,050.00	4,511.12	3,538.88
Aid-in-lieu of payments	121,365.00		121,365.00	104,060.47	17,304.53
Contracted services (between home and school) - vendors	433,168.00	(3,000.00)	430,168.00	422,080.61	8,087.39
Contracted services (other than between home and school) - vendors	120,606.00	(21,050.00)	99,556.00	89,472.03	10,083.97
Contracted services (Special Ed) - Joint Agreements	43,688.00		43,688.00	37,971.20	5,716.80
Contracted services (Special Ed) - ESCs	586,250.00	(17,000.00)	569,250.00	514,902.05	54,347.95
Miscellaneous purchased services	35,615.00	(9,000.00)	26,615.00	24,451.75	2,163.25
Supplies and materials	3,250.00		3,250.00	2,033.16	1,216.84
Transportation supplies	140,000.00	(14,000.00)	126,000.00	121,242.73	4,757.27
Miscellaneous expenditures	350.00		350.00	109.50	240.50
Total student transportation services	<u>2,051,915.00</u>	<u>(81,750.00)</u>	<u>1,970,165.00</u>	<u>1,740,211.77</u>	<u>229,953.23</u>
<b>Allocated Benefits:</b>					
Regular Programs - Instructional Social Security	20,993.00	13,775.00	34,768.00	32,508.91	2,259.09
Other Retirement Contributions - Regular	6,745.00	1,200.00	7,945.00	7,891.00	54.00
Workmen's Compensation	87,398.00	(14,500.00)	72,898.00	72,020.00	878.00
Health Benefits	1,876,825.00	(4,522.00)	1,872,303.00	1,858,034.76	14,268.24
Tuition Reimbursement	65,834.00	(64,200.00)	1,634.00		1,634.00
Total Regular Programs	<u>2,057,795.00</u>	<u>(68,247.00)</u>	<u>1,989,548.00</u>	<u>1,970,454.67</u>	<u>19,093.33</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
Special Programs - Instructional					
Social Security	\$ 36,687.00	\$ 6,400.00	\$ 43,087.00	\$ 39,461.11	\$ 3,625.89
Other Retirement Contributions - Regular	35,699.00	(3,900.00)	31,799.00	31,222.00	577.00
Workmen's Compensation	24,636.00	(3,500.00)	21,136.00	20,158.00	978.00
Health Benefits	496,858.00	(58,000.00)	438,858.00	425,924.12	12,933.88
<b>Total Special Programs</b>	<b>593,880.00</b>	<b>(59,000.00)</b>	<b>534,880.00</b>	<b>516,765.23</b>	<b>18,114.77</b>
Other Instructional Programs - Instruction					
Social Security	34,915.00		34,915.00	30,067.25	4,847.75
Workmen's Compensation	5,959.00		5,959.00	4,875.00	1,084.00
Health Benefits		10,000.00	10,000.00	7,454.20	2,545.80
<b>Total Other Instructional Programs</b>	<b>40,874.00</b>	<b>10,000.00</b>	<b>50,874.00</b>	<b>42,396.45</b>	<b>8,477.55</b>
Before/After School Programs					
Social Security	240.00	1,300.00	1,540.00	805.44	734.56
<b>Total Before/After School Programs</b>	<b>240.00</b>	<b>1,300.00</b>	<b>1,540.00</b>	<b>805.44</b>	<b>734.56</b>
Attendance and Social Work Services:					
Social Security	2,963.00	2,600.00	5,563.00	4,961.86	601.14
Other Retirement Contributions - Regular	3,222.00	3,500.00	6,722.00	6,695.00	27.00
Workmen's Compensation	459.00		459.00	375.00	84.00
Health Benefits	21,107.00	12,947.00	34,054.00	30,254.22	3,799.78
<b>Total Attendance and Social Work Services</b>	<b>27,751.00</b>	<b>19,047.00</b>	<b>46,798.00</b>	<b>42,286.08</b>	<b>4,511.92</b>
Health Services:					
Social Security	3,735.00	2,500.00	6,235.00	4,574.51	1,660.49
Other Retirement Contributions - Regular	2,810.00	600.00	3,410.00	3,384.00	26.00
Workmen's Compensation	2,515.00		2,515.00	2,058.00	457.00
Health Benefits	74,088.00	(25,000.00)	49,088.00	40,510.88	8,577.12
<b>Total Health Services</b>	<b>83,148.00</b>	<b>(21,900.00)</b>	<b>61,248.00</b>	<b>50,527.39</b>	<b>10,720.61</b>
Other Support Services - Students - Regular:					
Social Security	12,535.00	300.00	12,835.00	12,824.96	10.04
Other Retirement Contributions - Regular	9,938.00	2,000.00	11,938.00	11,865.00	73.00
Workmen's Compensation	8,713.00	(1,300.00)	7,413.00	7,129.00	284.00
Health Benefits	249,921.00	(78,053.00)	171,868.00	168,907.84	2,960.16
<b>Total Other Support Services - Students - Regular</b>	<b>281,107.00</b>	<b>(77,053.00)</b>	<b>204,054.00</b>	<b>200,726.80</b>	<b>3,327.20</b>
Other Support Services - Students - Special					
Social Security	5,034.00		5,034.00	4,491.67	542.33
Other Retirement Contributions - Regular	3,150.00	700.00	3,850.00	3,794.00	56.00
Workmen's Compensation	3,540.00		3,540.00	2,897.00	643.00
Health Benefits	94,373.00	(7,000.00)	87,373.00	81,389.70	5,983.30
<b>Total Other Support Services - Students - Special</b>	<b>106,097.00</b>	<b>(6,300.00)</b>	<b>99,797.00</b>	<b>92,572.37</b>	<b>7,224.63</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
Budgetary Comparison Schedule  
General Fund

for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
Improvement of Instruction Services:					
Social Security	\$ 4,010.00	\$	4,010.00	3,641.37	\$ 368.63
Other Retirement Contributions - Regular	3,871.00	800.00	4,671.00	4,662.00	9.00
Workmen's Compensation	2,616.00		2,616.00	2,140.00	476.00
Health Benefits	72,691.00	(25,000.00)	47,691.00	40,302.11	7,388.89
<b>Total Improvement of Instruction Services</b>	<b>83,188.00</b>	<b>(24,200.00)</b>	<b>58,988.00</b>	<b>50,745.48</b>	<b>8,242.52</b>
Educational Media Services:					
Social Security	2,756.00	2,500.00	5,256.00	3,465.76	1,790.24
Other Retirement Contributions - Regular	2,744.00	600.00	3,344.00	3,314.00	30.00
Workmen's Compensation	1,398.00		1,398.00	1,144.00	254.00
Health Benefits	34,909.00	10,000.00	44,909.00	43,740.96	1,168.04
<b>Total Educational Media Services</b>	<b>41,807.00</b>	<b>13,100.00</b>	<b>54,907.00</b>	<b>51,664.72</b>	<b>3,242.28</b>
Instructional Staff Training Services	803.00		803.00	456.15	346.85
<b>Total Instructional Staff Training Services</b>	<b>803.00</b>		<b>803.00</b>	<b>456.15</b>	<b>346.85</b>
Support Services - General Administration					
Social Security	5,040.00	1,100.00	6,140.00	5,863.13	276.87
Other Retirement Contributions - Regular	5,252.00	2,000.00	7,252.00	6,768.00	484.00
Workmen's Compensation	2,526.00		2,526.00	2,067.00	459.00
Health Benefits	30,606.00	(3,500.00)	27,106.00	26,761.77	344.23
Other Employee Benefits	1,200.00		1,200.00		1,200.00
<b>Total Support Services - General Administration</b>	<b>44,624.00</b>	<b>(400.00)</b>	<b>44,224.00</b>	<b>41,459.90</b>	<b>2,764.10</b>
Support Services - School Administration					
Social Security	23,887.00		23,887.00	23,522.77	364.23
Other Retirement Contributions - Regular	23,235.00	5,000.00	28,235.00	27,850.00	385.00
Workmen's Compensation	14,445.00	(2,500.00)	11,945.00	11,819.00	126.00
Health Benefits	283,150.00	(20,500.00)	262,650.00	259,178.43	3,471.57
Other Employee Benefits	12,100.00		12,100.00	9,808.00	2,292.00
<b>Total Support Services - School Administration</b>	<b>356,817.00</b>	<b>(18,000.00)</b>	<b>338,817.00</b>	<b>332,178.20</b>	<b>6,638.80</b>
Support Services - Central Services					
Social Security	8,713.00	400.00	9,113.00	9,065.57	47.43
Other Retirement Contributions - Regular	9,663.00	9,000.00	18,663.00	18,204.00	459.00
Workmen's Compensation	3,064.00		3,064.00	2,507.00	557.00
Health Benefits	106,766.00	(30,000.00)	76,766.00	71,976.63	4,789.37
Other Employee Benefits	1,200.00		1,200.00	1,200.00	
<b>Total Support Services - Central Services</b>	<b>129,406.00</b>	<b>(20,600.00)</b>	<b>108,806.00</b>	<b>102,953.20</b>	<b>5,852.80</b>

KINGSWAY REGIONAL SCHOOL DISTRICT  
Budgetary Comparison Schedule  
General Fund  
for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
Support Services - Admin, Information Technology					
Social Security	\$ 17,313.00	\$	\$ 17,313.00	\$ 16,116.02	\$ 1,196.98
Other Retirement Contributions - Regular	18,289.00	4,000.00	22,289.00	22,053.00	236.00
Workmen's Compensation	2,681.00		2,681.00	2,193.00	488.00
Health Benefits	59,993.00	(5,000.00)	54,993.00	53,605.45	1,387.55
<b>Total Support Services - Admin, Info. Technology</b>	<b>98,276.00</b>	<b>(1,000.00)</b>	<b>97,276.00</b>	<b>93,967.47</b>	<b>3,308.53</b>
Operation and Maintenance of Plant Services					
Social Security	91,419.00		91,419.00	85,959.47	5,459.53
Other Retirement Contribution	97,863.00	38,000.00	135,863.00	135,457.00	406.00
Workmen's Compensation	14,154.00	(2,500.00)	11,654.00	11,582.00	72.00
Health Benefits	515,151.00	(60,000.00)	455,151.00	440,796.40	14,354.60
<b>Total Operation and Maintenance of Plant Services</b>	<b>718,587.00</b>	<b>(24,500.00)</b>	<b>694,087.00</b>	<b>673,794.87</b>	<b>20,292.13</b>
Student Transportation Services					
Social Security	43,843.00	(9,300.00)	34,543.00	31,892.09	2,650.91
Other Retirement Contribution - Regular	37,123.00	7,500.00	44,623.00	44,468.33	154.67
Workmen's Compensation	8,064.00	(1,000.00)	7,064.00	6,599.00	465.00
Health Benefits	65,536.00	(10,000.00)	55,536.00	49,080.44	6,455.56
<b>Total Student Transportation Services</b>	<b>154,566.00</b>	<b>(12,800.00)</b>	<b>141,766.00</b>	<b>132,039.86</b>	<b>9,726.14</b>
<b>Total Allocated Benefits</b>	<b>4,818,966.00</b>	<b>(290,553.00)</b>	<b>4,528,413.00</b>	<b>4,395,794.28</b>	<b>132,618.72</b>
Unallocated benefits:					
Social Security contribution	26,721.00	(11,900.00)	14,821.00	7,619.61	7,201.39
Unemployment compensation	233,416.00	(32,500.00)	200,916.00	200,000.00	916.00
Workmen's Compensation	33,686.00		33,686.00	33,068.55	617.45
Health benefits		10,000.00	10,000.00		10,000.00
Other employee benefits	36,487.00	23,099.00	59,586.00	46,765.43	12,820.57
<b>Total unallocated benefits</b>	<b>330,310.00</b>	<b>(11,301.00)</b>	<b>319,009.00</b>	<b>287,453.59</b>	<b>31,555.41</b>
<b>Total Personal Services - Employee Benefits</b>	<b>5,149,276.00</b>	<b>(301,854.00)</b>	<b>4,847,422.00</b>	<b>4,683,247.87</b>	<b>164,174.13</b>
On-Behalf TPAF Contribution (non-budgeted)			788,748.00		(788,748.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				864,506.20	(864,506.20)
<b>Total on-behalf contributions</b>				<b>1,653,254.20</b>	<b>(1,653,254.20)</b>
<b>Total undistributed expenditures</b>	<b>16,387,108.00</b>	<b>(443,152.00)</b>	<b>15,943,956.00</b>	<b>16,452,682.47</b>	<b>(508,726.47)</b>
<b>Total expenditures - current expenses</b>	<b>27,293,795.00</b>	<b>(341,666.00)</b>	<b>26,952,129.00</b>	<b>27,119,473.08</b>	<b>(167,344.08)</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 General Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP BASIS)	Variance Positive (Negative) Final to Actual
<b>CAPITAL OUTLAY:</b>					
Equipment					
Instructional:					
Grade 9-12	7,500.00	12,000.00	12,000.00	11,333.60	666.40
Resource Center		10,450.00	17,950.00	10,450.00	7,500.00
Undistributed:					
Administration Information Technology		10,000.00	10,000.00	1,280.74	10,000.00
Student Transportation		2,700.00	2,700.00		1,419.26
School Buses - Regular		91,000.00	91,000.00		91,000.00
Total equipment	7,500.00	126,150.00	133,650.00	23,064.34	110,585.66
Facilities acquisition and construction services:					
Architect/Engineer		42,500.00	42,500.00	32,760.00	9,740.00
Construction Services		378,010.00	378,010.00	158,680.00	219,330.00
Lease Purchase Agreement - Principal	169,000.00		169,000.00	169,000.00	
Other Objects	85,683.00		85,683.00	85,683.00	
Total facilities acquisition and construction services	254,683.00	420,510.00	675,193.00	446,123.00	229,070.00
Assets acquired under capital lease (non-budgeted)				1,500,000.00	(1,500,000.00)
<b>Total Capital Outlay</b>	262,183.00	546,660.00	808,843.00	1,969,187.34	(1,160,344.34)
Total expenditures	27,555,978.00	204,994.00	27,760,972.00	29,088,660.42	(1,327,688.42)
Excess (deficiency) of revenues over (under) expenditures	(1,741,468.00)	(46,594.00)	(1,788,062.00)	(1,422,972.20)	365,089.80
Other financing sources (uses)					
Operating transfers in				0.78	0.78
Capital leases (non-budgeted)				1,500,000.00	1,500,000.00
Total other financing sources (uses)	0.00	0.00	0.00	1,500,000.78	1,500,000.78
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (1,741,468.00)	\$ (46,594.00)	\$ (1,788,062.00)	\$ 77,028.58	\$ 1,865,090.58
Fund balances, July 1	3,411,423.53		3,411,423.53	3,411,423.53	
Fund balances, June 30	\$ 1,669,955.53	\$ (46,594.00)	\$ 1,623,361.53	\$ 3,488,452.11	\$ 1,865,090.58
Recapitulation:					
Reserve for Encumbrances				\$ 255,125.00	
Reserve for excess surplus - Designated for Subsequent Year's Expenditures				1,070,629.00	
Reserve for Excess Surplus				1,174,789.99	
Capital Reserve				1.00	
Unreserved/Unrestricted- Designated for subsequent years expenditures				227,964.00	
Unreserved/Unrestricted Fund Balance				759,943.12	
				3,488,452.11	
				(605,156.00)	
Reconciliation to Government Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				\$ 2,883,296.11	
Fund Balance per Governmental Funds (GAAP)				\$ 2,883,296.11	

