

KINGSWAY REGIONAL SCHOOL DISTRICT

Woolwich Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



Prepared by: Jason Schimpf
School Business Administrator/
Board Secretary

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OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9
FINANCIAL SECTION	
Independent Auditors' Report	13
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	19
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	43
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	45
B-6 Statement of Cash Flows	47
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	51
B-8 Statement of Changes in Fiduciary Net Position	52
Notes to Financial Statements	55
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	89
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	99
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	103
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	109
L-2 Schedule of District Contributions - PERS	110
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	111
Notes to the Required Supplementary Information - Part III	115

	PAGE
D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	123
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	127
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	128
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	129
F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	130
F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	131
F-2d Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	132
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	137
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	138
G-3 Combining Statement of Cash Flows	139
Internal Service Funds:	
G-4 Combining Statement of Net Position	143
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	144
G-6 Combining Statement of Cash Flows	145
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	149
H-2 Combining Statement of Changes in Fiduciary Net Position	150
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	151
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	151
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	155
I-2 Schedule of Obligations Under Capital Leases	156
I-3 Debt Service Fund Budgetary Comparison Schedule	157

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	161
J-2 Changes in Net Position	162
J-3 Fund Balances - Governmental Funds	164
J-4 Changes in Fund Balance - Governmental Funds	166
J-5 Other Local Revenue by Source - General Fund	167
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	168
J-7 Direct & Overlapping Property Tax Rates	169
J-8 Principal Property Taxpayers	170
J-9 Property Tax Levies & Collections	172
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	173
J-11 Ratios of General Bonded Debt Outstanding	174
J-12 Direct & Overlapping Governmental Activities Debt	175
J-13 Legal Debt Margin Information	176

Demographic & Economic Information:	PAGE
J-14 Demographic & Economic Statistics	177
J-15 Principal Employers	178
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	179
J-17 Operating Statistics	180
J-18 School Building Information	181
J-19 Schedule of Required Maintenance	182
J-20 Insurance Schedule	183

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	187
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey OMB Circular(s) 04-04 and/or 15-08	189
K-3 Schedule of Expenditures of Federal Financial Assistance, Schedule A	193
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	194
K-5 Notes to Schedules of Awards and Financial Assistance	195
K-6 Schedule of Findings & Questioned Costs	197
K-7 Summary Schedule of Prior Audit Findings	200

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INTRODUCTORY SECTION

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KINGSWAY REGIONAL SCHOOL DISTRICT

Committed to Excellence

Dr. James J. Lavender, ext. 4205
Superintendent of Schools

Mr. Jason Schimpf, ext. 4203
School Business Administrator

December 1, 2015

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 (“CAFR”) of the Kingsway Regional School District (hereinafter, the “District”) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District at June 30, 2015. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The CAFR is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter (designed to complement Management’s Discussion and Analysis and should be read in conjunction with), the District’s organizational chart, and a roster of district officials, consultants and advisors. The financial section includes Management’s Discussion and Analysis (“MD&A”), basic financial statements, required supplementary information and other supplementary information, as well as the auditor’s report therein. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments, and Non-profit Organizations,” and the New Jersey OMB Circular 04-04, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments.” Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, findings, and questioned costs, is included in the single audit section of this report.

Home of the Dragons

213 Kings Highway Woolwich Twp., NJ 08085 · Phone (856) 467-3300 · Fax (856) 467-5382

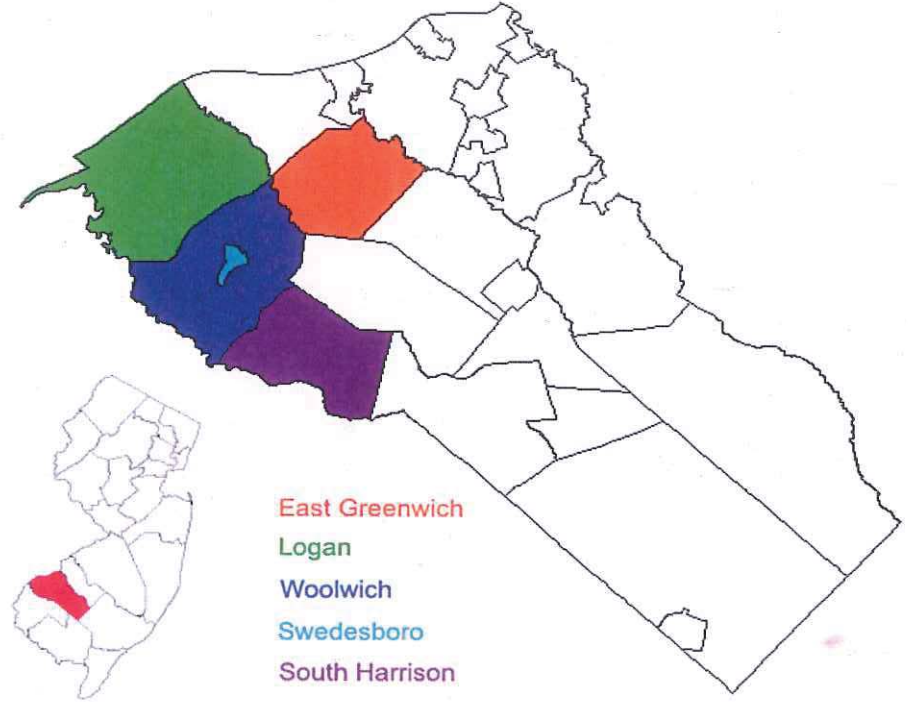
www.krsd.org

Reporting Entity

The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are included within this report. The Kingsway Regional School District Board of Education and its Middle and High Schools constitute the District’s reporting entity.

School District Organization

The Kingsway Regional School District is one of twenty-nine (29) public school districts within Gloucester County. The District provides a full range of educational services appropriate to grade levels 7 through 12. An elected nine-member Board of Education (“Board”), along with a representative from the Logan Township School District, serves as the policy making entity for the School District. Geographically, the District is situated in predominately rural/suburban areas, with more than 27,000 people residing within its 52 square mile border. The District includes the Borough of Swedesboro and the Townships of South Harrison, East Greenwich, and Woolwich. Though not part of the District, students from Logan Township attend Kingsway Regional High School through a send/receive relationship as paid tuition students.



The District completed the 2014-2015 fiscal year with an Average Daily Enrollment (“ADE”) of 2,552.0 students, which equates to an increase of 109.9 students from the 2013-2014 fiscal year. The following chart details the changes in the ADE of the District over the last five years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	2,552.0	+4.5%
2013-14	2,442.1	+4.8%
2012-13	2,329.9	+3.0%
2011-12	2,261.3	+1.3%
2010-11	2,232.1	+1.1%

Economic Condition and Outlook

Over the last decade Kingsway has experienced unprecedented growth. The student population has grown from 1,100 students in the 2000-01 school year to more than 2,500 students in the 2014-15 school year. A recent demographic study projects student enrollment to exceed 2,800 students by the year 2019.

This level of growth has forced Kingsway to “do more with less” and stretch every tax dollar to its absolute limit. Kingsway spent less per pupil than the average Grades 7-12 district, and as a result was ranked the lowest per pupil spending Grades 7-12 district for the 2013-14 school year as reported in the Taxpayer’s Guide to Education Spending. While spending less we have achieved more.

Educational Program

In its continued commitment to excellence, the Kingsway Regional School District identifies the purpose of education as one that supports intellectual growth and inspires an intrinsic desire to continuously seek improvement through learning. Therefore, it is the District’s mission to develop and maintain a comprehensive educational program that promotes a purposeful and relevant experience for the individual learner while fostering the 21st century skills of collaboration, communication, creativity, and critical thinking.

Kingsway’s administration, faculty, and staff possess a passion for learning; consequently, they provide a secure and supportive environment that affords high quality curriculum, differentiated instruction, and progressive programming that challenges and empowers each individual to pursue his or her potential. The District prides itself in educating all students so they are prepared to meet the challenges of college and career. To achieve this goal, students have access to a rigorous curriculum that focuses on the acquisition of vital foundational skills and their



application to real-world contexts. Furthermore, Kingsway supports the uniquely identified development of classified students through various setting options that include inclusion into the general education classroom, small-group instruction in a resource setting, and specialized programs that support the multiply disabled and behaviorally disabled population.

The regional curriculum team and teachers work collaboratively to develop and implement rigorous and relevant courses and programs of study that align with the Common Core State Standards (CCSS) and the New Jersey Core Curriculum Content Standards (NJCCCS). In doing so, instruction is designed to meet the interests and needs of the students through various differentiated methods. The district continues to implement and expand its six (6) Programs of Study to guide students in the identification of future college and career goals related to their individual interests. This student-centered model correlates to the sixteen (16) nationally recognized career clusters and contains concentrations to further assist students in identifying corresponding careers.

Kingsway Regional Middle School continues to implement an organizational structure of interdisciplinary teams that supports students as they transition onto Kingsway's campus in grade seven and move beyond in grade nine. In addition to receiving instruction in the core areas of English, literature, mathematics, science, social studies, and health/physical education, students at the middle school have an opportunity to choose among an array of electives. These include world language, art, and music as well as electives dedicated to the further exploration of science, technology, engineering, and math (S.T.E.M.).

Kingsway Regional High School includes a college preparatory program for all students and offers a vast amount of electives for which students can concentrate their studies. High school students also have an opportunity to participate in honors-level classes or can choose to take any of its seventeen Advanced Placement (AP) courses. In addition, dual credit opportunities with two local colleges have also been established to further support students as they prepare for college and career. The high school continues to provide a select group of student admittance into its S.T.E.M. Academy, which provides a rigorous four-year interdisciplinary program designed to provide a strong educational foundation for academically gifted students planning to pursue careers in Science, Technology, Engineering, or Mathematics. Successful completion of the full program allows students to graduate with up to thirty-two (32) college credits and a strong foundation in S.T.E.M. concepts.

District-wide, our staff and students have access to cutting-edge technology that enhances teaching and learning. Virtually every classroom is equipped with a projector and an interactive whiteboard. Wireless capabilities extend throughout the building enabling teachers and students to utilize laptop, I-pad, and Google chromebook carts for a multitude of purposes. We also have a Mac Lab, two state-of-the art large group instruction rooms, and a television production studio that is fully equipped with professional quality technology. A growing number of teachers are delivering instruction through a blended model (face-to-face and online) using an array of technological platforms.



Internal Accounting and Budgetary Control

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted within the United States. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state awards, the District is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are performed to determine the adequacy of the internal control system, including that portion related to major federal and state awards, as well as to determine whether the District has complied with applicable laws, regulations, contracts, and grants.

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. Annual appropriated budgets are adopted for the general, special revenue, and debt services funds. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund.

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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at fiscal year-end.

Accounting System and Reports

The District's accounting records reflect accounting principles generally accepted in the United States, 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 government-wide statements are explained in "Notes to the Basic Financial Statements," Note 1.

Cash Management

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

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.

Independent Audit

State statute requires an annual audit by independent certified public accountants. The accounting firm of Holman, Frenia, & Allison, P.C., was selected by the Board of Education. In addition to meeting the requirements set forth in state statute, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996, and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic financial statements and specific required supplemental information is 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.

Acknowledgements

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 District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report would not have been accomplished without the efficient and dedicated services of our financial and accounting staff members.

Respectfully submitted,

Dr. James J. Lavender
Superintendent of Schools

Jason Schimpf
School Business Administrator/
Board Secretary



KINGSWAY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2015

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Mueller, President	2015
Lauren Boerlin, Vice President	2016
Barry Jenkins	2016
Michele A. Blair	2015
Lisa Mordecai-Daniel	2017
Mia Randazzo	2015
Russell H. Marino	2017
Deborah Cunningham	2016
Patrick M. Daley	2017
Frank Donnelly, Logan Representative	2015

OTHER OFFICIALS

Dr. James J. Lavender, Superintendent

Jason Schimpf, Business Administrator/Board Secretary

KINGSWAY REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Michael Holt, CPA, PSA
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618 Stokes Road
Medford, New Jersey 08055

Attorney

Schwartz, Simon, Edelstein & Celso, LLC
44 Whippany Road, Suite 210
Morristown, New Jersey 07960

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

OFFICIAL DEPOSITORY

Fulton Bank of New Jersey
179 Kings Highway
Woolwich Township, New Jersey 08085

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Kingsway Regional School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Kingsway Regional School District, County of Gloucester, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplemental information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kingsway Regional School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance 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(s) 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of

management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015 on our consideration of the Kingsway Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Kingsway Regional School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
December 1, 2015

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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**KINGSWAY REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

UNAUDITED

The discussion and analysis of the Kingsway Regional School District's ("District") financial performance provides a narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

As described in Note 1 to the financial statements, "Change in Accounting Principle", the District has adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, for the year ended June 30, 2015. The adoption of this principle resulted in a restatement of the District's opening net position as of July 1, 2015 in the amount of \$9,757,726, as indicated in Note 18 to the financial statements. Prior year balances reflected in MD&A have not been updated to reflect this change.

Financial Highlights

- In total, the net position of the District was \$13,346,541, an increase of \$368,842. The District's net position consists of \$12,884,169 in governmental activities, and \$462,372 in business-type activities.
- Total revenue of \$43,639,154 was comprised of general revenues in the amount of \$35,045,120, or 80 percent, and program specific revenues from charges for services, grants, and contributions in the amount of \$8,594,034, or 20 percent.
- The District had \$42,018,809 in governmental activity expenses; only \$7,277,446 of these expenses were offset by program specific charges for services, operating grants and contributions. General revenues of \$35,049,068 were adequate to provide for these programs.
- In the governmental funds, the General fund had \$33,557,735 in revenues and \$33,973,886 in expenditures. Other financing sources accounted for an additional \$94,804. The General fund's fund balance decreased by \$321,347 from fiscal year ended June 30, 2014.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided within this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

District-wide Financial Statements

The district-wide financial statements are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

Statement of Net Position (A-1)

The statement of net position presents information about the District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as an indicator of whether the overall financial position of the District has improved or diminished.

Statement of Activities (A-2)

The statement of activities presents information showing how the net position of the District changed during the fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

In the statement of net position and statement of activities, the District is divided into two distinct kinds of activities:

- Governmental activities – the District's programs and services are reported here including instruction, support services, maintenance and operation of plant, transportation, and extra-curricular activities.
- Business-type activities – services provided on a charge-for-goods-or-services basis. These activities attempt to recover all their costs from user fees and charges. The District's food service and community education & recreation programs are recorded here.

Fund Financial Statements

Fund financial statements provide a more detailed analysis of the District's separate funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes. The District's funds are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

The District's activities are reported in governmental funds. These funds are reported utilizing a modified accrual basis of accounting, which measures cash and all other assets that can be readily converted to cash. The governmental fund category includes the general fund, special revenue fund, capital projects fund, and debt service fund. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. This information assists the reader in determining whether there are sufficient resources available to finance future educational programs.

Since the governmental funds and the governmental activities report information using the same functions, it may be useful to compare the information presented. The focus of each report differs, therefore, a reconciliation of the statements is provided within the fund financial statements to assist the reader.

The District adopts an annual appropriations budget for the general, special revenue, and debt service funds. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary Funds

The funds used to account for District activities for which a fee is charged to external users for goods or services. The proprietary fund includes enterprise and internal service funds. Proprietary funds present the same functions as the business-type activities presented in the district-wide financial statements.

Fiduciary Funds

Fiduciary fund types are used to account for assets held by the District as a trustee or agent for individuals, private organizations, or other governmental units and, therefore, are not available to support the District's programs. Fiduciary funds are not reflected in the district-wide financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. Please consult the table of contents to locate these notes.

District-wide Financial Analysis

Recall that the statement of net position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of the District's financial position.

The District's financial position is the product of various financial transactions which includes the net results of activities, addition and repayment of debt, acquisition and disposal of capital assets, and the depreciation of capital assets. Table 1 provides a summary of the District's net position for fiscal years ending 2015 and 2014.

	Governmental Activities		Business-type Activities	
	FY 2015	FY 2014	FY 2015	FY 2014
Assets				
Current and Other Assets	\$ 7,547,238	\$ 6,794,361	\$ 421,692	\$ 473,135
Capital Assets, Net	62,102,406	63,305,930	100,476	10,215
Deferred Outflow of Resources	2,447,596	1,159,107	-	-
Total Assets	72,097,240	71,259,398	522,168	483,350
Liabilities				
Current and Other Liabilities	12,472,373	1,243,238	11,502	39,155
Long-term Liabilities	46,139,629	48,182,070	48,294	42,960
Deferred Inflow of Resources	601,069	-	-	-
Total Liabilities	59,213,071	49,425,308	59,796	82,115
Net Position				
Invested in Capital Assets, Net of Related Debt	18,193,140	17,827,660	100,476	10,215
Restricted Assets	3,279,005	3,406,386	-	-
Unrestricted Assets	(8,587,976)	1,100,144	361,896	391,020
Total Net Position	\$ 12,884,169	\$ 22,334,190	\$ 462,372	\$ 401,235

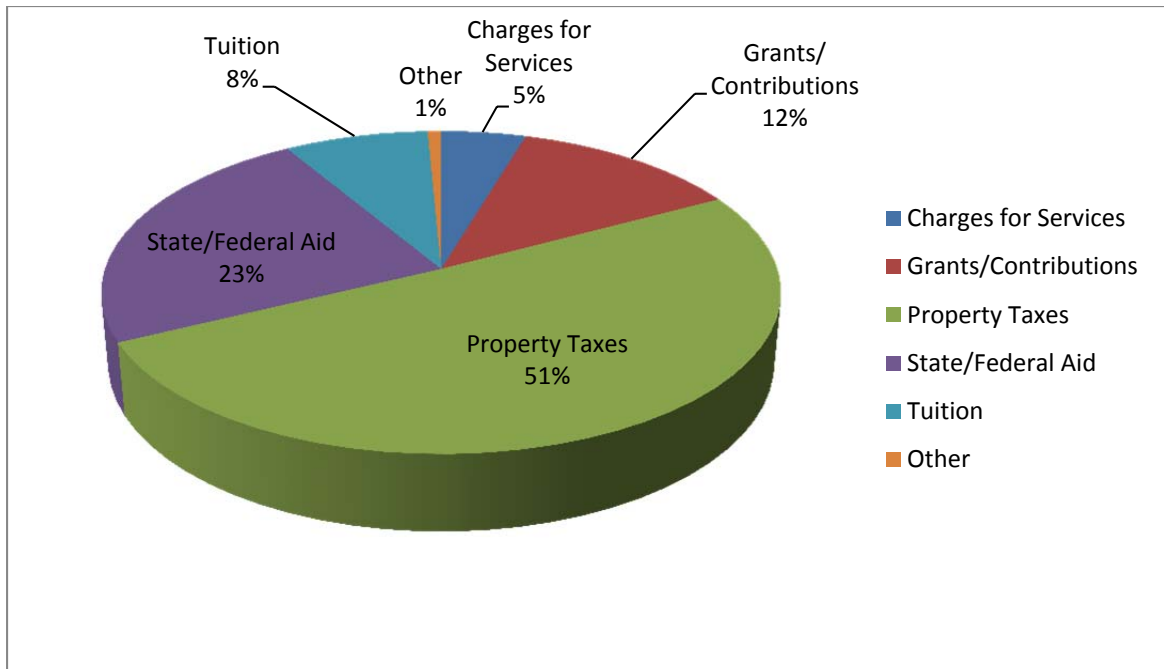
Table 2 illustrates changes in net position for fiscal years ending 2015 and 2014.

	Governmental Activities		Business-type Activities	
	FY 2015	FY 2014	FY 2015	FY 2014
Revenues				
Charges for Services	1,961,651	1,742,380	1,058,962	992,547
Operating Grants and Contributions	5,315,795	456,633	257,626	291,482
Property Taxes	21,425,088	20,471,088		
Grants and Entitlements	9,970,427	11,491,582		
Other	3,653,553	3,733,186	(3,948)	(753)
Total Revenues	42,326,514	37,894,869	1,312,640	1,283,276
Expenses				
Instruction	19,677,369	17,048,387		
Tuition	2,355,900	2,045,704		
Related Services	4,670,664	3,980,590		
Administrative Services	3,429,733	3,053,956		
Operations and Maintenance of Plant Services	3,840,177	3,790,087		
Pupil Transportation	4,564,605	3,702,236		
Interest on Debt	1,578,718	1,838,789		
Food Service			1,208,748	1,155,055
Unallocated Depreciation	1,670,349	1,880,234		
Other	231,294	417,609	42,755	13,266
Total Expenses	42,018,809	37,757,592	1,251,503	1,168,321
Increase/(Decrease) in Net Position	307,705	137,277	61,137	114,955

Governmental Activities

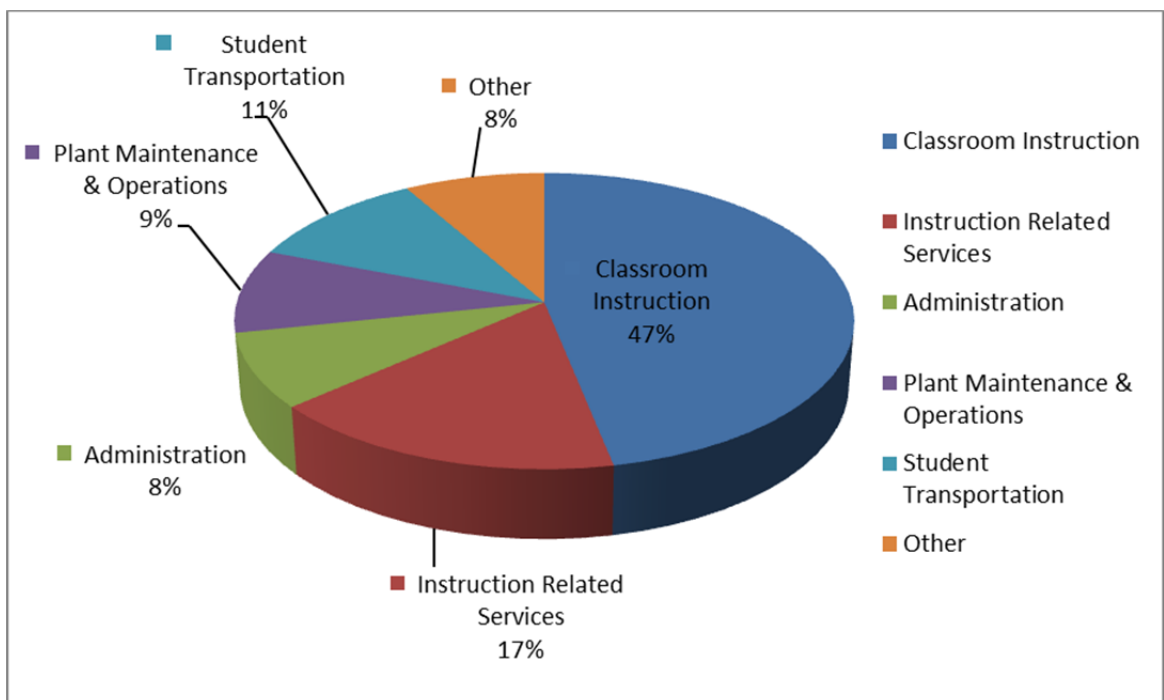
Property taxes made up 50.6 percent of revenues for fiscal year 2015 and 54 percent for fiscal year 2014. Property tax revenues increased \$954,000, or 4.6 percent over the prior fiscal year.

Sources of Revenue for Fiscal Year 2015



The cost of all programs and services was \$42,018,809. Instruction comprised 47 percent of District expenses.

Expenses for Fiscal Year 2015



Business-Type Activities

Revenues for the District's business-type activities (Food service and community education) were comprised of charges for services and federal and state reimbursements.

- Business type activity revenues exceeded expenses by \$61,137. Food service program revenues exceeded expenditures by \$10,794, while community education program revenues exceeded expenditures by \$50,343. This result was consistent with expectations of the program.
- Charges for services represented \$1,058,962 of revenue. \$965,864 was paid by patrons of the daily food service and \$93,098 was paid by participants of the community education program.
- Federal and state reimbursement for meals, including payments for free and reduced price lunches, and donated commodities totaled \$257,626.

Governmental Funds Financial Analysis

The governmental funds (General, special revenue, capital projects, and debt service funds presented in the fund-based statements) are accounted for utilizing the modified accrual basis of accounting. Total revenues amounted to \$37,753,981 and expenditures were \$38,456,562. The net change in fund balance was (\$509,999) after adjusting for an additional \$192,582 in other financing sources.

General Fund Budgetary Highlights

The School District's budget is prepared in accordance with New Jersey state 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.

Capital Assets

At the end of the fiscal year 2015, the District had \$62,102,406 invested in land, buildings, machinery and equipment, net of depreciation. The table below shows fiscal year 2015 balances compared to 2014.

Capital Assets (net of accumulated depreciation) June 30, 2015 and 2014

	Governmental		Business-Type		District-Wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 2,481,278	\$ 2,481,278			\$ 2,481,278	\$ 2,481,278
Construction in Progress	28,737,422	28,484,915			28,737,422	28,484,915
Buildings and Structures	25,830,555	26,967,395			25,830,555	26,967,395
Land Improvements	1,736,983	1,949,592			1,736,983	1,949,592
Machinery and Equipment	3,316,168	3,422,750	100,476	10,215	3,416,644	3,432,965
Net Assets	<u>\$62,102,406</u>	<u>\$63,305,930</u>	<u>\$ 100,476</u>	<u>\$ 10,215</u>	<u>\$62,202,882</u>	<u>\$63,316,145</u>

Overall capital assets decreased \$1,203,524 from fiscal year 2014 to fiscal year 2015. The reason for the decrease in net capital assets is the conclusion of the construction of additions and renovations to the High school and Middle School buildings as well as additional ongoing depreciation.

Debt Administration

At June 30, 2015, the District had \$56,273,894 in outstanding liabilities. This total consists of \$1,267,125 in compensated absences, \$43,554,000 of serial bonds for school construction, \$300,000 in capital leases and \$10,085,971 for the net pension liability.

On March 1, 1999, the District issued \$18,500,000 of general obligation bonds at 4.65% for the construction of additions and renovations to the existing Kingsway Regional School. On May 19, 2005, the District issued refunding bonds for \$15,780,000 of this series at 4.05%.

On August 15, 2004, the District completed the sale of \$16,914,000 of serial bonds with interest ranging from 4.5% to 4.875% in 2031. The proceeds of the bonds were used to finance the District's capital projects approved by the voters on September 30, 2003. On November 15, 2006, the District issued refunding bonds for \$9,075,000 of this series at 4.17%, On March 8, 2012; the District issued refunding bonds for \$5,935,000 of the original 2004 series at 2.49%.

On September 27, 2011, the voters of the District approved a bond referendum in the amount of \$22,659,000. The proceeds will fund the construction of additions and renovations to the existing middle and high schools. The interest rate on the bonds issued on January 18, 2012 is 3.106%.

The District maintains an AA- rating from Standard and Poor's.

For the Future

As one of the State's fastest growing school district's, Kingsway serves the two fastest growing municipalities in the state – The Townships of Woolwich and East Greenwich. Woolwich Township's population alone has swelled to nearly 11,000 residents, more than tripling the census totals in 2000. East Greenwich's population currently exceeds 10,200 residents. Today, there are over 3,500 children in Woolwich alone, more than its entire population ten years ago. As a result, the District's enrollment has increased by close to 100 pupils per year each of the last ten years. Since 2001 more than 1,400 students have entered Kingsway, placing demands on facilities, programs, and staff, resulting in increased costs to our School District.

Looking ahead, enrollment may exceed 3,000 students by 2020, placing additional pressure on Kingsway's resources and facilities. The burden to fund our school district has consistently shifted to our local tax payers. This shift of responsibility has made it increasingly difficult to maintain our quality school system.

Contacting the School District's Financial Department

This financial report is designed to provide the district's citizens, taxpayers, bond holders, and creditors with a general overview of the District's finances to demonstrate the district's accountability for the resources it receives. If you have questions regarding this report or require additional information, please contact the School Business Administrator at the Kingsway Regional School District Administrative Offices, 213 Kings Highway, Woolwich Township, New Jersey 08085. Our website provides additional district information and can be located at www.krsd.org.

BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS JUNE 30, 2015
Cash & Cash Equivalents	\$ 5,305,542	\$ 387,798	\$ 5,693,340
Receivables, Net	1,741,266	17,310	1,758,576
Internal Balances	330	10,051	10,381
Inventory	-	6,533	6,533
Restricted Cash & Cash Equivalents	500,100	-	500,100
Capital Assets, Non-Depreciable (Note 5)	31,218,700	-	31,218,700
Capital Assets, Depreciable, Net (Note 5)	30,883,706	100,476	30,984,182
Total Assets	69,649,644	522,168	70,171,812
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	1,165,535	-	1,165,535
Deferred Outflows Related to Pensions	1,282,061	-	1,282,061
Total Deferred Outflow of Resources	2,447,596	-	2,447,596
Total Assets and Deferred Outflow of Resources	72,097,240	522,168	72,619,408
LIABILITIES			
Accounts Payable	577,824	-	577,824
Internal Balances	10,051	-	10,051
Unearned Revenue	816,238	11,502	827,740
Accrued Interest Payable	471,790	-	471,790
PERS Pension Payable	510,499	-	510,499
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,573,373	-	2,573,373
Due Beyond One Year	53,652,227	48,294	53,700,521
Total Liabilities	58,612,002	59,796	58,671,798
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	601,069	-	601,069
Total Deferred Inflows of Resources	601,069	-	601,069
Total Liabilities and Deferred Inflows of Resources	59,213,071	59,796	59,272,867
NET POSITION			
Net Investment in Capital Assets	19,475,201	100,476	19,575,677
Restricted For:			
Capital Projects	500,100	-	500,100
Other Purposes	2,778,905	-	2,778,905
Unrestricted	(9,870,037)	361,896	(9,508,141)
Total Net Position	\$ 12,884,169	\$ 462,372	\$ 13,346,541

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, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES		OPERATING GRANTS & CONTRIBUTIONS	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES	JUNE 30, 2015
		-	-	-			
Governmental Activities:							
Instruction:							
Regular	\$ 14,702,463	\$ -	\$ 2,706,842	\$ -	\$ (11,995,621)	\$ -	(11,995,621)
Special Education	3,732,321	-	786,970	-	(2,945,351)	-	(2,945,351)
Other Instructional	5,352	-	-	-	(5,352)	-	(5,352)
School Sponsored	1,237,231	-	79,204	-	(1,158,027)	-	(1,158,027)
Support Services & Undistributed Costs:							
Tuition	2,355,900	-	-	-	(2,355,900)	-	(2,355,900)
Student & Instruction Related Services	3,422,216	-	556,366	-	(2,865,850)	-	(2,865,850)
Health Services	351,236	-	43,129	-	(308,107)	-	(308,107)
Educational Media Services/School Library	897,212	-	321,940	-	(575,272)	-	(575,272)
School Administrative Services	1,715,299	-	92,875	-	(1,622,424)	-	(1,622,424)
General Administration	857,522	93,189	81,068	-	(683,265)	-	(683,265)
Central Services	362,551	-	-	-	(362,551)	-	(362,551)
Administrative Information Technology	494,361	82,334	-	-	(412,027)	-	(412,027)
Plant Operations & Maintenance	3,840,177	45,849	538,121	-	(3,256,207)	-	(3,256,207)
Pupil Transportation	4,564,605	1,740,279	109,280	-	(2,715,046)	-	(2,715,046)
Interest on Long-Term Debt and Other Charges	1,578,718	-	-	-	(1,578,718)	-	(1,578,718)
Unallocated Depreciation	1,670,349	-	-	-	(1,670,349)	-	(1,670,349)
Unallocated Compensated Absences	231,294	-	-	-	(231,294)	-	(231,294)
Total Governmental Activities	42,018,809	1,961,651	5,315,795	-	(34,741,363)	-	(34,741,363)
Business-Type Activities:							
Food Service	1,208,748	965,864	257,626	-	-	14,742	14,742
Community Education Program	42,755	93,098	-	-	-	50,343	50,343
Total Business-Type Activities	1,251,503	1,058,962	257,626	-	-	65,085	65,085
Total Primary Government	\$ 43,270,312	\$ 3,020,613	\$ 5,573,421	-	(34,741,363)	65,085	(34,676,278)

**KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2015
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				18,400,237	-	18,400,237
Taxes Levied for Debt Service				3,024,851	-	3,024,851
Federal & State Aid Not Restricted				9,970,427	-	9,970,427
Tuition Received				3,341,849	-	3,341,849
Rents and Royalties				77,121	-	77,121
Investment Earnings				6,623	1,386	8,009
Miscellaneous Income				227,960	-	227,960
Net Change in Compensated Absences				-	(5,334)	(5,334)
Total General Revenues, Special Items, Extraordinary Items & Transfers				35,049,068	(3,948)	35,045,120
Change In Net Position				307,705	61,137	368,842
Net Position - Beginning, as restated				12,576,464	401,235	12,977,699
Net Position - Ending				12,884,169	\$ 462,372	\$ 13,346,541

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B. Fund Financial Statements

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Governmental Funds

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**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2015
ASSETS & OTHER DEBITS					
Cash & Cash Equivalents	\$ 2,500,882	\$ 11,843	\$ 2,438,892	\$ 128,428	\$ 5,080,045
Receivables from Other Governments	848,096	5,483	423,170	90,194	1,366,943
Due from Other Funds	653,480	-	-	-	653,480
Receivables, Net	46,753	-	-	-	46,753
Restricted Cash & Cash Equivalents	500,100	-	-	-	500,100
Total Assets	\$ 4,549,311	\$ 17,326	\$ 2,862,062	\$ 218,622	\$ 7,647,321
LIABILITIES & FUND BALANCES					
Liabilities:					
Unearned Revenue	\$ 695,910	\$ 12,723	\$ -	\$ 107,605	\$ 816,238
Accounts Payable	203,572	4,603	-	-	208,175
Due to Other Funds	10,051	-	100,083	-	110,134
Construction Contract Payable - Retainage	-	-	369,649	-	369,649
Total Liabilities	909,533	17,326	469,732	107,605	1,504,196
Fund Balances:					
Restricted for:					
Capital Reserve Account	500,100	-	-	-	500,100
Excess Surplus - Designated for Subsequent Year's Expenditures	1,475,015	-	-	-	1,475,015
Excess Surplus	1,540,587	-	-	-	1,540,587
Capital Projects Fund	-	-	2,392,330	-	2,392,330
Debt Service Fund	-	-	-	111,017	111,017
Committed to:					
Other Purposes	74,349	-	-	-	74,349
Assigned to:					
Designated for Subsequent Year's Expenditures	49,727	-	-	-	49,727
Total Fund Balances	3,639,778	-	2,392,330	111,017	6,143,125
Total Liabilities & Fund Balances	\$ 4,549,311	\$ 17,326	\$ 2,862,062	\$ 218,622	

Amounts reported for governmental activities in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$91,272,529 and the accumulated depreciation is \$29,170,123.	62,102,406
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	1,846,527
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.	(56,225,600)
Accrued interest payable and PERS pension payable are not recorded in the fund Financial Statements due to the fact that the payables are not due in the period.	(982,289)
Net Position of Governmental Activities	\$ 12,884,169

**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2015
Revenues:					
Local Sources:					
Local Tax Levy	\$ 18,400,237	\$ -	\$ -	\$ 3,024,851	\$ 21,425,088
Tuition	3,341,849	-	-	-	3,341,849
Rents and Royalties	77,121	-	-	-	77,121
Miscellaneous	196,308	30,066	-	8,209	234,583
Total Local Sources	22,015,515	30,066	-	3,033,060	25,078,641
State Sources	11,524,496	-	-	603,050	12,127,546
Federal Sources	17,724	530,070	-	-	547,794
Total Revenues	33,557,735	560,136	-	3,636,110	37,753,981
Expenditures:					
Current Expense:					
Regular Instruction	9,187,438	-	-	-	9,187,438
Special Education Instruction	2,275,927	141,704	-	-	2,417,631
Other Instruction	5,352	-	-	-	5,352
School Sponsored	1,075,858	-	-	-	1,075,858
Support Services:					
Tuition	1,939,788	416,112	-	-	2,355,900
Attendance Services	74,041	-	-	-	74,041
Health Services	263,364	-	-	-	263,364
Student & Instruction Related Services	2,135,307	-	-	-	2,135,307
Educational Media Services/School					
Library	241,280	-	-	-	241,280
Instructional Staff Training	79,306	-	-	-	79,306
General Administration	610,131	-	-	-	610,131
School Administration	1,526,072	-	-	-	1,526,072
Central Services	362,551	-	-	-	362,551
Administrative Information Technology	403,217	-	-	-	403,217
Plant Operations & Maintenance	2,697,816	-	-	-	2,697,816
Pupil Transportation	2,694,444	-	-	-	2,694,444
Allocated Employee Benefits	5,145,365	-	-	-	5,145,365
Unallocated Employee Benefits	2,625,574	2,320	-	-	2,627,894
Debt Service:					
Principal	-	-	-	2,095,000	2,095,000
Interest & Other Charges	-	-	-	1,575,033	1,575,033
Capital Outlay	631,055	-	252,507	-	883,562
Total Expenditures	33,973,886	560,136	252,507	3,670,033	38,456,562
Excess/(Deficiency) of Revenues			-		
Over/(Under) Expenditures	(416,151)	-	(252,507)	(33,923)	(702,581)
Other Financing Sources/(Uses)					
Proceeds of Refunding Bonds	-	-	-	9,736,442	9,736,442
Deposit to Refunding Escrow	-	-	-	(9,638,664)	(9,638,664)
Transfers In	94,804	-	-	-	94,804
Total Other Financing Sources/(Uses)	94,804	-	-	97,778	192,582
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(321,347)	-	(252,507)	63,855	(509,999)
Fund Balances July 1, 2014	3,961,125	-	2,644,837	47,162	6,653,124
Fund Balances June 30, 2015	\$ 3,639,778	\$ -	\$ 2,392,330	\$ 111,017	\$ 6,143,125

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

**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, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (509,999)

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 outlays exceeded depreciation in the period:

Depreciation Expense	\$ (1,670,349)	
Capital Outlay	<u>466,825</u>	(1,203,524)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Bond Principal		2,095,000
----------------	--	-----------

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities.

Bond Proceeds	(8,730,000)	
Bonds Refunded	<u>9,445,000</u>	715,000

Government funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the Treatment of long-term debt and related activities.

Prior Year	(928,572)	
Current Year	<u>98,734</u>	(829,838)

In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in net position will differ from the change in fund balance by the cost of the asset removed (-).

300,000

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2015	444,098	
Unfunded TPAF Pension Expense	(2,610,882)	
State Share of Unfunded TPAF Pension Expense	2,610,882	
Pension Expense	<u>(601,850)</u>	(157,752)

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.

Prior Year	601,902	
Current Year	<u>(471,790)</u>	130,112

Increase in compensated absences is not an expenditure in the governmental funds, but increases long-term liabilities in the statement of net position and is not reported in the statement of activities.

Prior Year	987,537	
Current Year	<u>(1,218,831)</u>	(231,294)

Change in Net Position of Governmental Activities \$ 307,705

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Proprietary Funds

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**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 284,962	\$ 102,836	\$ 163,995	\$ 70,360
Interfund Receivable	10,051	-	-	-
Accounts Receivable	17,310	-	313,201	539
Other Receivable	-	-	827	-
Inventories	6,533	-	-	-
Total Current Assets	318,856	102,836	477,196	70,899
Noncurrent Assets:				
Equipment	697,881	-	-	-
Accumulated Depreciation	(597,405)	-	-	-
Total Capital Assets	100,476	-	-	-
Total Assets	419,332	102,836	477,196	70,899
LIABILITIES:				
Current Liabilities:				
Cash Deficit	-	-	-	-
Accounts Payable	-	-	-	-
Interfund Payable	-	-	478,023	70,899
Unearned Revenue	11,502	-	-	-
Total Current Liabilities	11,502	-	478,023	70,899
Noncurrent Liabilities:				
Compensated Absences	48,294	-	-	-
Total Noncurrent Liabilities	48,294	-	-	-
Total Liabilities	59,796	-	478,023	70,899
NET POSITION				
Net Investment in Capital Assets	100,476	-	-	-
Unrestricted Net Position	259,060	102,836	-	-
Total Net Position	\$ 359,536	\$ 102,836	\$ -	\$ -

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2015
Current Assets:			
Cash & Cash Equivalents	\$ 12,653	\$ -	\$ 634,806
Interfund Receivable	-	8,810	18,861
Accounts Receivable	-	-	331,050
Other Receivables	302	12,701	13,830
Inventories	-	-	6,533
Total Current Assets	12,955	21,511	1,005,080
Noncurrent Assets:			
Equipment	-	-	697,881
Accumulated Depreciation	-	-	(597,405)
Total Capital Assets	-	-	100,476
Total Assets	12,955	21,511	1,105,556
LIABILITIES:			
Current Liabilities:			
Cash Deficit	-	21,511	21,511
Accounts Payable	-	-	-
Interfund Payable	12,955	-	561,877
Unearned Revenue	-	-	11,502
Total Current Liabilities	12,955	21,511	594,890
Noncurrent Liabilities:			
Compensated Absences	-	-	48,294
Total Noncurrent Liabilities	-	-	48,294
Total Liabilities	12,955	21,511	643,184
NET POSITION			
Net Investment in Capital Assets	-	-	100,476
Unrestricted Net Position	-	-	361,896
Total Net Position	\$ -	\$ -	\$ 462,372

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
	Operating Revenue:			
Local Sources:				
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,602,026	\$ -
Sale of Gasoline	-	-	13,768	-
Daily Sales - Reimbursable Programs	493,720	-	-	-
Daily Sales - Nonreimbursable Programs	434,061	-	-	-
Vending Machine Sales	9,244	-	-	-
Special Function	28,839	-	-	-
Program Fees	-	93,098	-	-
Service Fees	-	-	124,485	45,849
Miscellaneous	-	-	-	-
Total Operating Revenue	965,864	93,098	1,740,279	45,849
Operating Expenses:				
Salaries & Employee Benefits	682,622	10,939	996,874	41,800
Supplies and Materials	6,233	22,540	168,801	4,173
Repairs & Other Expenses	8,323	-	613	-
Other Purchased Services-Contracted	-	9,276	143,845	-
Miscellaneous Purchased Services	-	-	331,707	-
Depreciation	14,226	-	-	-
Miscellaneous Expense	-	-	5,670	-
Cost of Sales	497,344	-	-	-
Total Operating Expenses	1,208,748	42,755	1,647,510	45,973
Operating (Loss)/Gain	(242,884)	50,343	92,769	(124)
Nonoperating Revenues:				
Gain on Adjustment to Capital Assets	-	-	-	-
State Sources:				
State School Lunch Program	8,719	-	-	-
Federal Sources:				
National School Lunch Program	192,368	-	-	-
Healthy Hunger-Free Kids Act	10,621	-	-	-
Food Distribution Program	45,918	-	-	-
Interest & Dividends	1,386	-	-	-
Total Nonoperating Revenues	259,012	-	-	-
Net Income/(Loss)	16,128	50,343	92,769	(124)
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Change in Compensated Absences	(5,334)	-	-	-
Transfer to General Fund	-	-	(92,769)	124
Total Other Financing Sources/(Uses)	(5,334)	-	(92,769)	124
Change in Net Position	10,794	50,343	-	-
Total Net Position - Beginning	348,742	52,493	-	-
Total Net Position - Ending	\$ 359,536	\$ 102,836	\$ -	\$ -