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 for the Fiscal Year ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Safety Grant	\$	9,625.00	\$ 9,625.00	\$ 9,625.00	\$
Total Local Sources		9,625.00	9,625.00	9,625.00	
Federal Sources:					
Title I	76,440.00	13,377.00	89,817.00	89,817.00	
Title I Carryover		2,237.21	2,237.21	2,237.21	
Title IIA		25,095.00	25,095.00	25,095.00	
Title IID		195.00	195.00	195.00	
I.D.E.A. Part B	263,881.00	61,151.00	325,032.00	325,032.00	
I.D.E.A. Part B - ARRA		11,250.00	11,250.00	11,250.00	
Total Federal Sources	340,321.00	113,305.21	453,626.21	453,626.21	
<b>Total Revenues</b>	<b>340,321.00</b>	<b>122,930.21</b>	<b>463,251.21</b>	<b>463,251.21</b>	
<b>EXPENDITURES:</b>					
Instruction					
Salaries of Teachers	76,440.00	(76,440.00)			
Tuition to Private Schools for the Handicapped	263,881.00	61,151.00	325,032.00	325,032.00	
Teaching Supplies		22,644.00	22,644.00	22,644.00	
<b>Total Instruction</b>	<b>340,321.00</b>	<b>7,355.00</b>	<b>347,676.00</b>	<b>347,676.00</b>	
Support Services					
Purchased Services		11,250.00	11,250.00	11,250.00	
Salaries-Other professional		68,972.00	68,972.00	68,972.00	
Miscellaneous Purchased Services		7,137.00	7,137.00	7,137.00	
General Supplies		15,731.21	15,731.21	15,731.21	
Personal Services - Employee Benefits		12,485.00	12,485.00	12,485.00	
<b>Total Support Services</b>	<b>0.00</b>	<b>115,575.21</b>	<b>115,575.21</b>	<b>115,575.21</b>	
<b>Total Expenditures</b>	<b>340,321.00</b>	<b>122,930.21</b>	<b>463,251.21</b>	<b>463,251.21</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$

**Kingsway Regional School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2011**

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary bases) "revenue" from the budgetary comparison schedule	(C-1) \$ 27,665,688.22	(C-2) \$ 463,251.21
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		263,889.40
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).		
School year 2010-2011	(605,156.00)	
School year 2009-2010	752,534.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	(B-2) 27,813,066.22	\$ 727,140.61
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary bases) "total outflows" from the budgetary comparison schedule	(C-1) 29,088,660.42	(C-2) \$ 463,251.21
Differences - budget 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.		263,889.40
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 29,088,660.42	\$ 727,140.61

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Federal**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2011**

	Title I Part A	Title I Carryover	Title II Part A	Title II Part D	IDEA-Part B Basic Regular Program	IDEA-Part B Basic ARRA Program	Total 2011
<b>REVENUES:</b>							
Federal Sources	\$ 89,817.00	\$ 2,237.21	\$ 25,095.00	\$ 195.00	\$ 325,032.00	\$ 11,250.00	\$ 453,626.21
Total revenues	89,817.00	2,237.21	25,095.00	195.00	325,032.00	11,250.00	453,626.21
<b>EXPENDITURES:</b>							
Instruction:							
Teaching Supplies			22,644.00				22,644.00
Tuition					325,032.00		325,032.00
Total Instruction			22,644.00		325,032.00		347,676.00
Support Services:							
Purchased Services						11,250.00	11,250.00
Salaries-Other professional	68,972.00						68,972.00
Other purchased services	4,491.00		2,451.00	195.00			7,137.00
Supplies	3,869.00	2,237.21					6,106.21
Personal services- employee benefits	12,485.00						12,485.00
Total support services	89,817.00	2,237.21	2,451.00	195.00		11,250.00	105,950.21
Total expenditures	\$ 89,817.00	\$ 2,237.21	\$ 25,095.00	\$ 195.00	\$ 325,032.00	\$ 11,250.00	\$ 453,626.21

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Local**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Safety Grant</u>	<u>Total</u>
<b>REVENUES:</b>		
Local Sources	\$ 9,625.00	\$ 9,625.00
	<hr/>	<hr/>
Total revenues	<u>9,625.00</u>	<u>9,625.00</u>
<b>EXPENDITURES:</b>		
Security Supplies	9,625.00	9,625.00
	<hr/>	<hr/>
Total Instruction	<u>9,625.00</u>	<u>9,625.00</u>
Total expenditures	<u><u>\$ 9,625.00</u></u>	<u><u>\$ 9,625.00</u></u>

## Proprietary Fund Detail Statements

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**Enterprise Fund** - This fund provides for the operation of food services in all schools within the school district.

**Internal Service Fund** - This fund is used to account for the operation of LEA functions that provide goods or services to other LEA functions, other LEAs or to other governmental units on a cost-reimbursement basis.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Combining Statement of New Assets**  
**Enterprise Funds**  
**June 30, 2011**

	<u>Food Service</u>	<u>Community Education</u>	<u>Totals</u>
ASSETS:			
Current assets:			
Cash	\$ 125,446.81	\$ 10,707.61	\$ 136,154.42
Accounts receivable:			
State			
Federal			
Other	817.66		817.66
Inventories	13,022.24		13,022.24
Total current assets	<u>139,286.71</u>	<u>10,707.61</u>	<u>149,994.32</u>
Fixed assets:			
Equipment	586,504.70		586,504.70
Accumulated depreciation	<u>(512,182.81)</u>		<u>(512,182.81)</u>
Total fixed assets	<u>74,321.89</u>		<u>74,321.89</u>
Total assets	<u>\$ 213,608.60</u>	<u>\$ 10,707.61</u>	<u>224,316.21</u>
LIABILITIES AND FUND EQUITY:			
Current liabilities:			
Accounts Payable	\$	\$	
Prepaid Lunches	6,493.20		6,493.20
Total current liabilities	<u>6,493.20</u>		<u>6,493.20</u>
Non-Current Liabilities			
Compensated Absences	13,749.60		13,749.60
Total Liabilities	<u>20,242.80</u>		<u>20,242.80</u>
NET ASSETS:			
Invested in capital assets net of related debt	74,321.89		74,321.89
Unrestricted	119,043.91	10,707.61	129,751.52
Total net assets	<u>\$ 193,365.80</u>	<u>\$ 10,707.61</u>	<u>204,073.41</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Year Ended June 30, 2011**

	<u>Food Service</u>	<u>Community Education</u>	<u>Total Enterprise</u>
<b>OPERATING REVENUES:</b>			
Local sources			
Daily sales-reimbursable programs:			
Special lunch program	\$ 489,871.23	\$ _____	\$ 489,871.23
Total-daily sales-reimbursable programs	489,871.23		489,871.23
Daily sales non-reimbursable programs	353,809.79		353,809.79
Vending Machine Sales	25,712.30		25,712.30
Special functions	3,373.02		3,373.02
Program Fees		13,615.00	13,615.00
Total operating revenue	<u>872,766.34</u>	<u>13,615.00</u>	<u>886,381.34</u>
<b>OPERATING EXPENSES:</b>			
Salaries	363,797.08		363,797.08
Employee benefits	151,298.19		151,298.19
Other professional services	13,247.88	2,102.00	15,349.88
Supplies and materials	28,349.22		28,349.22
Repairs	5,111.03		5,111.03
Other expenses	60.09	810.00	870.09
Depreciation	32,345.42		32,345.42
Cost of sales	409,106.39		409,106.39
Total operating expenses	<u>1,003,315.30</u>	<u>2,912.00</u>	<u>1,006,227.30</u>
Operating loss	<u>(130,548.96)</u>	<u>10,703.00</u>	<u>(119,845.96)</u>
Nonoperating revenues(loss)			
State sources:			
State school lunch program	8,379.09		8,379.09
Federal sources:			
National school lunch program	131,729.08		131,729.08
USDA commodities	40,488.74		40,488.74
Interest Revenue	845.37	4.61	849.98
Total nonoperating revenues	<u>181,442.28</u>	<u>4.61</u>	<u>181,446.89</u>
Net Income (Loss)	50,893.32	10,707.61	61,600.93
Net change in Compensated Absence Liability	<u>(2,737.00)</u>		<u>(2,737.00)</u>
Change in new assets	48,156.32	10,707.61	58,863.93
Total net assets-beginning	<u>145,209.48</u>		<u>145,209.48</u>
Total net assets-ending	<u>\$ 193,365.80</u>	<u>\$ 10,707.61</u>	<u>\$ 204,073.41</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**For the Years Ended June 30, 2011**

	<u>Food Service</u>	<u>Community Education</u>	<u>Total Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and other funds	\$ 871,506.83	\$ 13,615.00	\$ 885,121.83
Payments to employees	(363,797.08)		(363,797.08)
Payment for employee benefits	(151,298.19)		(151,298.19)
Payment to suppliers	(473,218.83)	(2,912.00)	(476,130.83)
Net cash provided by (used for) operating activities	<u>(116,807.27)</u>	<u>10,703.00</u>	<u>(106,104.27)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State sources	9,063.27		9,063.27
Federal sources	181,072.07		181,072.07
Net cash provided by (used for) non-capital financing activities	<u>190,135.34</u>		<u>190,135.34</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earned	845.37	4.61	849.98
Net cash provided by (used for) investing activities	<u>845.37</u>	<u>4.61</u>	<u>849.98</u>
Net increase( decrease) in cash and cash equivalents	74,173.44	10,707.61	84,881.05
Balances - beginning of year	<u>51,273.37</u>		<u>51,273.37</u>
Balances - end of year	<u>\$ 125,446.81</u>	<u>\$ 10,707.61</u>	<u>\$ 136,154.42</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	50,893.32	10,707.61	61,600.93
Adjustments to reconcile operatin income (loss) to net cash by (used for) operating activities			
Depreciation	32,345.42		32,345.42
(Increase) decrease in accounts receivable, net	8,924.07		8,924.07
(Increase) decrease in inventories	1,399.78		1,399.78
Increase (decrease) in accounts payable	(18,744.00)		(18,744.00)
Increase (decrease) in prepaid lunches	(645.15)		(645.15)
Total adjustments	<u>23,280.12</u>		<u>23,280.12</u>
Net cash provided by (used for) operating activities	<u>\$ 74,173.44</u>	<u>10,707.61</u>	<u>84,881.05</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Internal Service Fund - Transportation Services**  
**Comparative Statement of Net Assets**  
**as of June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
ASSETS:		
Cash	\$	\$
Accounts receivable:		
Intergovernmental - other	<u>49,094.33</u>	<u>85,152.94</u>
Total assets	<u>\$ 49,094.33</u>	<u>\$ 85,152.94</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Accounts payable	\$ 193.39	\$ 19,815.85
Deferred revenue		
Interfund accounts payable	<u>48,900.94</u>	<u>65,337.09</u>
Total liabilities	<u>\$ 49,094.33</u>	<u>\$ 85,152.94</u>
Fund Balance:		
Reserve for encumbrances	<u>                    </u>	<u>                    </u>
Total fund balance	<u>                    </u>	<u>                    </u>
Total liabilities and fund balance	<u>\$ 49,094.33</u>	<u>\$ 85,152.94</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Internal Service Fund - Transportation Services**  
**Comparative Statement of Revenues and Expenses**  
**and Changes In Net Assets**  
**for the Fiscal Year ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>OPERATING REVENUE:</b>		
Transportation Fees from Other LEA's Within the State	\$ 902,741.08	\$ 1,164,410.83
Field Trips	4,229.83	3,739.12
Sale of Gasoline	16,721.26	15,797.31
Miscellaneous	<u>19,528.73</u>	<u>969.65</u>
Total Operating Revenue	<u>943,220.90</u>	<u>1,184,916.91</u>
<b>OPERATING EXPENSES:</b>		
Salaries	511,906.00	598,595.70
Employee benefits	156,849.39	159,663.96
Cleaning, Repairs and Maintenance	1,864.96	1,390.98
Aid In Lieu of Transportation	99,122.52	86,508.65
Miscellaneous purchased services	25,825.13	26,312.45
Supplies and materials	131,625.25	113,210.30
Communication/telephone		
Miscellaneous expenditures	115.50	112.50
Transportation/Administrative - Due General Fund	<u>15,912.15</u>	<u>199,122.37</u>
Total Operating Expenses	<u>943,220.90</u>	<u>1,184,916.91</u>
Net Income (Loss)	<u>\$ 0.00</u>	<u>\$ 0.00</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Internal Service Fund - Transportation Services**  
**Comparative Statement of Cash Flows**  
**for the Fiscal Years ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$	\$
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:		
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	36,058.61	(67,593.15)
Increase (Decrease) in Accounts Payable	(19,622.46)	19,815.85
Increase (Decrease) in Deferred Revenue	<u>                    </u>	<u>(35,472.39)</u>
Net Cash Provided (Used) in Operating Activities	16,436.15	(83,249.69)
Cash Flows from Noncapital Financing Activities:		
Cash received (paid) - General Fund	(16,436.15)	65,337.09
	<u>                    </u>	<u>                    </u>
Net Increase in Cash and Cash Equivalents	0.00	(17,912.60)
Cash and Cash Equivalents - July 1	<u>                    </u>	<u>17,912.60</u>
Cash and Cash Equivalents - June 30	<u>\$ 0.00</u>	<u>\$ 0.00</u>

## Fiduciary Funds Detail Statements

Fiduciary funds are used to account for gifts and bequests to the school district for a specific purpose.

**Scholarship Trusts** - These are expendable trust funds which both principal and revenues may be expended for specific purposes.

**Unemployment Compensation Trust Funds** - Used to account for deductions from employees' salaries which are utilized to pay unemployment insurance claims as they arise.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Fiduciary Fund**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2011**  
**(With comparative totals for June 30, 2010)**

	Expendable Trusts			Agency		Totals
	Unemployment Compensation Insurance Fund	Scholarship	Student Activities and Athletics	Payroll	2011	
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 110,549.86	\$ 202,338.10	\$ 212,266.59	\$ 25,383.71	\$ 550,538.26	\$ 509,027.86
Total assets	<u>\$ 110,549.86</u>	<u>\$ 202,338.10</u>	<u>\$ 212,266.59</u>	<u>\$ 25,383.71</u>	<u>\$ 550,538.26</u>	<u>\$ 509,027.86</u>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Payroll Deductions and Withholdings	\$	\$	\$	\$ 24,739.09	\$ 24,739.09	\$ 41,738.63
Interfund accounts payable			128.90	644.62	773.52	2,797.99
Due to student groups			212,137.69		212,137.69	227,402.34
Total liabilities			212,266.59	25,383.71	237,650.30	271,938.96
<b>Fund balances:</b>						
Reserved - unemployment compensation	110,549.86				110,549.86	34,354.29
Unreserved - undesignated		202,338.10			202,338.10	202,734.61
Total fund balances	<u>110,549.86</u>	<u>202,338.10</u>			<u>312,887.96</u>	<u>237,088.90</u>
Total liabilities and fund balances	<u>\$ 110,549.86</u>	<u>\$ 202,338.10</u>	<u>\$ 212,266.59</u>	<u>\$ 25,383.71</u>	<u>\$ 550,538.26</u>	<u>\$ 509,027.86</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2011**

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Local Sources:			
Contributions	\$ 600.00	\$	\$ 600.00
Transfer from Payroll Agency Account		45,464.30	45,464.30
Board Contribution		200,000.00	200,000.00
Interest on Investments	<u>2,103.49</u>	<u>590.44</u>	<u>2,693.93</u>
Total operating revenues	<u>2,703.49</u>	<u>246,054.74</u>	<u>248,758.23</u>
<b>OPERATING EXPENSES:</b>			
Unemployment compensation insurance claims		169,859.17	169,859.17
Scholarship Payments	<u>3,100.00</u>		<u>3,100.00</u>
Total operating expenses	<u>3,100.00</u>	<u>169,859.17</u>	<u>172,959.17</u>
Operating income (loss)	(396.51)	76,195.57	75,799.06
Fund balance - July 1	<u>202,734.61</u>	<u>34,354.29</u>	<u>237,088.90</u>
Fund Balance - June 30	<u>\$ 202,338.10</u>	<u>\$ 110,549.86</u>	<u>\$ 312,887.96</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**for the Fiscal Year ended June 30, 2011**

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
SENIOR HIGH SCHOOL FUND:				
Various clubs and organizations	\$ 202,882.96	\$ 493,148.37	\$ 505,358.33	\$ 190,673.00
MIDDLE SCHOOL FUND:				
Various clubs and organizations	24,519.38	88,783.51	91,838.20	\$ 21,464.69
Total all schools	<u>\$ 227,402.34</u>	<u>\$ 581,931.88</u>	<u>\$ 597,196.53</u>	<u>\$ 212,137.69</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Athletic Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For the Fiscal Year ended June 30, 2011**

	Balance July 1, 2010	Cash Receipts	Cash Disburse- ments	Transfers	Balance June 30, 2011
Officials	\$ 351.03				128.90
Athletic travel/meals		41,030.00	41,200.00	170.00	\$
Dues/Fees		3,750.00	3,750.00		
Police Coverage		16,805.00	16,635.00	(170.00)	
Due to general fund		7,730.00	7,730.00		
	351.03	128.90	351.03		128.90
<b>Total Athletic Funds</b>	<b>\$ 351.03</b>	<b>\$ 69,443.90</b>	<b>\$ 69,666.03</b>	<b>\$</b>	<b>\$ 128.90</b>

KINGSWAY REGIONAL SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 for the Fiscal year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<b>ASSETS:</b>				
Cash and cash equivalents:				
Payroll Account	\$ 966.12	\$ 10,770,065.37	\$ 10,770,434.36	\$ 597.13
Payroll Agency Account	43,219.47	7,682,604.99	7,701,037.88	24,786.58
<b>Total Assets</b>	<u>\$ 44,185.59</u>	<u>18,452,670.36</u>	<u>18,471,472.24</u>	<u>25,383.71</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 10,769,468.24	\$ 10,769,468.24	\$ -
Payroll deductions and withholdings	41,738.63	7,682,557.50	7,699,557.04	24,739.09
Interfund accounts payable	2,446.96	644.62	2,446.96	644.62
<b>Total Liabilities</b>	<u>\$ 44,185.59</u>	<u>\$ 18,452,670.36</u>	<u>\$ 18,471,472.24</u>	<u>\$ 25,383.71</u>

## **Long-Term Debt**

The long-term debt includes the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases and the noncurrent liability for compensated absences.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Schedule of Serial Bonds**  
**June 30, 2011**

Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Issued	Redeemed/Refunded	Balance June 30, 2011
		Date	Amount					
Construction of Middle School and Renovations to existing school building	\$ 16,914,000.00	1/15/2012-2013	350,000.00	4.500%				
		1/15/2014-2015	400,000.00	4.500/4.625%				
		1/15/2016-2018	500,000.00	4.750%				
		1/15/2019-2023	600,000.00	4.750%				
		1/15/2024	614,000.00	4.750%	6,964,000.00		350,000.00	\$ 6,614,000.00
2005 School Refunding Bonds of 3/1/1999 Issue	\$ 15,780,000.00	3/1/2012-2014	790,000.00	4.500%				
		3/1/2015-2016	940,000.00	5.000/4.000%				
		3/1/2017	935,000.00	4.000%				
		3/1/2018	980,000.00	4.000%				
		3/1/2019	970,000.00	4.000%				
		3/1/2020	960,000.00	4.000%				
		3/1/2021	1,105,000.00	4.150%				
2006 School Refunding Bonds of 8/17/2004 Issue	\$ 9,075,000.00	1/15/2012	20,000.00	4.000%				
		1/15/2013-2017	25,000.00	4.000%				
		1/15/2018-2021	30,000.00	4.000%				
			1,175,000.00	4.250%	13,495,000.00	740,000.00	12,755,000.00	

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Schedule of Serial Bonds**  
**June 30, 2011**

Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Issued	Redeemed/Refunded	Balance June 30, 2011
		Date	Amount					
		1/15/2022-2024	35,000.00	4.000%				
		1/15/2025	1,235,000.00	4.000%				
		1/15/2026	1,230,000.00	4.000%				
		1/15/2027	1,220,000.00	4.125%				
		1/15/2028	1,215,000.00	4.125%				
		1/15/2029	1,210,000.00	4.125%				
		1/15/2030	1,200,000.00	4.125%				
		1/15/2031	1,190,000.00	4.125%	8,890,000.00		20,000.00	8,870,000.00
					<u>\$ 29,349,000.00</u>	<u>\$ -</u>	<u>\$ 1,110,000.00</u>	<u>\$ 28,239,000.00</u>

Paid by Budget Appropriation

\$ 1,110,000.00

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**General Long-Term Debt Account Group**  
**Statement of Obligations under Capital Leases**  
**June 30, 2011**

Series	Date of Lease	Term of Lease	Interest Rate	Amount of Original Issue	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
Technology Equipment	2/16/2006	5 Years	3.61%	\$ 849,000.00	\$ 169,000.00	\$	\$ 169,000.00	\$
Technology Equipment	7/15/2010	5 Years	3.17%	1,500,000.00		1,500,000.00		1,500,000.00
					<u>\$ 169,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 169,000.00</u>	<u>\$ 1,500,000.00</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 for the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 1,803,669.00	\$	\$ 1,803,669.00	\$ 1,803,669.00	\$
State sources:					
Debt service aid type II	670,863.00		670,863.00	670,863.00	
Total Revenues	<u>2,474,532.00</u>		<u>2,474,532.00</u>	<u>2,474,532.00</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,264,532.00		1,264,532.00	1,264,531.26	0.74
Redemption of principal	1,260,000.00		1,260,000.00	1,260,000.00 *	
Total regular debt service	<u>2,524,532.00</u>		<u>2,524,532.00</u>	<u>2,524,531.26</u>	<u>0.74</u>
Total expenditures	<u>2,524,532.00</u>		<u>2,524,532.00</u>	<u>2,524,531.26</u>	<u>0.74</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,000.00)</u>		<u>(50,000.00)</u>	<u>(49,999.26)</u>	<u>0.74</u>
Other financing sources (uses)					
Transfer to General Fund				(0.78)	(0.78)
Total other financing sources (uses)				<u>(0.78)</u>	<u>(0.78)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(50,000.00)</u>		<u>(50,000.00)</u>	<u>(50,000.04)</u>	<u>(0.04)</u>
Fund balance, July 1	55,204.04		55,204.04	55,204.04	
Fund balance, June 30	<u>\$ 5,204.04</u>	<u>\$</u>	<u>\$ 5,204.04</u>	<u>\$ 5,204.00</u>	<u>\$ (0.04)</u>
* Payment of Bond Principal			\$ 1,110,000.00		
Payment of Bond Anticipation Note Principal			<u>150,000.00</u>		
			<u>\$ 1,260,000.00</u>		