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2015
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,602,026
Sale of Gasoline	-	-	13,768
Daily Sales - Reimbursable Programs	-	-	493,720
Daily Sales - Nonreimbursable Programs	-	-	434,061
Vending Machine Sales	-	-	9,244
Special Function	-	-	28,839
Program Fees	-	-	93,098
Service Fees	93,189	82,334	345,857
Miscellaneous	-	-	-
Total Operating Revenue	93,189	82,334	3,020,613
Operating Expenses:			
Salaries & Employee Benefits	82,220	75,550	1,890,005
Supplies and Materials	-	4,107	205,854
Repairs & Other Expenses	-	-	8,936
Other Purchased Services-Contracted	-	-	153,121
Miscellaneous Purchased Services	-	11,487	343,194
Depreciation	-	-	14,226
Miscellaneous Expense	-	-	5,670
Cost of Sales	-	-	497,344
Total Operating Expenses	82,220	91,144	3,118,350
Operating (Loss)/Gain	10,969	(8,810)	(97,737)
Nonoperating Revenues:			
Gain on Adjustment to Capital Assets	-	-	-
State Sources:			
State School Lunch Program	-	-	8,719
Federal Sources:			
National School Lunch Program	-	-	192,368
Healthy Hunger-Free Kids Act	-	-	10,621
Food Distribution Program	-	-	45,918
Interest & Dividends	-	-	1,386
Total Nonoperating Revenues	-	-	259,012
Net Income/(Loss)	10,969	(8,810)	161,275
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Change in Compensated Absences	-	-	(5,334)
Transfer to General Fund	(10,969)	8,810	(94,804)
Total Other Financing Sources/(Uses)	(10,969)	8,810	(100,138)
Change in Net Position	-	-	61,137
Total Net Position - Beginning	-	-	401,235
Total Net Position - Ending	\$ -	\$ -	\$ 462,372

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	BUSINESS-TYPE ACTIVITIES		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 953,284	\$ 93,098	\$ 1,767,905	\$ 95,778
Payments to Employees	(509,939)	(10,162)	(743,334)	(41,675)
Payments for Employee Benefits	(172,683)	(777)	(253,540)	(125)
Payments to Suppliers	(528,322)	(31,816)	(571,907)	66,726
Net Cash Provided/(Used) by Operating Activities	(257,660)	50,343	199,124	120,704
Cash Flows From Investing Activities:				
Interest & Dividends	1,386	-	-	-
Net Cash Provided by Investing Activities	(103,101)	-	-	-
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	(92,769)	124
State Sources	8,719	-	-	-
Federal Sources	248,907	-	-	-
Net Cash Provided by Noncapital Financing Activities	257,626	-	(92,769)	124
Net Increase/(Decrease) in Cash & Cash Equivalents	(103,135)	50,343	106,355	120,828
Cash and Cash Equivalents, July 1	388,097	52,493	57,640	(50,468)
Cash & Cash Equivalents, June 30	\$ 284,962	\$ 102,836	\$ 163,995	\$ 70,360

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (242,884)	\$ 50,343	\$ 92,769	\$ (124)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	14,226	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	1,231	-	-	-
(Increase)/Decrease in Interfund Receivable	(1,711)	-	-	3,334
(Increase)/Decrease in Accounts Receivable, Net	(869)	-	27,626	46,595
(Increase)/Decrease in Accounts Payable	(17,653)	-	(14,040)	-
Increase/(Decrease) in Interfund Payable	-	-	92,769	70,899
Increase/(Decrease) in Prepaid Lunches	(10,000)	-	-	-
Total Adjustments	(14,776)	-	106,355	120,828
Net Cash Provided/(Used) by Operating Activities	\$ (257,660)	\$ 50,343	\$ 199,124	\$ 120,704

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2015
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 92,887	\$ 71,323	\$ 3,074,275
Payments to Employees	(74,585)	(146,573)	(1,526,268)
Payments for Employee Benefits	-	-	(427,125)
Payments to Suppliers	-	(15,594)	(1,080,913)
Net Cash Provided/(Used) by Operating Activities	18,302	(90,844)	39,969
Cash Flows From Investing Activities:			
Interest & Dividends	-	-	1,386
Purchase of Equipment	-	-	(104,487)
Net Cash Provided by Investing Activities	-	-	(103,101)
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	(10,969)	8,810	(94,804)
State Sources	-	-	8,719
Federal Sources	-	-	248,907
Net Cash Provided by Noncapital Financing Activities	(10,969)	8,810	162,822
Net Increase/(Decrease) in Cash & Cash Equivalents	7,333	(82,034)	99,690
Cash and Cash Equivalents, July 1	5,320	60,523	513,605
Cash & Cash Equivalents, June 30	\$ 12,653	\$ (21,511)	\$ 613,295

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 10,969	\$ (8,810)	\$ (97,737)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	-	14,226
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	-	1,231
(Increase)/Decrease in Accounts Receivable, Net	(302)	(2,201)	70,849
(Increase)/Decrease in Interfund Receivable	-	(8,810)	(7,187)
Increase/(Decrease) in Accounts Payable	-	-	(31,693)
Increase/(Decrease) in Interfund Payable	7,635	(71,023)	100,280
Increase/(Decrease) in Prepaid Lunches	-	-	(10,000)
Total Adjustments	7,333	(82,034)	137,706
Net Cash Provided/(Used) by Operating Activities	\$ 18,302	\$ (90,844)	\$ 39,969

Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE			TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	AGENCY FUND	JUNE 30, 2015
Cash & Cash Equivalents	\$ 161,022	\$ 194,181	\$ 241,621	\$ 596,824
Total Assets	161,022	194,181	241,621	596,824
LIABILITIES				
Payroll Deductions & Withholdings	-	-	14,341	14,341
Due to Student Groups	-	-	226,950	226,950
Accounts Payable	13,358	-	-	13,358
Interfund Payable	-	-	330	330
Total Liabilities	13,358	-	241,621	254,979
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	147,664	-	-	147,664
Reserved for Scholarships	-	194,181	-	194,181
Total Net Position	\$ 147,664	\$ 194,181	\$ -	\$ 341,845

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ADDITIONS:	UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND		SCHOLARSHIPS	<u>TOTALS</u> JUNE 30, 2015
Local Sources:				
Contributions	\$ 36,399	\$ 1,600	\$ 37,999	
Board Contributions	-	-	-	
Total Contributions	<u>36,399</u>	<u>1,600</u>	<u>37,999</u>	
Investment Earnings:				
Interest on Investments	<u>286</u>	<u>213</u>	<u>499</u>	
Total Investment Earnings	<u>286</u>	<u>213</u>	<u>499</u>	
Total Additions	<u>36,685</u>	<u>1,813</u>	<u>38,498</u>	
DEDUCTIONS:				
Unemployment Claims	93,814	-	93,814	
Scholarship Payments	-	4,074	4,074	
Total Deductions	<u>93,814</u>	<u>4,074</u>	<u>97,888</u>	
Change in Net Position	(57,129)	(2,261)	(59,390)	
Net Position - Beginning of Year	<u>204,793</u>	<u>196,442</u>	<u>401,235</u>	
Net Position - End of Year	<u>\$ 147,664</u>	<u>\$ 194,181</u>	<u>\$ 341,845</u>	

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

KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

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KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of the Kingsway Regional School District (the 'District') have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

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 District is governed by a nine (9) member board elected to three-year staggered terms and one (1) sending district member appointed annually by the Logan Township School District. The purpose of the District is to educate students in grades seventh through twelfth at its two schools. The District has an approximate enrollment at June 30, 2015 of 2,534 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

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

Component Units

GASB Statement No.14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The District had no component units as of for the year ended June 30, 2015.

Government-Wide Financial Statements

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

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

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

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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 in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the Community Education program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District maintains internal service funds for transportation services, maintenance services, general administration and technology services.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of Kingsway Regional School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the Capital Outlay sub-fund.

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

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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

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).

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.

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Community Education Fund - This fund accounts for the revenues and expenses pertaining to the District’s Community Education Program.

Internal Service Fund – Internal service funds are cost accounting and distribution entities, and are intended to “break even” annually and/or over a period of years. The use of an internal service fund does not provide additional revenue or expenses to the district by acts as a means to document the sharing of the costs. The internal service fund has been established to account for the financing of transportation, maintenance, technology, and general administration 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.

Additionally, the District reports the following major fiduciary funds:

Private Purpose Trust Funds - Private-purpose trust funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The district currently maintains the following private purpose trust funds:

Unemployment Trust Fund – Revenues consist of employee payroll withholdings, interest income, and contributions through the annual budget process of the District. Expenditures consist of unemployment reimbursement claims.

Scholarship Fund – Revenues consist of interest income and donations. Expenditures consist of scholarships provided to students.

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity’s own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

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

Cash and Cash Equivalents

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.

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

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 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.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2015 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Inventories

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

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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the 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 the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Kingsway Regional School District classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

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

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Net Position

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

- **Net Investment in Capital Assets** – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- **Restricted** – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Unrestricted** – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement 27* effective for fiscal years beginning after June 15, 2014. GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

Deferred loss on refunding debt arising from the issuance of the refunding bonds is recorded as deferred outflows of resources. It is amortized in a systematic and rational manner over the shorter of the duration of the related debt or the new debt issues as a component of interest expense.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The Kingsway Regional School District has evaluated subsequent events occurring after June 30, 2015 through the date of December 1, 2015, which is the date the financial statements were available to be issued.

Pensions Section

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

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2015, the District's bank balance of \$8,288,154 was exposed to custodial credit risk as follows:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 2. Cash Deposits and Investments (continued):

Insured Under FDIC	\$	250,000
Collateralized by securities held by Pledging financial institution		7,400,374
Uninsured and uncollateralized		<u>637,780</u>
Total	<u>\$</u>	<u>8,288,154</u>

Investments

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

1. Bonds and other obligations of the United State or obligations guaranteed by the United States.
2. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank , which have a maturity date not greater than twelve months from the date of purchase.
3. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA CLASS.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have custodial credit risk policies for investments.

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure..

Concentrations - The District places no limit in the amount the District may invest in any one issuer

The District did not hold any investments at June 30, 2015.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 3. Reserve Accounts

A. Capital Reserve

A capital reserve account was established by the Kingsway Regional School District by inclusion of \$1 on October 3, 2000, for the accumulation of funds for use as capital outlay expenditures in subsequent years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 500,100
Add: Budgeted Transfer	-
Add: Transfers by Resolution	-
	<hr/>
Ending Balance, June 30, 2015	<u>\$ 500,100</u>

Note 4. Receivables

Receivables at June 30, 2015 consisted of tuition fees, shared service fees charged other governmental units, and governmental grants. All receivables are considered collectable in full due to the stable condition of the other governmental units, State programs and the current year guarantee of federal funds.

Receivables as of year-end for the School District's individual major and proprietary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Fund	Total
Intergovernmental	\$ 848,096	\$ 5,483	\$ 423,170	\$ 90,194	\$ 17,310	\$ -	\$ 1,384,253
Other	46,753	-	-	-	-	327,570	374,323
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 894,849</u>	<u>\$ 5,483</u>	<u>\$ 423,170</u>	<u>\$ 90,194</u>	<u>\$ 17,310</u>	<u>\$ 327,570</u>	<u>\$ 1,758,576</u>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 5. Capital Assets

The following schedule is a summarization of the general capital assets by source for the fiscal year ended June 30, 2015:

	June 30, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	June 30, <u>2015</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 2,481,278	\$ -	\$ -	\$ -	2,481,278
Construction in Progress	28,484,915	252,507	-	-	28,737,422
Total Non-Depreciable Assets	30,966,193	252,507	-	-	31,218,700
<u>Depreciable Assets</u>					
Building & Structures	47,257,972	95,619	-	-	47,353,591
Land Improvements	6,042,156	35,975	-	-	6,078,131
Machinery & Equipment	6,539,383	82,724	-	-	6,622,107
Subtotal	59,839,511	214,318	-	-	60,053,829
Accumulated Depreciation	(27,499,774)	(1,670,349)	-	-	(29,170,123)
Total	\$ 63,305,930	\$ (1,203,524)	\$ -	\$ -	\$ 62,102,406

Business-Type Activities

	June 30, 2014	Additions	Deletions	Adjustments	June 30, 2015
Machinery & Equipment	\$ 593,394	\$ 104,487	\$ -	\$ -	\$ 697,881
Subtotal	593,394	104,487	-	-	697,881
Accumulated Depreciation	(583,179)	(14,226)	-	-	(597,405)
Total	\$ 10,215	\$ 90,261	\$ -	\$ -	\$ 100,476

Depreciation expense was charged to governmental functions/programs as follows:

Governmental Activities:

Unallocated	<u>\$ 1,670,349</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,670,349</u></u>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2015 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 653,480	\$ 10,051
Capital Projects Fund	-	100,083
Enterprise Funds	10,051	-
Internal Service Funds	8,810	561,877
Fiduciary Funds	-	330
	<u> </u>	<u> </u>
	<u>\$ 672,341</u>	<u>\$ 672,341</u>

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

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 105,641	\$ 10,645
Capital Projects Fund	-	1,899
Internal Service Fund	8,934	103,738
Food Service Fund	1,711	-
Fiduciary Funds	-	4
	<u> </u>	<u> </u>
	<u>\$ 116,286</u>	<u>\$ 116,286</u>

The purpose of interfun transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2015 the following changes occurred in long-term obligations:

	Balance <u>6/30/14</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>6/30/15</u>	Due Within <u>One Year</u>
Compensated Absences - Governmental	\$ 987,537	\$ 231,294	\$ -	\$ 1,218,831	\$ -
Compensated Absences - Business-Type	42,960	5,334	-	48,294	-
Net Pension Liability	9,757,726	328,245	-	10,085,971	-
Capital Leases Payable	600,000	-	(300,000)	300,000	300,000
Unamortized Bond Premium	230,533	931,372	(95,107)	1,066,798	123,373
Bonds Payable	46,364,000	8,730,000	(11,540,000)	43,554,000	2,150,000
Total	\$ 57,982,756	\$ 10,226,245	\$ (11,935,107)	\$ 56,273,894	\$ 2,573,373

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Capital leases are liquidated by the general fund. Compensated Absences are liquidated by the general fund and food service fund.

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.

On May 15, 2005, the School District issued \$15,780,000 in Refunding Bonds with interest rates ranging from 1.250% to 3.900% to advance refund \$15,050,000 of outstanding 1999 General Obligation Bonds with interest rates ranging from 4% to 5%. The remaining balance of the refunding bonds were refunded on December 4, 2014.

On November 21, 2006, the School District issued \$9,075,000 in Refunding Bonds with interest rates ranging from 1.250% to 3.900% to advance refund \$8,400,000 of outstanding 2004 General Obligation Bonds with interest rates ranging from 4.00% to 4.125%.

On January 18, 2012, the District issued Bonds of \$22,659,000 (par value) with interest rates ranging from 2.5% to 3.5%. Maturities of the 2012 Bonds range from 2013 to 2037 and they are callable, at par, on or after February 1, 2037. The proceeds from the sale of the Bond will be used to finance the Additions and Renovations of the Existing School Buildings.