# STATISTICAL SECTION

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Net Assets by Component**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 8,717,235.11	\$ 9,449,419.42	\$ 9,885,659.81	\$ 10,836,455.06	\$ 9,816,866.80	\$ 5,411,502.94	\$ (2,774,483.81)	\$ 3,728,767.19	\$ 2,761,060.70	\$ 2,534,854.31
Restricted	2,733,712.99	2,908,692.38	3,904,703.82	4,584,524.05	4,872,360.62	6,155,830.33	16,798,234.17	7,623,077.14	1,479,901.31	1,324,231.69
Unrestricted	(1,031,839.85)	(1,236,903.85)	(929,074.98)	(1,080,625.88)	(852,021.08)	(1,073,945.66)	(755,149.86)	(221,067.51)	179,595.68	74,808.89
<b>Total governmental activities net assets</b>	<b>\$ 10,419,108.25</b>	<b>\$ 11,121,207.95</b>	<b>\$ 12,861,288.65</b>	<b>\$ 14,340,353.23</b>	<b>\$ 13,837,206.34</b>	<b>\$ 10,493,387.61</b>	<b>\$ 13,268,600.50</b>	<b>\$ 11,130,776.82</b>	<b>\$ 4,420,557.69</b>	<b>\$ 3,933,894.89</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	74,321.89	106,667.31	\$ 135,707.04	\$ 142,252.86	\$ 170,703.43	\$ 52,493.90	\$ 104,987.74	\$ 151,418.98	\$ 204,058.40	\$ 257,202.91
Restricted										
Unrestricted	129,751.52	38,542.17	390,262.27	427,480.25	401,868.40	322,985.28	253,483.04	207,340.90	154,569.48	101,223.07
<b>Total business-type activities net assets</b>	<b>\$ 204,073.41</b>	<b>\$ 145,209.48</b>	<b>\$ 525,969.31</b>	<b>\$ 569,733.11</b>	<b>\$ 572,571.83</b>	<b>\$ 375,479.18</b>	<b>\$ 358,470.78</b>	<b>\$ 358,759.88</b>	<b>\$ 358,627.88</b>	<b>\$ 358,425.98</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 8,791,557.00	\$ 9,556,086.73	\$ 10,021,366.85	\$ 10,978,707.92	\$ 9,987,570.23	\$ 5,463,996.84	\$ (2,669,496.07)	\$ 3,880,186.17	\$ 2,965,119.10	\$ 2,792,057.22
Restricted	2,733,712.99	2,908,692.38	3,904,703.82	4,584,524.05	4,872,360.62	6,155,830.33	16,798,234.17	7,623,077.14	1,479,901.31	1,324,231.69
Unrestricted	(802,088.33)	(1,196,361.68)	(538,812.71)	(653,145.63)	(450,152.68)	(750,960.38)	(501,666.82)	(13,726.61)	334,165.16	176,031.96
<b>Total district net assets</b>	<b>\$ 10,623,181.66</b>	<b>\$ 11,266,417.43</b>	<b>\$ 13,387,257.96</b>	<b>\$ 14,910,086.34</b>	<b>\$ 14,409,778.17</b>	<b>\$ 10,868,866.79</b>	<b>\$ 13,627,071.28</b>	<b>\$ 11,489,536.70</b>	<b>\$ 4,779,185.57</b>	<b>\$ 4,292,320.87</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Years**

	Fiscal Year Ending June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 7,878,158.32	\$ 8,763,249.55	\$ 8,789,019.68	\$ 7,546,067.48	\$ 7,710,990.29	\$ 6,828,004.38	\$ 6,643,072.09	\$ 6,202,072.64	\$ 5,759,228.17	\$ 4,818,257.71
Special education	2,194,808.25	2,149,129.27	1,955,352.69	1,756,123.21	1,640,338.42	1,358,885.48	1,103,006.56	1,010,345.81	871,268.22	772,078.87
Other instructional	56,161.55	31,260.99	31,288.79	9,677.06	2,690.24	7,691.30	7,324.61	3,634.03	73,910.77	81,284.09
School sponsored	755,010.76	1,095,129.59	1,157,586.07	984,295.91	983,472.17	759,215.02	738,059.63	671,440.28	678,496.36	492,180.87
Undistributed										
Tuition	1,862,673.87	1,729,186.64	1,566,989.74	1,347,855.60	1,280,284.49	1,325,259.43	1,337,573.12	1,314,078.51	1,180,530.11	1,001,638.71
Student & instruction related services	2,132,387.14	2,212,310.69	2,097,251.30	1,929,467.13	1,773,372.19	1,581,451.76	1,443,467.69	1,362,015.28	1,253,376.66	1,342,272.08
School administrative services	1,272,944.78	1,326,728.75	1,254,410.19	1,196,510.91	1,076,290.93	1,011,856.02	997,581.81	989,383.04	885,425.00	663,670.08
General administrative services	537,486.19	439,397.05	410,817.96	456,779.75	426,568.83	435,408.55	422,734.30			
Central office and technology services	569,572.95	626,863.55	615,386.99	563,748.22	624,717.87	466,850.11	504,177.61	871,643.03	1,117,108.74	765,399.38
Plant operations and maintenance	2,528,095.23	2,711,375.91	3,080,264.19	2,995,772.22	2,795,333.79	2,287,650.12	1,857,327.81	1,835,037.64	1,679,373.54	1,568,725.33
Pupil transportation	2,821,829.45	3,080,395.66	2,946,272.05	3,384,766.06	3,182,155.36	2,948,602.13	2,830,676.76	2,413,139.78	2,359,013.49	1,911,322.71
Allocated benefits	4,408,279.28	4,716,006.88	4,808,104.76	4,376,661.96	3,788,562.58					
Unallocated benefits	1,940,707.79	1,686,110.50	1,639,606.42	2,179,478.34	2,012,548.15	4,450,911.37	3,782,341.69	3,605,471.85	3,067,476.00	2,549,083.48
Special schools					19,469.90	20,682.95	19,703.05	21,198.41	19,136.27	18,901.96
Interest on long-term debt	1,245,834.39	1,287,509.38	1,324,177.35	1,357,995.90	1,271,247.92	1,468,114.87	1,387,204.12	829,168.75	779,245.84	937,482.29
Unallocated depreciation	1,439,520.95	676,384.18	675,161.91	1,457,200.88	629,463.23	305,495.97	266,645.24	256,731.83	253,794.44	939,601.35
Capital projects						3,313,291.09				
Total governmental activities expenses	31,643,450.90	32,531,038.59	32,351,690.09	31,542,401.63	29,223,506.36	25,256,079.46	23,350,896.09	24,678,651.97	19,877,383.61	17,861,898.91
Business-type activities										
Community Education Program	2,912.00									
Food service	1,003,315.30	949,241.37	1,005,977.65	999,511.40	985,159.39	741,888.84	742,925.76	680,899.11	644,668.40	610,549.37
Total business-type activities expense	1,006,227.30	949,241.37	1,005,977.65	999,511.40	985,159.39	741,888.84	742,925.76	680,899.11	644,668.40	610,549.37
Total district expenses	\$ 32,649,678.20	\$ 33,480,279.96	\$ 33,357,667.74	\$ 32,541,913.03	\$ 30,208,665.75	\$ 25,997,968.30	\$ 24,093,821.85	\$ 25,359,551.08	\$ 20,622,052.01	\$ 18,472,448.28
Program Revenues										
Governmental activities:										
Charges for services:										
Pupil transportation	943,220.90	\$ 1,184,916.91	\$ 1,055,759.88	\$ 1,623,512.78	\$ 1,565,272.64	\$ 1,397,351.09	\$ 1,398,390.02	\$ 1,264,451.56	\$ 1,412,796.54	\$ 1,134,230.12
Operating grants and contributions	1,134,114.21	1,091,332.79	1,135,868.15	1,075,724.70	1,071,949.16	1,073,525.10	1,979,700.31	1,887,507.43	1,774,772.68	1,443,764.80
Capital grants and contributions						7,903,286.00				
Total governmental activities program revenues	2,077,335.11	2,276,249.70	2,191,628.03	2,699,237.48	2,637,221.80	2,470,876.19	3,378,090.33	11,055,244.99	3,187,569.22	2,577,994.92

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Years**

	Fiscal Year Ending June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Business-type activities.</b>										
Charges for services										
Community Education Program	13,615.00									
Food service	872,766.34	822,769.15	798,796.39	773,208.50	702,205.58	620,216.51	563,693.06	490,556.65	498,375.71	437,115.12
Operating grants and contributions	180,596.91	172,749.48	162,759.13	136,379.22	114,452.87	107,888.65	118,351.43	100,329.98	84,607.93	78,875.54
Total business-type activities program revenues	1,066,978.25	995,518.63	961,555.52	909,587.72	816,658.45	728,105.16	682,044.49	590,888.63	562,983.64	515,990.66
Total district program revenue	\$ 3,144,313.36	\$ 3,271,768.33	\$ 3,153,183.55	\$ 3,608,825.20	\$ 3,453,880.25	\$ 3,198,981.35	\$ 4,060,134.82	\$ 11,646,133.62	\$ 3,770,552.86	\$ 3,093,985.58
<b>Net (Expense)/Revenue</b>										
Governmental activities	(29,566,115.79)	(30,254,788.89)	(30,160,062.06)	(28,843,164.15)	(26,587,284.26)	(22,785,203.27)	(19,972,805.76)	(13,623,405.98)	(16,789,769.39)	(15,283,903.99)
Business-type activities	60,750.95	(46,277.26)	(44,422.43)	(89,933.66)	(169,500.94)	(13,783.68)	(60,881.27)	90,010.48	(61,684.76)	(94,558.71)
Total district-wide net expense	\$ (29,505,364.84)	\$ (30,301,066.15)	\$ (30,204,484.49)	\$ (28,933,097.83)	\$ (26,755,785.20)	\$ (22,798,986.95)	\$ (20,033,687.03)	\$ (13,533,395.50)	\$ (16,851,454.15)	\$ (15,378,462.70)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 15,536,649.00	\$ 14,194,655.00	\$ 13,248,425.00	\$ 13,010,690.00	\$ 13,402,716.00	\$ 9,883,969.00	\$ 9,367,556.00	\$ 9,425,423.00	\$ 7,970,986.00	\$ 6,259,011.00
Taxes levied for debt service	1,803,669.00	1,703,432.00	1,688,110.00	1,627,323.00	1,683,659.00	2,081,896.00	634,775.00	645,965.00	625,949.00	544,913.00
Unrestricted grants and contributions	8,883,639.60	7,343,343.02	8,763,001.67	8,346,306.15	8,014,904.12	7,322,645.22	6,156,553.55	5,577,592.26	5,379,203.00	5,259,811.25
Tuition	3,332,155.50	4,342,882.29	4,587,891.32	4,623,432.05	4,168,923.70	3,790,807.75	3,532,377.31	3,409,919.13	2,937,475.60	2,660,488.32
Investment earnings	39,178.45	88,375.41	123,493.47	205,915.12	256,417.65	329,009.00	313,296.00	91,440.90	64,161.43	
Miscellaneous income	269,420.92	173,866.54	215,139.01	162,927.39	139,028.96	168,508.72	114,081.29	152,252.09	86,723.44	295,691.76
Transportation fees from other LEA's within state	15,912.15	199,122.37	106,636.97	283,144.31	235,696.63	178,046.68	201,956.16	76,224.70	93,854.94	17,928.45
Transfers		425,600.00		(87,500.00)	(163,000.00)	(26,050.00)	(59,600.00)	(89,500.00)	(60,000.00)	(90,100.00)
Net proceeds of bond sale					(675,000.00)					
Donation of Land								23,460.00		
Net (increase) decrease in compensated absences	(32,418.80)	11,240.34	55,879.80	97,471.23	115,982.69	65,132.12				
Net (increase) decrease in capital assets	(984,189.73)	32,671.22	182,503.25	2,399,830.28	2,751,774.54	(3,783,974.11)	1,849,634.13	1,020,848.03	177,978.78	1,064,809.75
Total governmental activities	28,864,016.09	28,514,708.19	28,971,080.49	30,669,539.53	29,931,103.29	20,009,990.38	22,110,629.44	20,333,625.11	17,276,432.19	16,012,553.53
<b>Business-type activities.</b>										
Investment earnings	849.98	866.71	556.36	2,518.42	5,729.64	4,642.71	1,368.95	642.48	1,866.66	2,413.11
Transfers		(425,600.00)		87,500.00	163,000.00	26,050.00	59,600.00	89,500.00	60,000.00	90,100.00
Contributed capital					199,154.00					
Net (increase) decrease in capital assets		958.00								
Decrease (increase) in compensated absences	(2,737.00)	(3,261.80)	102.27	(2,933.46)	(2,290.04)	99.36	(2,728.93)			
Total business-type activities	(1,887.02)	(427,037.09)	658.63	87,084.96	365,593.60	30,792.07	58,240.02	90,142.48	61,866.66	92,513.11
Total district-wide	\$ 28,862,129.07	\$ 28,087,671.10	\$ 183,161.88	\$ 2,486,915.24	\$ 3,117,368.14	\$ (3,753,182.04)	\$ 1,907,874.15	\$ 1,110,980.51	\$ 239,865.44	\$ 1,157,322.86

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Ten Years**

	Fiscal Year Ending June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Change in New Assets										
Governmental activities	(702,099.70)	(1,740,060.70)	(1,188,981.57)	1,826,375.38	3,343,818.73	(2,775,212.89)	2,137,823.68	6,710,219.13	486,662.80	728,649.54
Business-type activities	58,863.93	(380,759.83)	(43,763.80)	(2,838.72)	197,092.66	17,008.39	119,121.29	132.00	201.90	(2,045.60)
Total district	<u>\$ (643,235.77)</u>	<u>\$ (2,120,840.53)</u>	<u>\$ (1,232,745.37)</u>	<u>\$ 1,823,536.66</u>	<u>\$ 3,540,911.39</u>	<u>\$ (2,758,204.50)</u>	<u>\$ 2,256,944.97</u>	<u>\$ 6,710,351.13</u>	<u>\$ 486,864.70</u>	<u>\$ 726,603.94</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Fund										
Reserved	\$ 2,728,508.99	\$ 2,858,692.38	\$ 3,943,035.89	\$ 4,584,524.05	\$ 4,839,293.62	\$ 4,408,975.10	\$ 4,130,736.07	\$ 3,309,494.23	\$ 1,744,101.31	\$ 1,324,231.69
Unreserved	759,943.12	552,731.15	659,534.28	530,489.33	226,947.98	141,609.43	377,198.67	295,654.90	713,950.26	903,819.64
Total general fund	\$ 3,488,452.11	\$ 3,411,423.53	\$ 4,602,570.17	\$ 5,115,013.38	\$ 5,066,241.60	\$ 4,550,584.53	\$ 4,507,934.74	\$ 3,605,149.13	\$ 2,458,051.57	\$ 2,228,051.33
All Other Governmental Funds										
Reserved	5,204.00	50,000.00	\$ (38,332.07)		\$ 33,067.00	\$ 1,564,305.52	\$ 11,032,165.45	\$ 16,696,286.21		
Unreserved, reported in:										
Special revenue fund							(2,015.00)	(2,015.00)	\$ (4,587.00)	
Capital Projects fund	(299,600.00)	(449,600.00)				150,789.22	2,001,976.50	(12,106,291.30)		
Debt service fund		5,204.04				42,020.16				
Total all other governmental funds	\$ (294,396.00)	\$ (394,395.96)	\$ (38,332.07)		\$ 33,067.00	\$ 1,757,114.90	\$ 13,032,126.95	\$ 4,587,979.91	\$ (4,587.00)	\$ -

KINGSWAY REGIONAL SCHOOL DISTRICT  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Revenues</b>										
Tax levy	\$ 17,340,318.00	\$ 15,898,087.00	\$ 14,936,535.00	\$ 14,638,013.00	\$ 15,086,375.00	\$ 11,965,865.00	\$ 10,002,331.00	\$ 10,071,388.00	\$ 8,596,935.00	\$ 6,803,924.00
Tuition charges	3,332,155.50	4,342,882.29	4,587,891.32	4,623,432.05	4,168,923.70	3,790,807.75	3,532,377.31	3,409,919.31	2,937,475.60	2,660,488.32
Transportation fees from other LEA's	15,912.15	199,122.37	106,636.97	283,144.31	235,696.63	178,046.68	201,956.16	76,224.70	93,954.94	17,928.45
Miscellaneous	308,599.37	261,761.95	338,632.48	368,842.51	395,468.55	497,517.72	427,377.29	243,692.99	150,884.87	295,691.76
Local sources	9,625.00	8,407.00	17,592.15	17,000.00						
State sources	9,290,613.20	6,906,832.02	9,447,829.67	9,031,936.15	8,699,321.12	8,058,662.22	7,786,312.69	15,048,173.60	7,132,702.60	6,475,262.24
Federal sources	717,515.61	1,673,401.39	433,448.00	373,094.70	366,510.22	337,508.10	349,941.57	320,213.09	285,473.08	228,313.81
<b>Total revenue</b>	<b>31,014,738.83</b>	<b>29,290,494.02</b>	<b>29,868,565.59</b>	<b>29,335,462.72</b>	<b>28,972,295.22</b>	<b>24,828,407.47</b>	<b>22,300,296.02</b>	<b>29,169,611.69</b>	<b>19,197,426.09</b>	<b>16,481,608.58</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular	7,784,179.59	8,221,598.64	8,271,053.96	7,470,527.89	7,241,438.07	6,426,638.17	6,261,389.52	5,836,463.51	5,385,499.50	4,818,257.71
Special education	2,186,001.94	2,136,895.63	1,943,140.17	1,755,367.05	1,628,706.01	1,340,209.16	1,086,609.20	994,529.96	855,627.31	772,078.87
Other instructional	56,161.55	31,260.99	31,288.79	9,677.06	2,690.24	7,691.30	7,324.61	3,634.03	73,910.77	81,284.09
School sponsored	663,091.53	804,334.97	867,217.14	896,703.93	747,466.66	706,858.40	690,234.26	618,897.75	597,453.71	492,180.87
Undistributed										
Tuition	1,862,673.87	1,729,186.64	1,566,989.74	1,347,855.60	1,280,284.49	1,325,259.43	1,337,573.12	1,314,078.51	1,180,530.11	1,001,638.71
Student & instruction related services	2,125,939.87	2,114,301.09	1,999,921.91	1,920,913.83	1,679,388.34	1,507,394.08	1,376,939.05	1,297,660.25	1,189,713.08	1,342,272.08
School administrative services	1,270,985.28	1,307,195.00	1,237,037.10	1,184,383.91	1,056,790.76	992,868.51	979,169.08	950,301.89	867,384.69	663,670.08
General and business administrative services	1,056,420.18	1,020,532.33	981,075.30	990,698.79	1,011,678.53	866,152.48	899,577.29	845,689.28	813,014.78	765,399.38
Plant operations and maintenance	2,488,071.64	2,654,489.63	3,026,315.01	2,963,465.97	2,747,110.78	2,251,360.96	1,822,571.05	1,803,156.48	1,617,803.50	1,568,725.33
Pupil transportation	1,740,211.77	1,755,960.05	1,742,691.23	1,612,110.16	1,467,739.60	1,437,365.57	1,291,985.61	1,098,765.90	993,770.43	967,467.59
Allocated benefits	4,408,279.28	4,716,008.88	4,808,104.76	4,391,315.66	3,788,562.58					
Unallocated benefits	1,940,707.79	1,686,110.50	1,639,606.42	2,164,824.64	2,012,548.15	4,450,911.37	3,782,341.69	3,605,471.85	3,067,476.00	2,549,083.48
Special schools					19,469.90	20,862.95	19,703.05	21,198.41	19,136.27	18,901.96
Capital Outlay	2,233,076.74	776,392.94	331,345.84	508,784.03	2,986,071.44	12,845,129.51	8,940,520.84	3,879,849.40	680,729.87	1,082,380.21
Debt Service										
Principal	1,260,000.00	1,070,000.00	1,035,000.00	935,000.00	1,035,000.00	1,045,000.00	500,000.00	500,000.00	450,000.00	300,000.00
Interest and other charges	1,264,531.26	1,302,106.26	1,337,937.50	1,370,712.42	1,310,737.50	1,665,742.84	811,825.00	834,950.00	855,762.50	869,637.50
<b>Total expenditures</b>	<b>32,340,332.29</b>	<b>31,326,371.55</b>	<b>30,818,724.87</b>	<b>29,522,340.94</b>	<b>30,017,693.05</b>	<b>36,909,264.73</b>	<b>29,807,763.37</b>	<b>23,604,647.22</b>	<b>18,647,812.52</b>	<b>17,292,977.86</b>
<b>Excess (Deficiency) of revenues over expenditures</b>	<b>(1,325,593.46)</b>	<b>(2,035,877.53)</b>	<b>(950,159.28)</b>	<b>(186,878.22)</b>	<b>(1,045,387.83)</b>	<b>(12,080,857.26)</b>	<b>(7,507,467.35)</b>	<b>5,564,964.47</b>	<b>549,613.57</b>	<b>(811,369.28)</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

	Fiscal Year Ending June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Other Financing Sources (Uses)										
Capital leases (non-budgeted)	1,500,000.00					872,527.00				
Transfers in	150,000.78	480,803.30	0.50	0.58	1.44	338,365.72	184,086.33	31,501.84	2,880.56	52,685.33
Transfers out	(0.78)	(55,203.30)	(0.50)	(87,500.58)	(163,001.44)	(364,415.72)	(243,686.33)	(121,001.84)	(62,880.89)	(142,785.33)
Total other financing sources (uses)	1,650,000.00	425,600.00		(87,500.00)	(163,000.00)	846,477.00	(59,600.00)	(89,500.00)	(60,000.33)	(90,100.00)
Net change in fund balances	\$ 324,406.54	\$ (1,610,277.53)	\$ (950,159.28)	\$ (274,378.22)	\$ (1,208,387.83)	\$ (11,234,380.26)	\$ (7,567,067.35)	\$ 5,475,464.47	\$ 489,613.24	\$ (901,469.28)

Debt Service as a percentage of noncapital expenditures

	8.39%	8.64%	8.65%	8.63%	8.68%	11.35%	6.29%	6.77%	7.27%	7.22%
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Source: District Records

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**General Fund Other Local Revenue by Source**  
**Last Ten Fiscal Years**  
**Unaudited**

Fiscal Year Ended June 30,	Facility Usage	Interest on Investments	Contributions		Sporting Events Gate Receipts	Driver's Education Fees	Miscellaneous	Total
			From Private Sources	Prior Year Refunds				
2011	\$ 58,476.27	\$ 39,178.45		\$ 3,746.92	\$ 24,848.89		\$ 182,348.84	\$ 308,599.37
2010	\$ 48,194.59	\$ 88,375.41		\$ 7,321.31	\$ 27,168.69		\$ 90,701.95	\$ 261,761.95
2009	\$ 17,664.04	\$ 123,493.47		\$ 3,212.64	\$ 17,664.04		\$ 176,598.29	\$ 338,632.48
2008		\$ 205,915.12		\$ 11,377.28	\$ 27,699.84		\$ 123,850.27	\$ 368,842.51
2007		\$ 256,417.65		\$ 2,700.75	\$ 15,740.42	\$ 14,685.00	\$ 96,886.01	\$ 386,429.83
2006		\$ 247,131.28		\$ 1,258.45	\$ 19,769.50	\$ 29,575.00	\$ 117,905.77	\$ 415,640.00
2005		\$ 129,209.67		\$ 3,661.15	\$ 23,861.15	\$ 21,420.00	\$ 65,138.59	\$ 243,290.56
2004		\$ 59,939.06		\$ 6,476.99	\$ 21,367.00	\$ 17,780.00	\$ 106,628.10	\$ 212,191.15
2003		\$ 61,281.04		\$ 3,391.83	\$ 24,957.67	\$ 24,080.00	\$ 34,293.94	\$ 148,004.48
2002		\$ 66,384.59	\$ 2,200.00	\$ 7,423.97	\$ 19,134.00	\$ 21,160.00	\$ 126,704.70	\$ 243,007.26

Source: District Records

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**  
**East Greenwich Township**

Year Ended December 31,	Vacant Land	Improvements	Total Assessed Value	Less Tax- Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual County Equalized Value
2011	\$ 11,189,900	\$ 612,036,820	\$ 623,226,720	\$	938,951	\$ 624,165,671	1.116	\$ 1,147,450,038
2010	\$ 15,368,950	\$ 585,039,470	\$ 600,408,420	\$	1,115,561	\$ 601,523,981	1.080	\$ 1,157,758,363
2009	\$ 20,274,050	\$ 486,601,720	\$ 567,446,620	\$	1,053,782	\$ 568,500,402	1.074	\$ 1,111,986,322
2008	\$ 24,720,000	\$ 488,703,300	\$ 513,423,300	\$	1,830,918	\$ 520,346,815	1.158	\$ 1,029,784,496
2007	\$ 25,575,800	\$ 464,021,300	\$ 489,597,100	\$	895,424	\$ 490,492,524	1.229	\$ 880,402,990
2006	\$ 35,843,020	\$ 420,235,200	\$ 456,088,450	\$	902,448	\$ 456,990,898	1.203	\$ 728,406,176
2005	\$ 109,797,600	\$ 309,162,600	\$ 418,960,200	\$	1,033,997	\$ 419,994,197	1.080	\$ 596,098,000
2004	\$ 101,781,200	\$ 289,765,400	\$ 391,546,600	\$	1,196,735	\$ 392,743,335	1.081	\$ 501,486,327
2003	\$ 97,852,300	\$ 280,830,200	\$ 378,682,500	\$	1,380,314	\$ 380,062,814	1.023	\$ 453,832,924
2002	\$ 94,160,700	\$ 255,346,400	\$ 349,507,100	\$	1,386,700	\$ 350,893,800	0.917	\$ 395,940,431

Source: County Abstract of Ratables

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**  
**South Harrison Township**

Year Ended December 31,	Vacant Land	Improvements	Total Assessed Value	Less		Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual County Equalized Value
				Tax- Exempt Property	Property				
2011	\$ 13,369,500	\$ 388,573,800	\$ 401,943,300	\$	\$	782,657	\$ 402,725,957	\$ 0.644	\$ 383,259,327
2010	\$ 13,794,500	\$ 386,294,500	\$ 400,089,000	\$	\$	978,729	\$ 401,067,729	\$ 0.612	\$ 372,661,163
2009	\$ 6,934,700	\$ 184,090,000	\$ 229,440,400	\$	\$	581,640	\$ 230,022,040	\$ 1.008	\$ 382,273,242
2008	\$ 6,872,100	\$ 215,570,200	\$ 222,442,300	\$	\$	518,283	\$ 222,960,583	\$ 1.013	\$ 371,852,725
2007	\$ 6,337,100	\$ 204,689,000	\$ 211,026,100	\$	\$	485,985	\$ 211,512,085	\$ 1.140	\$ 348,301,700
2006	\$ 35,996,300	\$ 161,904,400	\$ 197,900,700	\$	\$	518,145	\$ 198,418,845	\$ 1.162	\$ 286,760,352
2005	\$ 49,614,900	\$ 139,003,700	\$ 188,618,600	\$	\$	570,943	\$ 189,189,543	\$ 1.042	\$ 255,522,339
2004	\$ 45,651,200	\$ 132,136,600	\$ 177,787,800	\$	\$	596,397	\$ 178,384,197	\$ 1.068	\$ 224,018,810
2003	\$ 43,936,400	\$ 122,415,600	\$ 166,352,000	\$	\$	655,997	\$ 167,007,997	\$ 1.106	\$ 196,893,623
2002	\$ 42,905,600	\$ 113,312,200	\$ 156,217,800	\$	\$	697,705	\$ 156,915,505	\$ 0.995	\$ 177,613,256