On January 27, 2012, the School District issued \$5,935,000 in Refunding Bonds with interest rates ranging from 2% to 4% to advance refund \$5,514,000 of outstanding 2004 General Obligation Bonds with interest rates ranging from 4.00% to 4.125%.

On December 4, 2014, the School District issued \$8,730,000 in Refunding Bonds with interest rates ranging from 1.00% to 5.00% to advance refund \$8,730,000 of outstanding 2005 Refunding Bonds with interest rates ranging from 4.00% to 5.00%. As a result of the Refunding Bonds, the District had a net present value savings of \$926,508 based on the yield for the Refunding Bonds.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 7. Long-Term Obligations (continued):

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

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	2,150,000	1,463,915	3,613,915
2017	2,115,000	1,420,340	3,535,340
2018	2,175,000	1,351,415	3,526,415
2019	2,260,000	1,285,815	3,545,815
2020	2,255,000	1,209,915	3,464,915
2021-2025	12,110,000	4,859,025	16,969,025
2026-2030	11,000,000	2,101,835	13,101,835
2031-2035	7,090,000	1,059,100	8,149,100
2036-2037	<u>2,399,000</u>	<u>125,930</u>	<u>2,524,930</u>
 Total	 <u>\$ 43,554,000</u>	 <u>\$ 14,877,290</u>	 <u>\$ 58,431,290</u>

B. Capital Leases Payable

As of June 30, 2015, the Board had Capital Leases outstanding for Technology Equipment in the amount of \$300,000.

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, 2015:

	Year	Amount
	2016	<u>\$ 309,510</u>
Total Minimum Lease Payments		309,510
Less: Amount Representing Interest		9,510
Present Value of net minimum lease payments		<u><u>\$ 300,000</u></u>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/5 5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating

employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Three-Year Trend Information for PERS

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 356,959	100%	\$ 10,085,971
6/30/2014	314,178	100%	9,757,726
6/30/2013	393,638	100%	-

Components of Net Pension Liability - At June 30, 2015, the District reported a liability of \$10,085,971 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was .05387%, which was an increase of .00281% from its proportion measured as of June 30, 2013.

Collective Balances at June 30, 2015 and June 30, 2014

	<u>6/30/2015</u> July 1, 2014	<u>6/30/2014</u> July 1, 2013
Actuarial valuation date		
Deferred Outflows of Resources	\$ 1,282,061	\$ 444,098
Deferred Inflows of Resources	\$ 601,069	\$ -
Net Pension Liability	\$ 10,085,971	\$ 9,757,726
District's portion of the Plan's total net pension Liability	0.05387%	0.05106%

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$601,850. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 317,157	\$ -
Net difference between projected and actual earnings on pension plan investments	-	601,069
Changes in proportion and differences between District contributions and proportionate share of contributions	454,405	-
District contributions subsequent to the measurement date	510,499	-
Total	\$ 1,282,061	\$ 601,069

The \$510,499 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>		<u>PERS</u>
2016	\$	(406)
2017		(406)
2018		(406)
2019		(406)
2020		(406)
Thereafter		172,523

Actuarial Assumptions - The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>PERS</u>	<u>TPAF</u>
Measurement date	June 30, 2014	June 30, 2014
Actuarial valuation date	July 1, 2013	July 1, 2013
Interest rate	7.90%	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age	Varies Based On Experience
Inflation rate	3.01%	2.50%

Mortality rates were based on the RP-2000 Combined Healthy Male or Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate - Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
Total	<u>100%</u>	

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount Rate - The discount rate used to measure the total pension liability was 5.39% as of June 30, 2014. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% as of June 30, 2014, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current member contribution rates and that contributions from employers will be made on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - The following presents the collective net pension liability of the participating employers as of June 30, 2014, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39%) or 1-percentage-point higher (6.39%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(4.39%)</u>	<u>Current</u> <u>Discount</u> <u>Rate (5.39%)</u>	<u>1%</u> <u>Increase</u> <u>(6.39%)</u>
District's proportionate share of the net pension liability	12,688,495	10,085,971	7,900,752

B. Teachers' Pension and Annuity Fund (TPAF)

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

The following represents the membership tiers for TPAF:

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

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - The employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

**Three-Year Trend Information for TPAF Pension & Post Retirement Medical Contributions
(Paid on behalf of the District)**

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2015	\$ 1,598,159	100%	-
6/30/2014	1,253,571	100%	-
6/30/2013	1,577,616	100%	-

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

	<u>TPAF</u>
Measurement date	June 30, 2014
Actuarial valuation date	July 1, 2013
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
Total	<u>100%</u>	

Discount rate - The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

C. Defined Contribution Retirement Program (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2015, employee contributions totaled \$25,562, and the District recognized pension expense of \$13,943.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2015, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement 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, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the state contributed \$1.07 billion on their behalf. 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 benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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

Fiscal Year	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 36,399	\$ 286	\$ 93,814	\$ 147,664
2013-2014	67,895	256	22,000	204,793
2012-2013	100,000	353	67,769	158,642

Note 11. Contingencies

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined statements for such contingencies.

Note 12. Economic Dependency

The District participates in numerous state and federal grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Management believes that the amount from future audits, if any, would not be material. The School District is dependent on the State of New Jersey for a substantial portion of its operating funds. Due to funding uncertainties at the State level, funding for school districts may be reduced. The ultimate effect of this possible reduction in funding on the District’s future operation is not yet determinable.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 13. 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

Note 14. 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 of \$1,218,831 is reflected on the statement of net position Exhibit A-1.

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, 2015, \$48,294 liability existed for compensated absences in the Food Service Fund.

Note 15. Calculation of Excess Surplus

In accordance with J.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, 2015 is \$1,540,587.

Note 16. Fund Balance

General Fund – Of the \$3,639,778 General Fund fund balance at June 30, 2015, \$500,100 has been restricted for future capital activity; \$1,524,742 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; \$1,540,587 is restricted for current year excess surplus; and \$74,349 has been reserved for encumbrances.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Note 16. Fund Balance (continued):

Capital Projects Fund – Of the \$2,392,330 Capital Projects Fund fund balance at June 30, 2015, \$2,120,672 has been restricted for Capital Projects; and \$271,658 has been reserved for encumbrances.

Debt Service Fund – The Debt Service Fund fund balance of \$111,017 has been restricted for Debt Service.

Note 17. Deficit Unrestricted Net Position

As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(9,870,037) existed as of June 30, 2015 for governmental activities. The primary causes of this deficit is the District not recognizing the receivable for the last two state aid payments and the recording of the long-term liability for compensated absences and net pension. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, Statement of Net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the District in the formulation of their annual budget (see Note 1), compensated absences and pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the District and its employees, are funded in the period in which such services are rendered or in which such events that place. Therefore, this deficit in unrestricted net position for governmental activities does not indicate that the District is facing financial difficulties.

Note 18. Prior Period Adjustment/Restatement of Net Position

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

	Governmental Activities
Net Position as previously reported at June 30, 2014	\$22,334,190
Prior period adjustment - Implementation of GASB 68: Net Pension Liability (measurement date as of June 30, 2013)	(9,757,726)
Deferred Outflows – district contributions made during fiscal year 2014	444,098
PERS Pension Payable (2015 district PERS Pension Contribution)	<u>(444,098)</u>
Total prior period adjustment	<u>(9,757,726)</u>
Net Position as restated, July 1, 2014.	<u>\$ 12,576,464</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Tax Levy	10-1210	\$ 18,400,238	\$ -	\$ 18,400,238	\$ 18,400,237	\$ (1)
Tuition From Other LEAs Within the State	10-1320	3,171,152	-	3,171,152	3,341,849	170,697
Rents and Royalties	10-1910	40,000	-	40,000	77,121	37,121
Miscellaneous Revenues	10-1XXX	150,100	-	150,100	196,308	46,208
Total Local Sources		21,761,490	-	21,761,490	22,015,515	254,025
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	20,562	-	20,562	17,724	(2,838)
Total Federal Sources		20,562	-	20,562	17,724	(2,838)
State Sources:						
Equalization Aid	10-3176	6,107,281	-	6,107,281	6,107,281	-
Categorical Special Education Aid	10-3132	1,121,086	-	1,121,086	1,121,086	-
Categorical Security Aid	10-3177	158,030	-	158,030	158,030	-
Categorical Transportation Aid	10-3121	255,495	-	255,495	255,495	-
Extraordinary Aid	10-3131	100,000	-	100,000	169,609	69,609
Non-Public Transportation Aid	10-3XXX	-	-	-	32,647	32,647
Anti-Bullying	10-XXXX	-	-	-	5,438	5,438
Under Adequacy Aid	10-3175	133,057	-	133,057	133,057	-
Supplemental Enrollment Growth Aid	10-3100	921,670	-	921,670	921,670	-
Other State Aids	10-3XXX	45,760	-	45,760	45,760	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	617,646	617,646
On-Behalf Post Retirement Medical Contribution		-	-	-	980,513	980,513
Reimbursed TPAF Social Security Contribution		-	-	-	965,050	965,050
Total State Sources		8,842,379	-	8,842,379	11,513,282	2,670,903
Total Revenues		30,624,431	-	30,624,431	33,546,521	2,922,090
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	2,859,952	(114,200)	2,745,752	2,731,631	14,121
Grades 9 - 12	11-140-100-101	5,957,250	(265,000)	5,692,250	5,684,956	7,294
Home Instruction:						
Salaries of Teachers	11-150-100-101	15,000	19,600	34,600	34,131	469
Purchased Professional - Educational Services	11-150-100-320	64,000	(18,755)	45,245	41,595	3,650
Other Purchased Services	11-150-100-500	1,500	750	2,250	1,750	500
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	45,500	-	45,500	44,425	1,075
Purchased Professional - Educational Services	11-190-100-320	5,450	-	5,450	2,395	3,055
Purchased Technical Services	11-190-100-340	23,800	(8,575)	15,225	9,233	5,992
Other Purchased Services	11-190-100-500	96,000	(2,500)	93,500	56,979	36,521
General Supplies	11-190-100-610	474,323	18,731	493,054	460,133	32,921
Textbooks	11-190-100-640	140,254	(14,548)	125,706	119,600	6,106
Other Objects	11-190-100-890	780	-	780	610	170
Total Regular Programs		9,683,809	(384,497)	9,299,312	9,187,438	111,874
Special Education:						
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	47,973	1,700	49,673	48,639	1,034
Other Salaries for Instruction	11-209-100-106	42,500	(9,200)	33,300	20,340	12,960
Supplies and Materials	11-209-100-610	500	-	500	-	500
Other Objects	11-209-100-890	990	-	990	786	204
Total Behavioral Disabilities		91,963	(7,500)	84,463	69,765	14,698
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	209,789	2,100	211,889	210,170	1,719
Other Salaries for Instruction	11-212-100-106	95,650	3,700	99,350	93,797	5,553
Other Purchased Services	11-212-100-500	900	-	900	-	900
Supplies and Materials	11-212-100-600	6,612	730	7,342	6,508	834
Textbooks	11-212-100-640	-	-	-	-	-
Total Multiple Disabilities		312,951	6,530	319,481	310,475	9,006

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Resource Room:						
Salaries of Teachers	11-213-100-101	1,677,874	(23,705)	1,654,169	1,645,926	8,243
Other Salaries for Instruction	11-213-100-106	330,250	(59,295)	270,955	226,993	43,962
Supplies and Materials	11-213-100-600	9,539	(484)	9,055	8,667	388
Textbooks	11-213-100-640	-	-	-	-	-
Total Resource Room		2,017,663	(83,484)	1,934,179	1,881,586	52,593
Special Education - Home Instruction:						
Salaries of Teachers	11-219-100-101	8,000	3,000	11,000	9,598	1,402
Purchased Professional - Educational Services	11-219-100-320	9,500	(1,000)	8,500	4,503	3,997
Supplies and Materials	11-219-100-610	300	-	300	-	300
Total Special Education - Home Instruction		17,800	2,000	19,800	14,101	5,699
Total Special Education		2,440,377	(82,454)	2,357,923	2,275,927	81,996
Basic Skills/Remedial:						
Supplies and Materials	11-230-100-600	3,342	-	3,342	2,794	548
Textbooks	11-230-100-640	2,560	-	2,560	2,558	2
Total Basic Skills/Remedial		5,902	-	5,902	5,352	550
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	132,036	(11,000)	121,036	120,935	101
Other Purchased Services	11-401-100-500	12,900	(470)	12,430	7,700	4,730
General Supplies	11-401-100-610	35,400	(675)	34,725	29,604	5,121
Other Objects	11-401-216-800	6,450	1,145	7,595	3,020	4,575
Total School Sponsored Cocurricular Activities		186,786	(11,000)	175,786	161,259	14,527
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	533,814	37,000	570,814	566,986	3,828
Other Purchased Services	11-402-100-500	115,843	(5,091)	110,752	100,029	10,723
General Supplies	11-402-100-610	64,850	4,215	69,065	67,784	1,281
Other Objects	11-402-216-800	37,245	139	37,384	35,458	1,926
Total School Sponsored Athletics Instruction		751,752	36,263	788,015	770,257	17,758
Before/After School Programs:						
Salaries	11-421-100-101	18,509	-	18,509	11,194	7,315
Supplies and Materials	11-421-100-600	500	-	500	497	3
Total Before/Afterschool Programs		19,009	-	19,009	11,691	7,318
Alternative Education Programs - Instruction:						
Salaries	11-423-100-101	80,750	-	80,750	71,327	9,423
Other Salaries for Instruction	11-423-100-106	11,500	10,000	21,500	20,754	746
Purchased Professional & Technical Services	11-423-100-300	14,600	(10,000)	4,600	3,100	1,500
Other Purchased Services	11-423-100-500	-	-	-	-	-
Salaries - Support Services	11-423-200-100	39,500	-	39,500	37,288	2,212
Supplies and Materials	11-423-100-610	800	-	800	182	618
Other Objects	11-423-100-800	2,000	-	2,000	-	2,000
Total Alternative Education Programs		149,150	-	149,150	132,651	16,499
At-Risk Program:						
Salaries	11-424-100-178	-	-	-	-	-
Supplies and Materials	11-424-100-610	-	-	-	-	-
Total At-Risk Program		-	-	-	-	-
Total Instruction		13,236,785	(441,688)	12,795,097	12,544,575	250,522