Source: County Abstract of Ratables

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**  
**Borough of Swedesboro**

Year Ended December 31,	Vacant Land	Improvements	Total Assessed Value	Less		Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual County Equalized Value
				Tax- Exempt Property					
2011	\$ 2,511,200	\$ 186,592,500	\$ 189,103,700	\$	\$ 2,399,420	\$ 191,503,120	\$ 0.713	\$ 202,130,115	
2010	\$ 2,218,200	\$ 88,262,600	\$ 90,480,800	\$	\$ 1,123,014	\$ 91,603,814	\$ 1.403	\$ 193,463,770	
2009	\$ 2,670,600	\$ 69,283,500	\$ 87,347,200	\$	\$ 1,122,898	\$ 88,470,098	\$ 1.304	\$ 183,156,217	
2008	\$ 3,807,000	\$ 75,693,200	\$ 79,511,200	\$	\$ 1,369,051	\$ 80,880,251	\$ 1.337	\$ 158,515,152	
2007	\$ 4,352,800	\$ 71,178,100	\$ 75,530,900	\$	\$ 1,474,720	\$ 77,005,620	\$ 1.371	\$ 140,236,957	
2006	\$ 1,929,600	\$ 70,810,200	\$ 72,739,800	\$	\$ 1,791,013	\$ 74,530,813	\$ 1.283	\$ 108,811,940	
2005	\$ 18,152,900	\$ 53,796,600	\$ 71,949,500	\$	\$ 2,118,333	\$ 74,067,833	\$ 1.196	\$ 96,161,600	
2004	\$ 18,084,200	\$ 53,798,600	\$ 71,882,800	\$	\$ 2,461,228	\$ 74,344,028	\$ 1.050	\$ 89,165,587	
2003	\$ 17,717,300	\$ 53,489,700	\$ 71,207,000	\$	\$ 2,266,245	\$ 73,473,245	\$ 1.055	\$ 86,200,833	
2002	\$ 17,576,800	\$ 53,278,900	\$ 70,855,700	\$	\$ 2,309,930	\$ 73,165,630	\$ 0.958	\$ 83,667,864	

Source: County Abstract of Ratables

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**  
**Woolwich Township**

Year Ended December 31,	Vacant Land	Improvements	Total Assessed Value	Less		Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual County Equalized Value
				Tax- Exempt Property	Value				
2011	\$ 17,200,900	\$610,073,200	\$627,274,100	\$	\$ 1,279,782	\$628,553,882	\$ 1.090	\$1,188,696,871	
2010	\$ 20,088,000	\$598,828,100	\$618,916,100	\$	\$ 1,543,335	\$620,459,435	\$ 1.029	\$1,207,715,607	
2009	\$ 23,310,900	\$516,194,900	\$616,435,200	\$	\$ 1,409,722	\$617,844,922	\$ 0.943	\$1,240,312,274	
2008	\$ 25,487,400	\$572,731,100	\$598,218,500	\$	\$ 1,276,729	\$599,495,229	\$ 0.903	\$1,188,592,291	
2007	\$ 20,050,700	\$543,213,800	\$563,264,500	\$	\$ 1,282,227	\$564,546,727	\$ 0.951	\$1,049,583,006	
2006	\$ 40,001,600	\$469,171,000	\$509,172,600	\$	\$ 1,311,722	\$510,484,322	\$ 0.937	\$ 852,888,629	
2005	\$ 99,070,300	\$335,822,800	\$434,893,100	\$	\$ 1,501,002	\$436,394,102	\$ 0.833	\$ 662,470,066	
2004	\$ 94,807,600	\$303,231,400	\$398,039,000	\$	\$ 1,670,411	\$399,709,411	\$ 0.772	\$ 553,572,059	
2003	\$ 86,485,000	\$252,856,000	\$339,341,000	\$	\$ 1,835,142	\$341,176,142	\$ 0.822	\$ 439,591,251	
2002	\$ 76,980,600	\$201,707,200	\$278,687,800	\$	\$ 1,732,754	\$280,420,554	\$ 0.787	\$ 348,487,318	

Source: County Abstract of Ratables

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**East Greenwich Township**

Assessment Year	Regional Total Direct	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Local District	Township	County	
2011	\$	\$	\$	\$	\$
2010	1.080	1.618	0.390	1.134	4.222
2009	1.074	1.527	0.374	1.156	4.131
2008	1.158	1.542	0.364	1.173	4.237
2007	1.229	1.467	0.327	1.060	4.086
2006	1.202	1.485	0.327	1.012	4.026
2005	1.080	1.508	0.188	0.975	3.751
2004	1.081	1.343	0.187	0.853	3.464
2003	1.020	1.180	0.150	0.800	3.150
2002	0.917	1.210	0.149	0.753	3.030

Source: Gloucester County Abstract of Ratables

Tax Rates for 2011 were not available as of the date of this report

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**South Harrison Township**

Assessment Year	Regional Total Direct	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Local District	Township	County	
2011	\$	\$	\$	\$	\$
2010 *	0.612	0.842	0.101	0.550	2.105
2009	1.008	1.404	0.176	0.989	3.577
2008	1.013	1.378	0.177	0.994	3.562
2007	1.139	1.357	0.149	0.980	3.623
2006	1.160	1.142	0.099	0.917	3.318
2005	1.042	1.130	0.097	0.920	3.198
2004	1.068	1.115	0.099	0.840	3.122
2003	1.106	1.093	0.099	0.785	3.083
2002	0.995	1.062	0.100	0.759	2.916

\* = Revaluation for 2010

Source: Gloucester County Abstract of Ratables

Tax Rates for 2011 were not available as of the date of this report

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**Borough of Swedesboro**

Assessment Year	Regional Total Direct	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Local District	Borough	County	
2011	\$	\$	\$	\$	\$
2010	1.403	2.296	1.563	1.251	6.513
2009	1.304	1.855	1.739	1.251	6.149
2008	1.337	1.554	1.710	1.194	5.795
2007	1.350	1.247	1.159	1.082	4.838
2006	1.262	1.220	1.133	0.927	4.542
2005	1.196	1.241	1.085	0.892	4.324
2004	1.050	1.245	1.037	0.802	4.134
2003	1.055	1.134	0.969	0.785	3.943
2002	0.665	0.958	1.173	0.764	3.560

Source: Gloucester County Abstract of Ratables

Tax Rates for 2011 were not available as of the date of this report

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**Woolwich Township**

Assessment Year	Regional Total Direct	Overlapping Rates			Total Direct and Overlapping Tax Rate
		Local District	Township	County	
2011	\$	\$	\$	\$	\$
2010	1.029	2.117	0.705	1.148	4.999
2009	0.943	1.908	0.705	1.190	4.746
2008	0.903	1.865	0.660	1.177	4.605
2007	0.951	1.540	0.586	1.104	4.181
2006	0.935	1.453	0.511	1.061	3.960
2005	0.833	1.426	0.471	1.043	3.773
2004	0.772	1.523	0.451	0.925	3.671
2003	0.822	1.585	0.447	0.861	3.715
2002	0.787	0.779	0.438	0.831	2.835

Source: Gloucester County Abstract of Ratables

Tax Rates for 2011 were not available as of the date of this report

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**  
**East Greenwich Township**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Travelers Co of America	\$ 3,381,200	0.54%		
St. Gobain Performance Plastics	\$ 2,235,200	0.36%		
Transcontinental Gas Pipeline Com.	\$ 2,150,000	0.34%		
Columbia Gas Transmission Co.	\$ 1,877,200	0.30%		
Colonial Pipeline Co.	\$ 1,842,500	0.30%		
Wilson & Wilson	\$ 1,466,300	0.23%		
Beazer Homes	\$ 1,465,900	0.23%		
Pulte Homes of NJ	\$ 1,401,200	0.22%		
Mt. Royal Plaza Real Estate, Inc.	\$ 1,275,100	0.20%		
M&R Builders, Inc.	\$ 1,138,000	0.18%		
Corporate Associates			\$ 3,024,500	1.09%
Travel Port & Easekt & McCaleb			\$ 2,134,800	0.77%
Colonial Pipeline Co.			\$ 1,842,500	0.66%
Columbia Gas Transmission Co.			\$ 1,831,600	0.66%
Bertha Wozinsky			\$ 1,466,300	0.53%
Transcontinental Gas Pipeline Com.			\$ 1,224,500	0.44%
John B. Boyle			\$ 1,199,467	0.37%
Bell Atlantic - New Jersey, Inc.			\$ 1,041,000	0.37%
Media Realty Company			\$ 1,015,100	0.37%
Transcontinental Gas Pipeline Com.			\$ 926,000	0.33%

Source: Municipal Tax Assessor

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**  
**South Harrison Township**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Samuel and Colleen Sorbello	\$ 5,044,300	1.25%		
Fred and Cheryl-Ann Sarbello	\$ 3,580,300	0.89%		
C&F Family Limited Partnership	\$ 3,394,800	0.84%		
Samuel Sarbello	\$ 2,170,500	0.54%		
Robert J. Pacilli Investment, Inc.	\$ 2,100,000	0.52%		
Russell and Judith Marino	\$ 1,962,100	0.49%		
American Tower Asset Sub, LLC	\$ 1,897,200	0.47%		
Gres & Kaluzwy Land Development	\$ 1,600,200	0.40%		
Bruce Paparone Communities, Inc.	\$ 1,396,700	0.35%		
Carmen A. Malignaggi	\$ 1,384,600	0.34%		
Samuel and Colleen Sorbello			\$ 2,127,749	1.58%
Paxon Communications			\$ 1,006,100	0.75%
HFM Properties			\$ 685,700	0.51%
James Mallon			\$ 525,900	0.39%
W. Kirk Horner			\$ 524,300	0.39%
Russell Lalena			\$ 475,600	0.35%
Eugene Willets			\$ 437,700	0.33%
Harrison Mobile Home Park			\$ 433,000	0.32%
Barbara Thomas			\$ 428,000	0.32%
Joseph Lario			\$ 416,800	0.31%

Source: Municipal Tax Assessor

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**  
**Borough of Swedesboro**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
D & D Properties of Swedesboro	\$ 2,988,500	1.56%		
NJ Bell Telephone Company	\$ 2,988,420	1.56%		
Botto Sons, LLC	\$ 2,054,800	1.07%		
Racoon Creek LLC	\$ 2,003,500	1.05%		
Ronald and James Bianco	\$ 1,895,300	0.99%		
Swedesboro Housing LTD Partnership	\$ 1,693,800	0.88%		
Russo Rentals	\$ 1,270,000	0.66%		
Bank of America	\$ 1,191,600	0.62%		
R&R Real Estate LLC	\$ 1,044,100	0.55%		
Carlos and Bonnie Berrios	\$ 1,033,100	0.54%		
New Jersey Bell			\$ 1,100,000	1.51%
Ronald and James Bianco			\$ 909,000	1.25%
Rawl Equipment Company			\$ 854,200	1.17%
National Westminster Bank			\$ 640,300	0.88%
NJ Bell Telephone Company			\$ 505,600	0.69%
Botto Sons, LLC			\$ 429,800	0.59%
Russo Rentals			\$ 422,600	0.58%
Teledyne Wirz			\$ 408,000	0.56%
Bank of America			\$ 398,300	0.55%
Reliable Garage, Inc.			\$ 396,600	0.54%

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Ten Years Ago**  
**Woolwich Township**

Taxpayer	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Westbrook at Weatherby, LLC	\$ 8,741,400	1.39%		
Columbia NJ Commodore Ind.	\$ 7,780,400	1.24%		
USF Propco LLC	\$ 4,128,600	0.66%		
Columbia Gas Transmissions	\$ 3,925,000	0.62%		
Hovnanian @ Woolwich, LLC	\$ 3,757,300	0.60%		
JMJ Warehouse Associates	\$ 3,549,400	0.56%		
Liberty Property Limited Partnership	\$ 3,510,700	0.56%		
Beazer Homes Corp	\$ 2,539,900	0.40%		
Auburn Road Associates, LLC	\$ 2,191,000	0.35%		
Swedesboro, Inc.	\$ 1,992,900	0.32%		
O P & F Woolwich Twp. LLC			\$ 6,923,000	4.87%
Columbia Gas Transmissions			\$ 3,925,000	2.76%
Crown Cork Seal Company			\$ 3,588,900	2.52%
Del Monte Corporation			\$ 3,528,900	2.48%
Liberty Property Limited Partnership			\$ 3,024,300	2.13%
Gloucester New Communités, Inc.			\$ 2,538,100	1.79%
Gilbert L. Justice, Jr.			\$ 1,427,800	1.00%
Triangle Land Co. Inc.			\$ 1,295,500	0.91%
Matlack, Inc.			\$ 1,159,400	0.82%
WPM Realty Company			\$ 902,100	0.63%

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
**East Greenwich Township**

Fiscal Year June 30,	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 6,940,378.12	\$ 6,940,378.12	100.00%	-
2010	\$ 6,053,317.37	\$ 6,053,317.37	100.00%	-
2009	\$ 6,158,275.91	\$ 6,158,275.91	100.00%	-
2008	\$ 5,894,219.77	\$ 5,894,219.77	100.00%	-
2007	\$ 6,165,224.48	\$ 6,165,224.48	100.00%	-
2006	\$ 4,165,434.22	\$ 4,165,434.22	100.00%	-
2005	\$ 4,258,407.92	\$ 4,258,407.92	100.00%	-
2004	\$ 4,237,004.44	\$ 4,237,004.44	100.00%	-
2003	\$ 3,540,173.33	\$ 3,540,173.33	100.00%	-
2002	\$ 2,892,298.00	\$ 2,892,298.00	100.00%	-

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
**South Harrison Township**

Fiscal Year June 30,	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 2,485,213.84	\$ 2,485,213.84	100.00%	-
2010	\$ 2,425,297.29	\$ 2,425,297.29	100.00%	-
2009	\$ 2,210,898.98	\$ 2,210,898.98	100.00%	-
2008	\$ 2,306,379.95	\$ 2,306,379.95	100.00%	-
2007	\$ 2,514,391.17	\$ 2,514,391.17	100.00%	-
2006	\$ 2,089,320.28	\$ 2,089,320.28	100.00%	-
2005	\$ 1,856,541.45	\$ 1,856,541.45	100.00%	-
2004	\$ 1,955,676.73	\$ 1,955,676.73	100.00%	-
2003	\$ 1,739,511.54	\$ 1,739,511.54	100.00%	-
2002	\$ 1,383,368.91	\$ 1,383,368.91	100.00%	-

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**  
**Borough of Swedesboro**

Fiscal Year June 30,	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 1,338,014.14	\$ 1,338,014.14	100.00%	-
2010	\$ 1,233,200.60	\$ 1,233,200.60	100.00%	-
2009	\$ 1,094,878.35	\$ 1,094,878.35	100.00%	-
2008	\$ 1,090,706.01	\$ 1,090,706.01	100.00%	-
2007	\$ 1,020,089.79	\$ 1,020,089.79	100.00%	-
2006	\$ 889,946.06	\$ 889,946.06	100.00%	-
2005	\$ 777,757.74	\$ 777,757.74	100.00%	-
2004	\$ 814,817.07	\$ 814,817.07	100.00%	-
2003	\$ 769,550.40	\$ 769,550.40	100.00%	-
2002	\$ 661,476.73	\$ 661,476.73	100.00%	-

**KINGSWAY REGIONAL SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Years  
Woolwich Township**

Fiscal Year June 30,	Taxes Levied for the Fiscal Year	Collected with the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 6,576,711.90	\$ 6,576,711.90	100.00%	-
2010	\$ 6,186,271.74	\$ 6,186,271.74	100.00%	-
2009	\$ 5,472,484.76	\$ 5,472,484.76	100.00%	-
2008	\$ 5,346,707.27	\$ 5,346,707.27	100.00%	-
2007	\$ 5,386,669.56	\$ 5,386,669.56	100.00%	-
2006	\$ 4,165,434.22	\$ 4,165,434.22	100.00%	-
2005	\$ 3,109,623.89	\$ 3,109,623.89	100.00%	-
2004	\$ 3,063,889.76	\$ 3,063,889.76	100.00%	-
2003	\$ 2,547,699.73	\$ 2,547,699.73	100.00%	-
2002	\$ 1,866,780.36	\$ 1,866,780.36	100.00%	-

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Anticipation Notes (BANs)	Capital Leases	Capital Leases	Capital Leases			
2011	\$ 28,239,000.00	\$ 299,600.00	\$ 1,500,000.00			\$ 30,038,600.00	Not Available	
2010	\$ 29,349,000.00	\$ 449,600.00	\$ 169,000.00			\$ 29,967,600.00	Not Available	
2009	\$ 30,419,000.00		\$ 405,666.00			\$ 30,824,666.00	0.130%	
2008	\$ 31,454,000.00		\$ 642,333.00			\$ 32,096,333.00	0.122%	\$ 1,753
2007	\$ 32,389,000.00		\$ 684,881.25			\$ 33,073,881.25	3.96%	\$ 1,702
2006	\$ 32,749,000.00		\$ 866,645.00			\$ 33,615,645.00	4.56%	\$ 1,648
2005	\$ 33,794,000.00					\$ 33,794,000.00	5.15%	\$ 1,791
2004	\$ 16,650,000.00	\$ 5,000,000.00	\$ 226,828.60			\$ 21,876,828.60	6.70%	\$ 1,276
2003	\$ 17,150,000.00		\$ 441,669.10			\$ 17,591,669.10	5.62%	\$ 1,084
2002	\$ 17,600,000.00		\$ 645,155.08			\$ 18,245,155.08	5.98%	\$ 1,217

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2011	\$28,239,000.00		\$ 28,239,000.00	1.64%	Not Available
2010	\$29,349,000.00		\$ 29,349,000.00	1.71%	Not Available
2009	\$30,419,000.00		\$ 30,419,000.00	2.02%	39,591
2008	\$31,454,000.00		\$ 31,454,000.00	2.21%	39,040
2007	\$32,389,000.00		\$ 32,389,000.00	2.41%	37,754
2006	\$32,749,000.00		\$ 32,749,000.00	2.64%	36,401
2005	\$33,794,000.00		\$ 33,794,000.00	3.02%	34,373
2004	\$ 16,650,000.00		\$ 16,650,000.00	1.59%	32,888
2003	\$ 17,150,000.00		\$ 17,150,000.00	1.78%	31,317
2002	\$ 17,600,000.00		\$ 17,600,000.00	2.04%	30,726

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
East Greenwich Township	\$ 14,057,800.00	38.10%	\$ 5,356,021.80
South Harrison Township	\$ 3,450,726.18	13.20%	\$ 455,495.86
Swedesboro Borough	\$ 4,360,824.85	6.35%	\$ 276,912.38
Woolwich Township	\$ 18,529,912.90	42.36%	\$ 7,849,271.10
County of Gloucester:			
East Greenwich Township	\$ 308,779,932.21	3.99%	\$ 12,320,319.30
South Harrison Township	\$ 308,779,932.21	1.33%	\$ 4,106,773.10
Swedesboro Borough	\$ 308,779,932.21	0.70%	\$ 2,161,459.53
Woolwich Township	\$ 308,779,932.21	4.13%	\$ 12,752,611.20
Subtotal, overlapping debt			\$ 45,278,864.26
Kingsway Regional School District Debt			<u>\$ 28,239,000.00</u>
Total direct and overlapping debt			<u><u>\$ 73,517,864.26</u></u>

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

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Year	East Greenwich	South Harrison	Swedesboro	Woolwich	Total
2010	\$ 1,106,083,630.00	\$ 379,807,291.00	\$ 185,677,817.00	\$ 1,169,310,599.00	\$ 2,840,879,337.00
2009	\$ 1,091,663,371.00	\$ 362,465,097.00	\$ 182,734,728.00	\$ 1,198,823,804.00	\$ 2,835,686,990.00
2008	\$ 1,017,878,307.00	\$ 370,613,629.00	\$ 166,726,100.00	\$ 1,203,658,954.00	\$ 2,758,875,990.00
	\$ 3,215,625,308.00	\$ 1,112,886,007.00	\$ 535,137,645.00	\$ 3,571,793,357.00	\$ 8,435,442,317.00
				Average	\$ 2,811,814,105.67
				Debt Limit @ 3.5%	\$ 98,413,493.70
2011	\$ 98,413,493.70				
2010	\$ 95,523,242.64	\$ 46,472,803.15	\$ 66,555,731.11	\$ 46,281,927.38	\$ 43,849,343.19
2009	\$ 88,311,077.13	\$ 46,472,803.15	\$ 66,555,731.11	\$ 46,281,927.38	\$ 43,849,343.19
2008	\$ 30,419,000.00	\$ 31,454,000.00	\$ 32,389,000.00	\$ 32,749,000.00	\$ 33,794,000.00
2007	\$ 57,992,077.13	\$ 15,018,803.15	\$ 34,166,731.11	\$ 13,532,927.38	\$ 10,155,343.19
2006	\$ 70,174,493.70	\$ 65,724,642.64	\$ 70,174,493.70	\$ 70,174,493.70	\$ 10,391,204.94
2005	\$ 28,239,000.00	\$ 28,239,000.00	\$ 28,239,000.00	\$ 28,239,000.00	\$ 17,600,000.00
2004	\$ 31,454,000.00	\$ 31,454,000.00	\$ 31,454,000.00	\$ 31,454,000.00	\$ 17,150,000.00
2003	\$ 46,281,927.38	\$ 46,281,927.38	\$ 46,281,927.38	\$ 46,281,927.38	\$ 31,729,662.84
2002	\$ 43,849,343.19	\$ 43,849,343.19	\$ 43,849,343.19	\$ 43,849,343.19	\$ 27,991,204.94

Debt limit					
Total net debt applicable to limit	\$ 28,239,000.00	\$ 28,239,000.00	\$ 28,239,000.00	\$ 28,239,000.00	\$ 17,600,000.00
Legal debt margin	\$ 70,174,493.70	\$ 65,724,642.64	\$ 70,174,493.70	\$ 70,174,493.70	\$ 10,391,204.94
Total net debt applicable to the limit as a percentage of debt limit	28.69%	31.14%	34.45%	67.88%	48.66%
				70.76%	76.89%
				44.93%	54.05%
					62.88%

Exhibit J-14a

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**East Greenwich Township**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>
2010	Not Available		7.50%
2009	8,317		7.00%
2008	7,788	39,040	4.70%
2007	7,250	37,331	3.70%
2006	6,763	36,108	4.00%
2005	6,345	34,803	3.30%
2004	6,110	32,619	5.00%
2003	5,882	31,297	5.70%
2002	5,703	30,475	5.40%
2001	5,495	29,595	4.00%

Source: Data provided by the Department of Education

\* County Information vs. Municipality Information

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**South Harrison Township**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>
2010	Not Available		7.5%
2009	3,190		7.00%
2008	3,134	39,040	4.70%
2007	3,062	37,331	3.60%
2006	2,945	36,108	4.00%
2005	2,871	34,803	3.70%
2004	2,838	32,619	2.80%
2003	2,711	31,297	3.20%
2002	2,648	30,475	3.10%
2001	2,532	29,595	2.20%

Source: Data provided by the Department of Education

\* County Information vs. Municipality Information

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**Swedesboro Borough**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>
2010	Not Available		10.90%
2009	2,372		10.20%
2008	2,250	39,040	7.00%
2007	2,071	37,331	5.40%
2006	2,037	36,108	6.00%
2005	2,039	34,803	5.50%
2004	2,055	32,619	7.10%
2003	2,056	31,297	8.00%
2002	2,056	30,475	7.60%
2001	2,055	29,595	5.60%

Source: Data provided by the Department of Education

\* County Information vs. Municipality Information

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Years**  
**Woolwich Township**

<u>Year</u>	<u>Population</u>	<u>Per Capita Personal Income*</u>	<u>Unemployment Rate</u>
2010	Not Available		7.3%
2009	9,469	35,391	6.90%
2008	9,174	39,040	4.60%
2007	8,922	37,331	3.60%
2006	8,579	36,108	4.00%
2005	7,502	34,803	2.90%
2004	6,083	32,619	6.80%
2003	5,518	31,297	7.70%
2002	4,544	30,475	7.30%
2001	3,806	29,595	5.40%

Source: Data provided by the Department of Education

\* County Information vs. Municipality Information

**KINGSWAY REGIONAL SCHOOL DISTRICT  
Principal Employers  
Current Year and Ten Years Ago**

Employer	2011		2002	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Underwood Memorial Hospital	1,825	N/A		
Washington Township School District	1,648	N/A		
County of Gloucester	1,500	N/A		
Rowan University	1,300	N/A		
Kennedy Memorial Hospital	1,200	N/A		
Missa Bay, LLC	950	N/A		
Monroe Township School District	741	N/A		
U.S. Foodservices	725	N/A		
DGI Services	600	N/A		
Delaware Valley Wholesale Florist	500	N/A		
	<u>10,989</u>			

Source: Gloucester County Office of Economic Development and Employer Directly

Note - The information provided is for the County of Gloucester. Information at the municipal level is not available.