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	14,800	74,600	89,400	88,269	1,131
Tuition to Other LEAs Within the State - Special	11-000-100-562	15,000	37,000	52,000	51,645	355
Tuition to County Vocational School District - Special	11-000-100-564	86,057	4,170	90,227	90,059	168
Tuition to County Vocational School District - Regular	11-000-100-563	286,000	(40,384)	245,616	232,136	13,480
Tuition to CSSD & Regional Day School	11-000-100-565	865,083	(39,170)	825,913	825,913	-
Tuition to Private School for the Handicapped - State	11-000-100-566	855,642	(160,474)	695,168	643,633	51,535
Tuition to Private School for the Disabled & Other LEAs	11-000-100-567	42,650	(42,650)	-	-	-
Tuition - Other	11-000-100-569	9,270	-	9,270	8,133	1,137
Total Undistributed Expenditures - Instruction		2,174,502	(166,908)	2,007,594	1,939,788	67,806
Attendance & Social Work Services:						
Salaries	11-000-211-100	71,800	2,500	74,300	73,660	640
Purchased Professional & Technical Services	11-000-211-300	2,800	(250)	2,550	-	2,550
Other Purchased Services	11-000-211-500	400	250	650	381	269
Supplies and Materials	11-000-211-600	3,425	-	3,425	-	3,425
Total Attendance & Social Work Services		78,425	2,500	80,925	74,041	6,884
Health Services:						
Salaries	11-000-213-100	230,454	385	230,839	229,658	1,181
Purchased Professional & Technical Services	11-000-213-300	23,340	164	23,504	17,760	5,744
Other Purchased Services	11-000-213-500	950	-	950	318	632
Supplies and Materials	11-000-213-600	13,425	2,825	16,250	15,161	1,089
Other Objects	11-000-213-800	764	-	764	467	297
Total Health Services		268,933	3,374	272,307	263,364	8,943
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	51,494	-	51,494	49,243	2,251
Purchased Professional - Educational Services	11-000-216-320	60,000	8,500	68,500	62,476	6,024
Supplies and Materials	11-000-216-600	2,000	-	2,000	815	1,185
	11-000-216-800	1,000	-	1,000	-	1,000
Total Other Support Services-Students-Related Services		114,494	8,500	122,994	112,534	10,460
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	206,008	78,500	284,508	279,649	4,859
Purchased Professional - Educational Services	11-000-217-320	5,000	(5,000)	-	-	-
Supplies and Materials	11-000-217-600	9,500	(1,850)	7,650	7,250	400
Total Other Support Services - Students - Extra Services		220,508	71,650	292,158	286,899	5,259
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	593,459	11,000	604,459	579,277	25,182
Salaries of Secretarial & Clerical Assistants	11-000-218-105	123,448	(11,000)	112,448	106,172	6,276
Purchased Professional - Educational Services	11-000-218-320	36,350	900	37,250	25,573	11,677
Other Purchased Professional & Technical Services	11-000-218-390	17,100	-	17,100	15,572	1,528
Other Purchased Services	11-000-218-500	17,120	-	17,120	9,718	7,402
Supplies and Materials	11-000-218-600	1,530	500	2,030	1,969	61
Other Objects	11-000-218-800	1,100	-	1,100	1,049	51
Total Other Support Services - Students - Regular		790,107	1,400	791,507	739,330	52,177

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Special Services						
Salaries of Other Professional Staff	11-000-219-104	409,590	2,544	412,134	395,103	17,031
Salaries of Secretarial & Clerical Assistants	11-000-219-105	71,550	1	71,551	70,425	1,126
Purchased Professional - Educational Services	11-000-219-320	10,000	2,850	12,850	12,292	558
Other Purchased Professional & Technical Services	11-000-219-390	25,366	11,380	36,746	31,591	5,155
Other Purchased Services	11-000-219-500	7,600	(7,600)	-	-	-
Miscellaneous Purchased Services	11-000-219-592	-	6,220	6,220	3,867	2,353
Supplies and Materials	11-000-219-600	5,355	-	5,355	5,138	217
Other Objects	11-000-219-800	850	-	850	820	30
Total Other Support Services-Students-Special Services:		530,311	15,395	545,706	519,236	26,470
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisor of Instruction	11-000-221-102	201,280	163,435	364,715	364,708	7
Salaries of Other Professional Staff	11-000-221-104	65,885	(6,950)	58,935	51,407	7,528
Salaries of Secretarial & Clerical Assistants	11-000-221-105	23,000	1,515	24,515	24,510	5
Other Salaries	11-000-221-110	-	-	-	-	-
Purchased Professional - Educational Services	11-000-221-320	21,076	(900)	20,176	17,001	3,175
Other Purchased Professional & Technical Services	11-000-221-390	-	-	-	-	-
Other Purchased Services	11-000-221-500	15,000	800	15,800	5,061	10,739
Supplies and Materials	11-000-221-600	10,367	-	10,367	9,021	1,346
Other Objects	11-000-221-800	11,285	-	11,285	5,600	5,685
Total Improvement of Instruction Services/Other Support Services Instructional Staff		347,893	157,900	505,793	477,308	28,485
Educational Media Services/School Library:						
Salaries	11-000-222-100	201,916	-	201,916	199,460	2,456
Purchased Professional & Technical Services	11-000-222-300	12,868	2,100	14,968	14,583	385
Other Purchased Services	11-000-222-500	1,800	(200)	1,600	1,210	390
Supplies and Materials	11-000-222-600	24,252	2,255	26,507	25,877	630
Other Objects	11-000-222-800	150	-	150	150	-
Total Educational Media Services/School Library		240,986	4,155	245,141	241,280	3,861
Support Services Instructional Staff Training Service						
Salaries of Supervisors of Instruction	11-000-223-102	216,280	(158,000)	58,280	56,787	1,493
Salaries of Other Professional Staff	11-000-223-104	7,250	-	7,250	825	6,425
Salaries of Secretarial & Clerical Assistants	11-000-223-105	23,000	-	23,000	11,446	11,554
Purchased Professional - Educational Services	11-000-223-320	-	-	-	-	-
Other Purchased Professional & Technical Services	11-000-223-390	150	-	150	-	150
Other Purchased Services	11-000-223-500	33,400	(14,339)	19,061	10,173	8,888
Supplies and Materials	11-000-223-600	1,650	-	1,650	75	1,575
Total Support Services Instructional Staff Training		281,730	(172,339)	109,391	79,306	30,085

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services General Administration:						
Salaries	11-000-230-100	181,577	43,500	225,077	222,056	3,021
Legal Services	11-000-230-331	47,000	67,110	114,110	103,241	10,869
Audit Services	11-000-230-332	30,500	(2,750)	27,750	23,500	4,250
Architectural/Engineering Services	11-000-230-334	5,000	22,062	27,062	19,850	7,212
Purchased Technical Services	11-000-230-340	19,500	1,500	21,000	20,434	566
Communications/Telephone	11-000-230-530	102,400	(14,426)	87,974	85,216	2,758
BOE Other Purchased Services	11-000-230-585	4,500	14,050	18,550	18,545	5
Other Purchased Services	11-000-230-590	94,500	(170)	94,330	92,730	1,600
Supplies and Materials	11-000-230-600	6,000	1,700	7,700	7,491	209
BOE In-House Training Supplies	11-000-230-630	500	300	800	706	94
Miscellaneous Expenditures	11-000-230-890	3,700	500	4,200	4,172	28
BOE Membership Dues & Fees	11-000-230-895	12,500	-	12,500	12,190	310
Total Support Services General Administration		507,677	133,376	641,053	610,131	30,922
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	600,345	136,838	737,183	726,260	10,923
Salaries of Other Professional Staff	11-000-240-104	470,746	(132,200)	338,546	331,009	7,537
Salaries of Secretarial & Clerical Assistants	11-000-240-105	258,397	48,000	306,397	302,218	4,179
Other Salaries	11-000-240-110	67,340	7,800	75,140	72,074	3,066
Purchased Professional & Technical Services	11-000-240-300	11,510	27,825	39,335	14,341	24,994
Other Purchased Services	11-000-240-500	44,300	(6,000)	38,300	29,178	9,122
Supplies and Materials	11-000-240-600	33,500	(602)	32,898	28,035	4,863
Other Objects	11-000-240-800	18,644	7,520	26,164	22,957	3,207
Total Support Services School Administration		1,504,782	89,181	1,593,963	1,526,072	67,891
Central Services:						
Salaries	11-000-251-100	279,946	2,350	282,296	282,282	14
Purchased Professional Services	11-000-251-330	4,000	15,392	19,392	18,435	957
Purchased Technical Services	11-000-251-340	16,500	-	16,500	16,484	16
Other Purchased Services	11-000-251-500	21,900	7,647	29,547	18,023	11,524
Supplies & Materials	11-000-251-600	6,000	1,500	7,500	7,217	283
Interest on Lease Purchase Agreements	11-000-251-832	19,020	-	19,020	19,020	-
Interest on Bond Anticipation Agreements	11-000-251-836	-	-	-	-	-
Miscellaneous Expenditures	11-000-251-890	1,250	-	1,250	1,090	160
Total Central Services		348,616	26,889	375,505	362,551	12,954
Administrative Information Technology:						
Salaries	11-000-252-100	271,401	3,110	274,511	274,229	282
Purchased Technical Services	11-000-252-340	57,400	12,275	69,675	69,413	262
Other Purchased Services	11-000-252-500	14,000	(1,888)	12,112	10,530	1,582
Supplies and Materials	11-000-252-600	18,000	30,490	48,490	48,050	440
Other Objects	11-000-252-800	850	145	995	995	-
Total Administrative Information Technology		361,651	44,132	405,783	403,217	2,566
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	249,212	10,000	259,212	236,467	22,745
Maintenance Services	11-000-261-420	101,404	65,090	166,494	165,249	1,245
General Supplies	11-000-261-610	87,650	480	88,130	67,187	20,943
Other Objects	11-000-261-800	1,220	1,000	2,220	1,338	882
Total Allowance Maintenance for School Facilities		439,486	76,570	516,056	470,241	45,815

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,020,762	(20,000)	1,000,762	962,441	38,321
Purchased Professional & Technical Services	11-000-262-300	49,738	3,666	53,404	47,443	5,961
Cleaning, Repair & Maintenance Services	11-000-262-420	3,000	(1,000)	2,000	-	2,000
Other Purchased Property Services	11-000-262-490	36,000	(3,892)	32,108	20,671	11,437
Insurance	11-000-262-520	125,000	-	125,000	125,000	-
Miscellaneous Purchased Services	11-000-262-590	3,170	1,500	4,670	4,540	130
General Supplies	11-000-262-610	97,700	521	98,221	94,822	3,399
Energy (Natural Gas)	11-000-262-621	145,000	102,000	247,000	180,624	66,376
Energy (Electricity)	11-000-262-622	612,250	3,990	616,240	606,056	10,184
Energy (Gasoline)	11-000-262-626	9,000	(7,000)	2,000	-	2,000
Other Objects	11-000-262-800	750	-	750	300	450
Total Other Operation&Maintenance of Plant Services		2,102,370	79,785	2,182,155	2,041,897	140,258
Care & Upkeep of Grounds						
Salaries	11-000-263-100	115,772	3,000	118,772	113,818	4,954
Purchased Professional & Technical Services	11-000-263-300	17,340	(8,700)	8,640	1,830	6,810
Cleaning, Repair & Maintenance Services	11-000-263-420	18,000	-	18,000	7,699	10,301
General Supplies	11-000-263-610	65,750	(1,099)	64,651	62,331	2,320
Total Care & Upkeep of Grounds		216,862	(6,799)	210,063	185,678	24,385
Security						
Purchased Professional & Technical Services	11-000-266-300	75,000	-	75,000	-	75,000
Cleaning, Repair & Maintenance Services	11-000-266-420	2,000	(2,000)	-	-	-
Supplies and Materials	11-000-266-610	-	-	-	-	-
Total Security		77,000	(2,000)	75,000	-	75,000
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	24,655	(21,490)	3,165	2,923	242
Salaries for Pupil Transportation (Between Home & School)-Reg	11-000-270-160	587,023	35,000	622,023	609,367	12,656
Salaries for Pupil Transportation (Between Home & School)-Sp.	11-000-270-161	67,500	(31,000)	36,500	29,341	7,159
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	55,000	(11,000)	44,000	40,242	3,758
Other Purchased Professional & Technical Services	11-000-270-390	750	-	750	321	429
Cleaning, Repair&Maintenance	11-000-270-420	2,800	-	2,800	589	2,211
Aid in Lieu of Payments	11-000-270-503	207,968	(54,000)	153,968	148,753	5,215
Contracted Services (Other Than Between School) - Vendors	11-000-270-511	381,189	6,290	387,479	384,969	2,510
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	79,500	99,500	179,000	140,569	38,431
Contracted Services (Special Education) - Vendors	11-000-270-514	45,058	2,710	47,768	47,672	96
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	-	-	-	-	-
Contracted Services (Regular Education Students) - ESC	11-000-270-517	34,000	121,000	155,000	142,006	12,994
Contracted Services (Special Education Students) - ESC	11-000-270-518	560,000	366,000	926,000	920,528	5,472
Miscellaneous Purchased Services - Transportation	11-000-270-593	23,250	36,147	59,397	58,773	624
Supplies and Materials	11-000-270-610	5,000	-	5,000	4,528	472
Transportation Supplies	11-000-270-615	180,000	15,000	195,000	159,289	35,711
Other Objects	11-000-270-800	250	6,000	6,250	4,574	1,676
Total Student Transportation Services		2,253,943	570,157	2,824,100	2,694,444	129,656