Information for 2002 is not available.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Full-time Equivalent District Employees by Function/Program**  
**Last Ten Years**

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction										
Regular	133.0	126.5	130.0	130.0	125.0	120.0	112	103.0	97.0	97.0
Special education	51.0	29.0	28.0	28.0	28.0	28.0	23	22.0	20.0	17.0
Other instruction	2.0	20.0	14.0	11.0	8.0	8.0	9	2.0	5.0	5.0
Support Services:										
Student & Instruction related services	28.0	29.0	29.0	30.0	25.0	24.0	25.5	22.0	20.0	21.5
School administrative services	16.0	16.0	16.0	16.0	14.0	14.0	14	14.0	15.0	12.0
General administrative services	2.0	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0	2.5
Plant operations and maintenance	30.0	37.5	38.0	38.0	38.0	28.0	28	29.0	25.0	24.0
Pupil transportation	33.0	34.0	33.0	31.0	28.0	28.0	32.5	34.0	36.0	31.0
Business and other support services	8.0	9.0	9.0	8.5	8.5	9.0	8	7.0	7.0	6.5
<b>Total</b>	<b>303.0</b>	<b>303.5</b>	<b>299.5</b>	<b>287.5</b>	<b>277.0</b>	<b>261.5</b>	<b>254.5</b>	<b>235.0</b>	<b>227.0</b>	<b>216.5</b>

Source: District Personnel Records

**KINGSWAY REGIONAL SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment	Average Daily Attendance	% Change in Average Daily Enrollment	Student Attendance Percentage
						Middle School	High School	High School				
2011	2,232	\$ 25,935,406.22	\$ 11,620	-2.01%	159	1.20	1.22	2,232.1	2,086.1	1.10%	93.5%	
2010	2,208	\$ 26,182,823.94	\$ 11,858	2.36%	165	1.14	1.46	2,207.9	2,068.1	3.64%	93.70%	
2009	2,130	\$ 26,143,708.54	\$ 11,585	2.21%	162	1.11	1.14	2,130.4	2,000.0	4.18%	93.88%	
2008	2,044	\$ 24,792,266.25	\$ 11,335	4.45%	157	1.12	1.14	2,044.9	1,935.3	1.27%	94.60%	
2007	2,019	\$ 23,693,498.33	\$ 10,852	3.43%	153	1.22	1.20	2,019.2	1,894.2	6.29%	93.00%	
2006	1,900	\$ 21,333,392.38	\$ 9,124	9.05%	148	1.12	1.14	1,899.7	1,787.3	6.55%	94.08%	
2005	1,783	\$ 19,555,417.46	\$ 8,928	4.62%	135	1.11	1.15	1,782.9	1,674.6	4.18%	93.90%	
2004	1,711	\$ 18,389,847.82	\$ 8,798	4.84%	125	1.11	1.15	1,711.4	1,596.4	5.63%	93.30%	
2003	1,632	\$ 16,661,320.15	\$ 8,418	3.88%	117	1.12	1.16	1,620.1	1,512.2	6.74%	93.30%	
2002	1,571	\$ 15,040,960.15	\$ 8,233	13.10%	114	1.13	1.15	1,517.8	1,422.5	9.60%	93.70%	

Source: District Records

KINGSWAY REGIONAL SCHOOL DISTRICT

School Building Information

Last Ten Years

District Building	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<u>High/Middle School</u>										
<b>Kingsway High School (Grades 9 - 12)</b>										
Square Feet	222,351	222,351	222,351	222,351	222,351	222,351	222,351	222,351	222,351	222,351
Capacity (students)	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454
Enrollment	1,488	1,488	1,470	1,436	1,476	1,952	1,790	1,711	1,632	1,571
<b>Kingsway Middle School (Grades 7 - 8)</b>										
Square Feet	104,436	104,436	104,436	104,436	104,436					
Capacity (students)	800	800	800	800	800					
Enrollment	743	720	660	608	582					

Source: District Records

Both schools are air conditioned and are heated with natural gas.

The high school site is 65 acres and the middle school site is 35 acres

**KINGSWAY REGIONAL SCHOOL DISTRICT  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years**

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-XXX

	<u>Project #</u>	<u>Kingsway Regional School</u>
2011	\$	83,646.14
2010	\$	98,305.06
2009	\$	245,024.31
2008	\$	154,116.19
2007	\$	133,374.96
2006	\$	191,699.93
2005	\$	100,849.24
2004	\$	108,009.01
2003	\$	173,715.86
2002	\$	110,136.48

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2011**  
**Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica:		
Property - Blanket Building and Contents	\$ 71,635,963	\$ 1,000
Comprehensive General Liability	3,000,000	1,000
Comprehensive Automobile Liability	1,000,000	250
Computers and Schedule Equipment - Utica		
Data Processing Equipment	2,921,273	250
Other	5,000	250
Boiler and Machinery - Utica:		
Property damage	Replacement	1,000
Umbrella Liability - Utica:		
Property damage	5,000,000	10,000
School Board Legal Liability -Utica		
Directors and Officers Policy	1,000,000	1,000
Public Employee's Faithful Performance Blanket		
Blanket Position Bond - Utica:	30,000	
Officials Individual Bonds - Utica		
School Business Administrator/Board Secretary	2,000	
Treasurer of School Monies	250,000	

Source: District Records

# **SINGLE AUDIT SECTION**



CERTIFIED PUBLIC ACCOUNTANTS



**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**

**(No Material Weaknesses Identified, No Significant Deficiencies Identified,  
No Reportable Instances of Noncompliance or Other Matters Identified)**

Honorable President and  
Members of the Board of Education  
Kingsway Regional School District  
County of Gloucester  
Woolwich, New Jersey

I have audited the financial statements of the Board of Education of the Kingsway Regional School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued my report thereon dated September 19, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Kingsway Regional School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board of Education of the Kingsway Regional School District's financial statements that is more than inconsequential will not be prevented or detected by the Board of Education of the Kingsway Regional School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Education of the Kingsway Regional School District's internal control.

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

### **Compliance and Other Matters**

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

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

Respectfully submitted,

BALL, BUCKLEY AND SEHER, LLP



William H. Buckley, III

Licensed Public School Accountant No. 86

September 19, 2011



CERTIFIED PUBLIC ACCOUNTANTS



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

**(Unqualified Opinion on Compliance; No Material Weaknesses  
Or Significant Deficiencies in Internal Control Over Compliance Identified)**

Honorable President and  
Members of the Board of Education  
Kingsway Regional School District  
County of Gloucester  
Woolwich, New Jersey

**Compliance**

I have audited the compliance of the Board of Education of the Kingsway Regional School District, County of Gloucester, State of New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. The Board of Education of the Kingsway Regional School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education of the Kingsway Regional School District's management. My responsibility is to express an opinion on the Board of Education of the Kingsway Regional School District's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133, and New Jersey OMB's Circular 04-04 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Kingsway Regional School District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Board of Education of the Kingsway Regional School District's compliance with those requirements.

In my opinion, the Board of Education of the Kingsway Regional School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

### **Internal Control Over Compliance**

The management of the Board of Education of the Kingsway Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing my audit, I considered the Board of Education of the Kingsway Regional School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Board of Education of the Kingsway Regional School District's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board of Education of the Kingsway Regional School District's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the Board of Education of the Kingsway Regional School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the Board of Education of the Kingsway Regional School District's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. The Board of Education of the Kingsway Regional School District's responses to the findings identified in my audit are described in the accompanying schedule of findings and questioned costs. I did not audit the Board of Education of the Kingsway Regional School District's response and, accordingly, I express no opinion on it.

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

Respectfully submitted,

BALL, BUCKLEY AND SEHER, LLP



William H. Buckley, III  
Licensed Public School Accountant No. 86

September 19, 2011

SCHEDULE A

KINGSWAY REGIONAL SCHOOL DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year ended June 30, 2011

Federal CFDA Number	Federal Grantor/Pass-Through Grantor or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment or Prior Years' Balances	Accounts Receivable	Balance at June 30, 2011 Deferred Revenue	Due to Grantor
U.S. Department of Education											
Passed-through State Department of Education:											
Special Revenue Fund:											
84.010	NCLB 2440-10	9/1/09-8/31/10		(44,691.79)	(2,237.21)	46,929.00	2,237.21				
84.010	NCLB 2440-10	9/1/09-8/31/10			2,237.21						
84.010	NCLB 2440-10	9/1/09-8/31/10		(654.00)		654.00					
84.010	NCLB 2440-11	9/1/10-8/31/11	89,817.00			89,817.00	89,817.00				
84.010	NCLB 2440-11	9/1/10-8/31/11	25,095.00			25,095.00	25,095.00				
84.010	NCLB 2440-11	9/1/10-8/31/11	195.00			195.00	195.00				
84.027	IDEA-2440-11	9/1/10-8/31/11	325,032.00			325,032.00	325,032.00				
84.391	ARRA 5120-10	9/1/09-8/31/11	389,526.00	(310,650.00)		322,100.00	11,250.00				
	Total Special Revenue Fund			(356,195.79)		809,822.00	453,626.21				
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
10.550	N/A	7/1/10 - 6/30/11	40,488.74			40,488.74	40,488.74				
10.555	N/A	7/1/10 - 6/30/11	131,729.08			131,729.08	131,729.08				
10.555	N/A	7/1/09 - 6/30/10	123,884.07	(8,854.25)		8,854.25					
	Total Enterprise Fund			(8,854.25)		181,072.07	172,217.82				
	Total Federal Financial Assistance			(365,050.04)		990,894.07	625,844.03				

See accompanying notes to schedules of expenditures of federal awards and state financial assistance

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Fiscal Year ended June 30, 2011**

State Grantor Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010			Balance at June 30, 2011			Memo	
				Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/Interfund Payable		Due to Grantor
<b>State Department of Education.</b>											
<b>General Fund:</b>											
* Equalization Aid	10-495-034-5120-078	7/1/09-6/30/10	5,918,422.00	\$ (525,205.00)	\$	525,205.00	\$	\$	\$	\$	\$
* Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	582,250.00	(84,368.00)		84,368.00					
* Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	881,158.00	(127,827.00)		127,827.00					
* Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	130,063.00	(15,134.00)		15,134.00					
* Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	5,567,165.00		5,055,203.00		5,567,165.00	(511,962.00)			5,567,165.00
* Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,010,718.00		917,524.00		1,010,718.00	(93,184.00)			1,010,718.00
Extraordinary Aid - Special Education	11-495-034-5120-044	7/1/10-6/30/11	205,424.00		88,130.00		205,424.00	(117,284.00)			205,424.00
Non-Public Transportation	11-495-034-5120-014	7/1/10-6/30/11	18,939.00		18,939.00		18,939.00				18,939.00
TPAF Grant	N/A	7/1/10-6/30/11	16,872.00		8,436.00		16,872.00	(8,436.00)			16,872.00
* Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	7/1/09-6/30/10	842,491.62	(41,075.62)	41,075.62						
* Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	864,506.20		823,362.26		864,506.20	(41,143.94)			864,506.20
On-behalf TPAF Contributions	11-495-034-5095-006	7/1/10-6/30/11	788,748.00		788,748.00		788,748.00				788,748.00
Total General Fund			670,863.00	(793,609.62)	8,493,951.88		8,472,372.20	(772,029.94)			8,548,130.40
Debt Service Fund:											
Debt Service Aft Type II	11-495-034-5120-125	7/1/10-6/30/11	670,863.00		670,863.00		670,863.00				670,863.00
<b>State Department of Agriculture</b>											
<b>Enterprise Fund:</b>											
National School Lunch Program (State Share)	10-100-010-3350-023	7/1/09-6/30/10	9,721.46	(684.18)	684.18						
National School Lunch Program (State Share)	11-100-010-3350-023	7/1/10-6/30/11	8,379.09		8,379.09		8,379.09				
Total Enterprise Fund				(684.18)	9,063.27						
Total State Financial Assistance			\$	\$ (794,293.80)	\$ 9,173,878.15	\$	\$ 9,151,614.29	\$ (772,029.94)	\$	\$	\$ 9,218,895.40

See accompanying notes to schedules of federal awards and state financial assistance.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
June 30, 2010**

**NOTE 1 - GENERAL**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all awards federal and State award programs of the Board of Education, Kingsway Regional School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and State awards received directly from federal and State agencies, as well as federal awards and State financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and State financial assistance.

**NOTE 2 - BASIS OF ACCOUNTING**

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

**NOTE 3 - RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis is zero. See Note 1(D) for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$1,105,186.00	\$6,238,157.02	\$7,343,343.02
Special Revenue Fund	568,215.39		568,215.39
Debt Service Fund		668,675.00	668,675.00
Food Service Fund	<u>163,028.02</u>	<u>9,721.46</u>	<u>172,749.48</u>
Total financial assistance	<u>\$1,836,429.41</u>	<u>\$6,916,553.48</u>	<u>\$8,752,982.89</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
June 30, 2010**

**NOTE 5 - OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. TPAF social security contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes   x   no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes   x   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes   x   no

**Federal Awards**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes   x   no
- 2) Significant deficiencies identified? \_\_\_\_\_ yes   x   none reported

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

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? \_\_\_\_\_ yes   x   no

Identification of major programs:

<u>CFDA Numbers(s)</u>	<u>Name of Federal Program or Cluster</u>
84-010	IDEA Part B Basic Regular

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes   X   no

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011**

*Section I - Summary of Auditor's Results (Concluded)*

**State Awards**

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes   X   no

Internal Control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ yes   X   no

2) Significant deficiencies identified that were not considered to be material weaknesses?

\_\_\_\_\_ yes   X   none reported

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

Unqualified Opinion

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04?

\_\_\_\_\_ yes   X   no

Identification of major programs:

<u>GMIS Numbers(s)</u>	<u>Name of State Program</u>
<u>11-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>11-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>11-495-034-5025-007</u>	<u>Reimbursement TPAF - Social Security</u>
<u>11-495-034-5095-008</u>	<u>On-behalf TPAF Pension Contribution</u>
<u>11-495-034-5120-125</u>	<u>Debt Service Aid - Type II</u>
_____	_____

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2011**

*Section II - Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

**Finding 11-0**

No Current Year Findings.

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

This section identifies audit findings to be reported by Section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter 04-04.

**Federal and State Awards**

**Finding 11-0**

No Current Year Findings or Questioned Costs.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
JUNE 30, 2011**

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

**Status of Prior Year Findings**

**Finding 10-0**

There were no prior year audit findings.