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allocated Benefits:						
Regular Programs - Instructional:						
Social Security Contributions	11-1xx-100-220	29,700	18,250	47,950	46,195	1,755
Other Retirement Contributions - PERS	11-1xx-100-241	6,000	-	6,000	4,327	1,673
Workmen's Compensation	11-1xx-100-260	69,600	-	69,600	69,600	-
Health Benefits	11-1xx-100-270	2,094,079	(192,755)	1,901,324	1,871,815	29,509
Tuition Reimbursement	11-1xx-100-280	50,000	(5,760)	44,240	20,176	24,064
Other Employee Benefits	11-1xx-100-290	180,000	(26,500)	153,500	141,917	11,583
Total Regular Programs - Instructional		2,429,379	(206,765)	2,222,614	2,154,030	68,584
Special Programs - Instructional:						
Social Security Contributions	11-2xx-100-220	40,500	-	40,500	31,861	8,639
Other Retirement Contributions - PERS	11-2xx-100-241	57,500	-	57,500	41,469	16,031
Workmen's Compensation	11-2xx-100-260	19,250	100	19,350	19,350	-
Health Benefits	11-2xx-100-270	522,784	(50,800)	471,984	447,423	24,561
Tuition Reimbursement	11-2xx-100-280	-	7,000	7,000	3,472	3,528
Other Employee Benefits	11-2xx-100-290	25,000	-	25,000	9,423	15,577
Total Special Programs		665,034	(43,700)	621,334	552,998	68,336
Other Instructional Programs - Instruction:						
Social Security Contributions	11-4xx-100-220	55,500	2,050	57,550	55,041	2,509
Other Retirement Contributions - PERS	11-4xx-100-241	4,500	(550)	3,950	3,245	705
Workmen's Compensation	11-4xx-100-260	5,600	-	5,600	5,600	-
Health Benefits	11-4xx-100-270	18,150	1,180	19,330	17,200	2,130
Other Employee Benefits	11-4xx-100-290	5,200	-	5,200	5,000	200
Total Other Instructional Programs		88,950	2,680	91,630	86,086	5,544
Attendance & Social Work Services:						
Social Security Contributions	11-000-211-220	5,500	-	5,500	5,452	48
Other Retirement Contributions - PERS	11-000-211-241	9,000	(2,500)	6,500	6,491	9
Workmen's Compensation	11-000-211-260	600	-	600	600	-
Health Benefits	11-000-211-270	50,806	-	50,806	47,856	2,950
Other Employee Benefits	11-000-211-290	400	-	400	-	400
Total Attendance & Social Work Services		66,306	(2,500)	63,806	60,399	3,407
Health Services:						
Social Security Contributions	11-000-213-220	4,000	260	4,260	4,259	1
Other Retirement Contributions - PERS	11-000-213-241	4,500	(610)	3,890	3,245	645
Workmen's Compensation	11-000-213-260	1,900	-	1,900	1,900	-
Health Benefits	11-000-213-270	46,513	-	46,513	44,141	2,372
Other Employee Benefits	11-000-213-290	10,200	-	10,200	9,029	1,171
Total Health Services		67,113	(350)	66,763	62,574	4,189
Speech/Occupational/Physical Therapy:						
Social Security Contributions	11-000-216-220	200	-	200	-	200
Workmen's Compensation	11-000-216-260	500	-	500	500	-
Health Benefits	11-000-216-270	24,708	-	24,708	22,861	1,847
Total Speech/Occupational/Physical Therapy		25,408	-	25,408	23,361	2,047
Extraordinary Services:						
Social Security Contributions	11-000-217-220	16,000	5,145	21,145	21,142	3
Other Retirement Contributions - PERS	11-000-217-241	25,000	(145)	24,855	18,030	6,825
Workmen's Compensation	11-000-217-260	1,700	-	1,700	1,700	-
Health Benefits	11-000-217-270	19,928	(5,000)	14,928	6,565	8,363
Total Extraordinary Services		62,628	-	62,628	47,437	15,191
Other Support Services - Students - Regular:						
Social Security Contributions	11-000-218-220	13,000	-	13,000	12,672	328
Other Retirement Contributions - PERS	11-000-218-241	15,500	-	15,500	11,336	4,164
Workmen's Compensation	11-000-218-260	5,800	-	5,800	5,800	-
Health Benefits	11-000-218-270	133,393	(18,000)	115,393	107,777	7,616
Other Employee Benefits	11-000-218-290	15,800	7,700	23,500	23,500	-
Total Other Support Services - Students - Regular		183,493	(10,300)	173,193	161,085	12,108

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Special:						
Social Security Contributions	11-000-219-220	8,000	-	8,000	7,889	111
Other Retirement Contributions - PERS	11-000-219-241	8,900	(1,545)	7,355	6,576	779
Workmen's Compensation	11-000-219-260	4,000	-	4,000	4,000	-
Health Benefits	11-000-219-270	138,267	(1,000)	137,267	121,631	15,636
Other Employee Benefits	11-000-219-290	200	3,400	3,600	3,556	44
Total Other Support Services - Students - Special		159,367	855	160,222	143,652	16,570
Improvement of Instruction Services:						
Social Security Contributions	11-000-221-220	7,000	-	7,000	6,100	900
Other Retirement Contributions - PERS	11-000-221-241	3,000	(300)	2,700	2,164	536
Workmen's Compensation	11-000-221-260	2,500	-	2,500	2,500	-
Health Benefits	11-000-221-270	39,620	56,119	95,739	88,806	6,933
Tuition Reimbursement	11-000-221-280	-	5,000	5,000	-	5,000
Other Employee Benefits	11-000-221-290	5,200	-	5,200	4,647	553
Total Improvement of Instruction Services		57,320	60,819	118,139	104,217	13,922
Educational Media Services:						
Social Security Contributions	11-000-222-220	500	-	500	338	162
Other Retirement Contributions - PERS	11-000-222-241	-	-	-	-	-
Workmen's Compensation	11-000-222-260	1,700	-	1,700	1,700	-
Health Benefits	11-000-222-270	54,655	-	54,655	49,493	5,162
Total Educational Media Services		56,855	-	56,855	51,531	5,324
Instructional Staff Training Services:						
Social Security Contributions	11-000-223-220	2,500	-	2,500	919	1,581
Other Retirement Contributions - PERS	11-000-223-241	3,000	-	3,000	2,164	836
Workmen's Compensation	11-000-223-260	2,000	-	2,000	2,000	-
Health Benefits	11-000-223-270	39,619	(39,619)	-	-	-
Other Employee Benefits	11-000-223-290	5,000	-	5,000	-	5,000
Total Instructional Staff Training Services		52,119	(39,619)	12,500	5,083	7,417
Support Services - General Administration:						
Social Security Contributions	11-000-230-220	4,500	4,000	8,500	7,939	561
Other Retirement Contributions - PERS	11-000-230-241	7,500	(2,000)	5,500	5,409	91
Workmen's Compensation	11-000-230-260	1,800	-	1,800	1,800	-
Health Benefits	11-000-230-270	8,600	200	8,800	6,990	1,810
Other Employee Benefits	11-000-230-290	6,800	2,900	9,700	9,632	68
Total Support Services - General Administration		29,200	5,100	34,300	31,770	2,530
Support Services - School Administration:						
Social Security Contributions	11-000-240-220	26,000	5,100	31,100	31,099	1
Other Retirement Contributions - PERS	11-000-240-241	32,500	(2,000)	30,500	23,439	7,061
Workmen's Compensation	11-000-240-260	11,500	-	11,500	11,500	-
Health Benefits	11-000-240-270	250,111	1,000	251,111	240,910	10,201
Tuition Reimbursement	11-000-240-280	-	9,612	9,612	5,652	3,960
Other Employee Benefits	11-000-240-290	21,200	3,000	24,200	19,531	4,669
Total Support Services - School Administration		341,311	16,712	358,023	332,131	25,892
Support Services - Central Services:						
Social Security Contributions	11-000-251-220	11,500	-	11,500	10,853	647
Other Retirement Contributions - PERS	11-000-251-241	19,000	(5,297)	13,703	13,703	-
Workmen's Compensation	11-000-251-260	2,500	-	2,500	2,500	-
Health Benefits	11-000-251-270	83,283	(7,000)	76,283	72,910	3,373
Total Support Services - Central Services		116,283	(12,297)	103,986	99,966	4,020

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Support Services - Administrative Information						
Technology:						
Social Security Contributions	11-000-252-220	27,000	-	27,000	25,568	1,432
Other Retirement Contributions - PERS	11-000-252-241	43,500	(12,128)	31,372	31,372	-
Workmen's Compensation	11-000-252-260	2,800	-	2,800	2,800	-
Health Benefits	11-000-252-270	97,367	(4,000)	93,367	89,347	4,020
Other Employee Benefits	11-000-252-290	-	-	-	-	-
Total Support Services - Administrative Information		170,667	(16,128)	154,539	149,087	5,452
Operation & Maintenance of Plant Services:						
Social Security Contributions	11-000-260-220	110,000	-	110,000	102,034	7,966
Other Retirement Contributions - PERS	11-000-260-241	174,500	(48,000)	126,500	125,849	651
Workmen's Compensation	11-000-260-260	67,300	-	67,300	67,300	-
Health Benefits	11-000-260-270	551,046	(15,500)	535,546	527,608	7,938
Tuition Reimbursement	11-000-260-280	-	5,000	5,000	4,558	442
Other Employee Benefits	11-000-260-290	27,455	-	27,455	20,788	6,667
Total Operation & Maintenance of Plant Services		930,301	(58,500)	871,801	848,137	23,664
Student Transportation Services:						
Social Security Contributions	11-000-270-220	55,000	-	55,000	52,002	2,998
Other Retirement Contributions - PERS	11-000-270-241	76,000	(16,010)	59,990	58,140	1,850
Workmen's Compensation	11-000-270-260	29,500	-	29,500	29,500	-
Health Benefits	11-000-270-270	95,489	(3,500)	91,989	87,248	4,741
Other Employee Benefits	11-000-270-290	3,105	2,596	5,701	4,931	770
Total Student Transportation Services		259,094	(16,914)	242,180	231,821	10,359
Total Allocated Benefits		5,760,828	(320,907)	5,439,921	5,145,365	294,556
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	4,100	1,900	6,000	5,463	537
Unemployment Compensation	11-000-291-250	25,000	(25,000)	-	-	-
Worker's Compensation	11-000-291-260	-	15,205	15,205	15,204	1
Other Employee Benefits	11-000-291-290	60,000	(18,300)	41,700	41,698	2
Total Unallocated Benefits - Employee Benefits		89,100	(26,195)	62,905	62,365	540
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	617,646	(617,646)
On-Behalf Post Retirement Medical Contribution		-	-	-	980,513	(980,513)
Reimbursed TPAF Social Security Contribution		-	-	-	965,050	(965,050)
Total Undistributed Expenditures		18,710,204	589,816	19,300,020	20,798,256	(1,498,236)
Total Expenditures - Current Expense		31,946,989	148,128	32,095,117	33,342,831	(1,247,714)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction: Grades 6 - 8	12-130-100-730	5,552	-	5,552	5,240	312
Regular Programs - Instruction: Grades 9 - 12	12-140-100-730	6,686	-	6,686	5,725	961
Special Education - Instruction: Multiple Disabilities	12-212-100-730	-	-	-	-	-
School-Sponsored & Other Instructional Programs	12-4xx-100-730	8,000	-	8,000	7,281	719
Undistributed Expense - School Admin	12-000-240-730	12,500	-	12,500	12,020	480
Administrative Information Technology	12-000-252-730	50,000	(12,575)	37,425	37,423	2
Custodial Services	12-000-262-730	8,000	(8,000)	-	-	-
Care and Upkeep of Grounds	12-000-263-730	-	14,599	14,599	9,099	5,500
Student Transportation: Non-Instructional Equipment	12-000-270-732	10,000	(4,000)	6,000	5,936	64
Total Equipment		100,738	(9,976)	90,762	82,724	8,038

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	ACCOUNT NUMBERS	JUNE 30, 2015			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	22,000	7,970	29,970	19,195	10,775
Construction Services	12-000-400-450	120,000	-	120,000	112,399	7,601
General Supplies	12-000-400-600	-	-	-	-	-
Lease Purchase Agreement - Principal	12-000-400-721	300,000	-	300,000	300,000	-
Assessment for Debt Service on SDA Funding	12-000-400-896	116,737	-	116,737	116,737	-
Total Facilities Acquisition & Construction Services		558,737	7,970	566,707	548,331	18,376
Increase in Capital Reserve		-	-	-	-	-
Interest Deposit to Capital Reserve		100	-	100	-	100
Total Capital Outlay		659,575	(2,006)	657,569	631,055	26,514
Total Expenditures		32,606,564	146,122	32,752,686	33,973,886	(1,221,200)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(1,982,133)	(146,122)	(2,128,255)	(427,365)	1,700,890
Other Financing Sources/(Uses):						
Operating Transfers In/(Out)		-	-	-	94,804	94,804
Total Other Financing Sources/(Uses)		-	-	-	94,804	94,804
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)						
Fund Balances, July 1		4,765,228	-	4,765,228	4,765,228	-
Fund Balances, June 30		2,783,095	(146,122)	2,636,973	4,432,667	1,795,694

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	146,122
Total	<u>\$ 146,122</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	500,100
Excess Surplus	1,540,587
Excess Surplus Designated for Subsequent Year's Expenditures	1,475,015
Committed to:	
Year-End Encumbrances	136,768
Assigned to:	
Designated for Subsequent Year's Expenditures	49,727
Unassigned Fund Balance	<u>730,470</u>
Subtotal	4,432,667
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(792,889)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,639,778</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 368,393	\$ 181,156	\$ 549,549	\$ 541,099	\$ (8,450)
Local Sources	-	32,768	32,768	30,066	(2,702)
Total Revenues	368,393	213,924	582,317	571,165	(11,152)
Expenditures:					
Instruction:					
Salaries	49,707	(12,607)	37,100	30,336	6,764
Tuition to Private Schools for the Handicapped	300,000	116,112	416,112	416,112	-
Purchased Educational Services	-	16,937	16,937	15,872	1,065
Supplies & Materials	-	109,330	109,330	106,525	2,805
Total Instruction	349,707	229,772	579,479	568,845	10,634
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Benefits	-	2,838	2,838	2,320	518
Other Purchased Service	18,686	(18,686)	-	-	-
Total Support Services	18,686	(15,848)	2,838	2,320	518
Total Expenditures	368,393	213,924	582,317	571,165	11,152
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**KINGSWAY REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2015**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 33,546,521	\$ 571,165
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		250
Current Year	-	(11,279)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	804,103	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(792,889)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 33,557,735</u>	<u>\$ 560,136</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 33,973,886	\$ 571,165
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Current Year	-	(11,029)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 33,973,886</u>	<u>\$ 560,136</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.05387%	0.05106%
District's proportionate share of the net pension liability (asset)	\$ 10,085,971	\$ 9,757,726
District's covered-employee payroll	\$ 4,155,381	\$ 4,033,224
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	242.72%	241.93%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	48.72%

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 510,499	\$ 444,098
Contributions in relation to the contractually required contribution	<u>510,499</u>	<u>444,098</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,155,381	\$ 4,033,224
Contributions as a percentage of covered-employee payroll	12.29%	11.01%

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

KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.11226%	0.11459%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 59,999,348	\$ 57,910,947
District's covered-employee payroll	\$ 13,020,274	\$ 12,323,419
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	33.76%

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

Teachers Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	I.D.E.A. PART B BASIC							
	TITLE I PART A	TITLE II PART A	REGULAR PROGRAM	WRESTLING DONATIONS	SAFETY GRANT	KEF GRANT	2015	
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ 8,500	\$ 9,436	\$ 12,130	\$ 30,066	
Federal Sources	105,858	19,129	416,112	-	-	-	541,099	
Total Revenues	\$ 105,858	\$ 19,129	\$ 416,112	\$ 8,500	\$ 9,436	\$ 12,130	\$ 571,165	
Expenditures:								
Instruction:								
Salaries	\$ 25,704	\$ 4,632	\$ -	\$ -	\$ -	\$ -	\$ 30,336	
Tuition	-	-	416,112	-	-	-	416,112	
Purchased Services	195	6,241	-	-	9,436	-	15,872	
General Supplies	77,993	7,902	-	8,500	-	12,130	106,525	
Total Instruction	103,892	18,775	416,112	8,500	9,436	12,130	568,845	
Support Services:								
Salaries	-	-	-	-	-	-	-	
Personal Services - Employee Benefits	1,966	354	-	-	-	-	2,320	
Other Professional Services	-	-	-	-	-	-	-	
Total Support Services	1,966	354	-	-	-	-	2,320	
Total Expenditures	\$ 105,858	\$ 19,129	\$ 416,112	\$ 8,500	\$ 9,436	\$ 12,130	\$ 571,165	

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F. Capital Projects Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2015**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2015
			PRIOR YEAR	CURRENT YEAR	
Undertake the construction of a building addition for science labs and to acquire the necessary equipment and undertake any associated site work	04/21/09	\$ 449,600	\$ 449,600	\$ -	\$ -
Construction of Middle School Auxiliary Gym	01/06/12	5,350,012	4,696,291	17,908	635,813
Additions and Renovations to Middle School	01/06/12	10,383,813	8,553,988	8,423	1,821,402
Additions and Renovations to High School	01/06/12	15,388,625	15,227,334	226,176	(64,885)
Total		\$ 31,572,050	\$ 28,927,213	\$ 252,507	\$ 2,392,330

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources:	
Bond Anticipation Note	\$ <u> -</u>
Total Revenues	<u> -</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	8,423
Construction Services	234,032
Equipment Purchases	<u>10,052</u>
Total Expenditures	<u>252,507</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(252,507)
Fund Balance - Beginning	<u>2,644,837</u>
Fund Balance - Ending	<u>\$ 2,392,330</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF SCIENCE LABORATORIES AT HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Anticipation Note	\$ 449,600	\$ -	\$ 449,600	\$ 449,600
Total Revenues	449,600	-	449,600	449,600
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	41,160	-	41,160	50,000
Construction Services	309,190	-	309,190	324,600
Equipment Purchases	44,046	-	44,046	75,000
Total Expenditures	394,396	-	394,396	449,600
Other Financing Sources/(Uses)				
Transfer to Debt Service	(55,204)	-	(55,204)	-
Total Other Financing Sources/(Uses)	(55,204)	-	(55,204)	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ -	\$ -	\$ -	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2440-050-08-1000
Grant Date	N/A
Bond Authorization Date	04/21/09
Bonds Authorized	\$ 449,600
Bonds Issued	\$ -
Original Authorized Cost	\$ 449,600
Revised Authorized Cost	\$ 449,600
Percentage Increase Over Original Authorized Cost	0%
Original Target Completion Date	10/01/09
Actual Completion Date	11/01/09

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF MIDDLE SCHOOL AUXILIARY GYMNASIUM
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 1,221,326	\$ -	\$ 1,221,326	\$ 1,221,326
Bond Proceeds & Transfers	4,128,686	-	4,128,686	4,128,686
Total Revenues	5,350,012	-	5,350,012	5,350,012
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	499,119	-	499,119	1,070,001
Construction Services	4,197,172	17,908	4,215,080	4,124,994
Equipment Purchases	-	-	-	155,017
Total Expenditures	4,696,291	17,908	4,714,199	5,350,012
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 653,721	\$ (17,908)	\$ 635,813	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2440-060-10-G0ZP
Grant Date	01/06/2012
Bond Authorization Date	09/27/2011
Bonds Authorized	\$ 4,128,686
Bonds Issued	\$ 4,128,686
Original Authorized Cost	\$ 5,350,012
Revised Authorized Cost	\$ 5,350,012
Percentage Increase Over Original Authorized Cost	0%
Original Target Completion Date	09/01/2013
Actual Completion Date	N/A

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 2,866,467	\$ -	\$ 2,866,467	\$ 2,866,467
Bond Proceeds & Transfers	7,517,346	-	7,517,346	7,517,346
Total Revenues	10,383,813	-	10,383,813	10,383,813
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	933,581	8,423	942,004	2,076,762
Construction Services	6,897,362	-	6,897,362	8,006,257
Equipment Purchases	723,045	-	723,045	300,794
Total Expenditures	8,553,988	8,423	8,562,411	10,383,813
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,829,825	\$ (8,423)	\$ 1,821,402	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2440-060-10-G0ZQ
Grant Date	01/06/2012
Bond Authorization Date	09/27/2011
Bonds Authorized	\$ 7,517,346
Bonds Issued	\$ 7,517,346
Original Authorized Cost	\$ 10,383,813
Revised Authorized Cost	\$ 10,383,813
Percentage Increase Over Original Authorized Cost	0%
Original Target Completion Date	09/01/2013
Revised Target Completion Date	N/A

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ADDITIONS AND RENOVATIONS TO HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2015**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SDA Grant	\$ 4,375,608	\$ -	\$ 4,375,608	\$ 4,375,608
Bond Proceeds & Transfers	11,013,017	-	11,013,017	11,013,017
Total Revenues	15,388,625	-	15,388,625	15,388,625
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	1,480,061	-	1,480,061	3,077,725
Construction Services	12,510,553	216,124	12,726,677	11,807,291
Equipment Purchases	1,256,001	10,052	1,266,053	503,609
Total Expenditures	15,246,615	226,176	15,472,791	15,388,625
Other Financing Sources/(Uses)				
Cancellation of Account Payable	19,281	-	19,281	-
Total Other Financing Sources/(Uses)	19,281	-	19,281	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 161,291	\$ (226,176)	\$ (64,885)	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	2440-050-10-G0ZO
Grant Date	01/06/2012
Bond Authorization Date	09/27/2011
Bonds Authorized	\$ 11,013,017
Bonds Issued	\$ 11,013,017
Original Authorized Cost	\$ 15,388,625
Revised Authorized Cost	\$ 15,388,625
Percentage Increase Over Original Authorized Cost	0%
Original Target Completion Date	09/01/2013
Revised Target Completion Date	N/A

G. Proprietary Funds

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Enterprise Funds

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**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2015
Current Assets:			
Cash & Cash Equivalents	\$ 284,962	\$ 102,836	\$ 387,798
Accounts Receivable:			
State	916	-	916
Federal	16,394	-	16,394
Interfund Receivable	10,051	-	10,051
Inventories	6,533	-	6,533
	<hr/>	<hr/>	<hr/>
Total Current Assets	318,856	102,836	421,692
Noncurrent Assets:			
Furniture, Machinery & Equipment	697,881	-	697,881
Accumulated Depreciation	(597,405)	-	(597,405)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	100,476	-	100,476
	<hr/>	<hr/>	<hr/>
Total Assets	419,332	102,836	522,168
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	-	-	-
Unearned Revenue	11,502	-	11,502
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	11,502	-	11,502
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities:			
Compensated Absences	48,294	-	48,294
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	48,294	-	48,294
	<hr/>	<hr/>	<hr/>
Total Liabilities	59,796	-	59,796
	<hr/>	<hr/>	<hr/>
NET POSITION			
Net Investment in Capital Assets	100,476	-	100,476
Unrestricted Net Position	259,060	102,836	361,896
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 359,536	\$ 102,836	\$ 462,372
	<hr/>	<hr/>	<hr/>

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2015
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 493,720	\$ -	\$ 493,720
Daily Sales - Nonreimbursable Programs	434,061	-	434,061
Vending Machine Sales	9,244	-	9,244
Special Function	28,839	-	28,839
Program Fees	-	93,098	93,098
Miscellaneous	-	-	-
Total Operating Revenue	965,864	93,098	1,058,962
Operating Expenses:			
Salaries	509,939	10,162	520,101
Employee Benefits	172,683	777	173,460
Other Professional Services	-	9,276	9,276
Supplies and Materials	6,233	22,540	28,773
Cleaning, Repair & Maintenance Services	8,323	-	8,323
Other Expenses	-	-	-
Depreciation	14,226	-	14,226
Cost of Sales	497,344	-	497,344
Total Operating Expenses	1,208,748	42,755	1,251,503
Operating (Loss)/Gain	(242,884)	50,343	(192,541)
Nonoperating Revenues:			
Gain on Adjustment to Capital Assets	-	-	-
State Sources:			
State School Lunch Program	8,719	-	8,719
Federal Sources:			
National School Lunch Program	192,368	-	192,368
Healthy Hunger-Free Kids Act	10,621	-	10,621
Food Distribution Program	45,918	-	45,918
Interest Revenue	1,386	-	1,386
Total Nonoperating Revenues	259,012	-	259,012
Net Income/(Loss)	16,128	50,343	66,471
Net Change in Compensated Absences	(5,334)	-	(5,334)
Change in Net Position	10,794	50,343	61,137
Total Net Position - Beginning	348,742	52,493	401,235
Total Net Position - Ending	\$ 359,536	\$ 102,836	\$ 462,372

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2015**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2015
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 953,284	\$ 93,098	\$ 1,046,382
Payments to Employees	(509,939)	(10,162)	(520,101)
Payments for Employee Benefits	(172,683)	(777)	(173,460)
Payments to Suppliers	(528,322)	(31,816)	(560,138)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(257,660)	50,343	(207,317)
Cash Flows From Investing Activities:			
Interest & Dividends	1,386	-	1,386
Purchase of Equipment	(104,487)	-	(104,487)
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	(103,101)	-	(103,101)
Cash Flows From Noncapital Financing Activities:			
State Sources	8,719	-	8,719
Federal Sources	248,907	-	248,907
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	257,626	-	257,626
Net Increase/(Decrease) in Cash & Cash Equivalents	(103,135)	50,343	(52,792)
Cash & Cash Equivalents, July 1	388,097	52,493	440,590
	<hr/>	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 284,962	\$ 102,836	\$ 387,798

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (242,884)	\$ 50,343	\$ (192,541)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	14,226	-	14,226
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	1,231	-	1,231
(Increase)/Decrease in Accounts Receivable, Net	(869)	-	(869)
(Increase)/Decrease in Interfund Receivable	(1,711)	-	(1,711)
Increase/(Decrease) in Accounts Payable	(17,653)	-	(17,653)
Increase/(Decrease) in Prepaid Lunches	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>
Total Adjustments	(14,776)	-	(14,776)
Net Cash Provided/(Used) by Operating Activities	\$ (257,660)	\$ 50,343	\$ (207,317)

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Internal Service Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

ASSETS	GOVERNMENTAL ACTIVITIES					2015
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ 163,995	\$ 70,360	\$ 12,653	\$ -	\$ -	\$ 247,008
Accounts Receivable:						
Interfund Accounts Receivable	-	-	-	8,810	8,810	8,810
Intergovernmental - Other	313,201	539	302	-	-	314,042
Other Accounts Receivable	827	-	-	12,701	13,528	13,528
Total Assets	478,023	70,899	12,955	21,511	583,388	
LIABILITIES						
Cash Deficit	-	-	-	21,511	21,511	21,511
Accounts Payable	-	-	-	-	-	-
Interfund Accounts Payable	478,023	70,899	12,955	-	561,877	561,877
Total Liabilities	478,023	70,899	12,955	21,511	583,388	
NET POSITION						
Unrestricted Net Position	-	-	-	-	-	-
Total Net Position	-	-	-	-	-	-

**KINGSWAY REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2015**

	GOVERNMENTAL ACTIVITIES				2015
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
OPERATING REVENUES:					
Local Sources:					
Transportation Fees	\$ 1,602,026	\$ -	\$ -	\$ -	\$ 1,602,026
Sale of Gasoline	13,768	-	-	-	13,768
Shared Service Fees	124,485	45,849	93,189	82,334	345,857
Total Operating Revenue	1,740,279	45,849	93,189	82,334	1,961,651
OPERATING EXPENSES:					
Salaries	743,334	41,675	82,220	75,550	942,779
Employee Benefits	253,540	125			253,665
Cleaning, Repair & Maintenance Services	613				613
Aid in Lieu of Transportation	143,845				143,845
Miscellaneous Purchased Services	331,707			11,487	343,194
Supplies & Materials	168,801	4,173		4,107	177,081
Miscellaneous Expenditures	5,670				5,670
Total Operating Expenses	1,647,510	45,973	82,220	91,144	1,866,847
Net Income/(Loss)	92,769	(124)	10,969	(8,810)	94,804
Other Financing Sources/(Uses):					
Operating Transfer In/(Out):					
Transfer to General Fund	(92,769)	124	(10,969)	8,810	(94,804)
Total Other Financing Sources/(Uses)	(92,769)	124	(10,969)	8,810	(94,804)
Change in Net Position	-	-	-	-	-
Total Net Position- July 1	-	-	-	-	-
Total Net Position - June 30	-	-	-	-	-

**KINGSWAY REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2015**

	GOVERNMENTAL ACTIVITIES				2015
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,767,905	\$ 95,778	\$ 92,887	\$ 71,323	\$ 2,027,893
Payments to Employees	(743,334)	(41,675)	(74,585)	(146,573)	(1,006,167)
Payments for Employee Benefits	(253,540)	(125)	-	-	(253,665)
Payments to Suppliers	(571,907)	66,726	-	(15,594)	(520,775)
Net Cash Provided/(Used) by Operating Activities	199,124	120,704	18,302	(90,844)	247,286
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	(92,769)	124	(10,969)	8,810	(94,804)
Net Cash Provided by Noncapital Financing Activities	(92,769)	124	(10,969)	8,810	(94,804)
Net Increase/(Decrease) in Cash & Cash Equivalents	106,355	120,828	7,333	(82,034)	152,482
Cash & Cash Equivalents, July 1	57,640	(50,468)	5,320	60,523	73,015
Cash & Cash Equivalents, June 30, 2013	\$ 163,995	\$ 70,360	\$ 12,653	\$ (21,511)	\$ 225,497

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Reconciliation of Operating Income (Loss) to Cash Provided/(Used) by Operating Activities:	\$	92,769	\$	(124)	\$	10,969	\$	(8,810)	\$	94,804
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:										
Change in Assets & Liabilities:										
(Increase)/Decrease in Accounts Receivable	27,626		46,595		(302)			(2,201)		71,718
(Increase)/Decrease in Interfund Receivable	-		3,334		-			(8,810)		(5,476)
Increase/(Decrease) in Interfund Payable	92,769		70,899		7,635			(71,023)		100,280
Increase/(Decrease) in Accounts Payable	(14,040)		-		-			-		(14,040)
Total Adjustments	106,355		120,828		7,333			(82,034)		152,482
Net Cash Provided/(Used) by Operating Activities	\$	199,124	\$	120,704	\$	18,302	\$	(90,844)	\$	247,286

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H. Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

ASSETS	PRIVATE PURPOSE		AGENCY		2015
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL FUND	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 161,022	\$ 194,181	\$ 14,671	\$ 226,950	\$ 596,824
Interfund Receivable	-	-	-	-	-
Total Assets	161,022	194,181	14,671	226,950	596,824
LIABILITIES					
Payroll Deductions & Withholdings	-	-	14,341	-	14,341
Due to Student Groups	-	-	-	226,950	226,950
Accounts Payable	13,358	-	-	-	13,358
Interfund Payable	-	-	330	-	330
Total Liabilities	13,358	-	14,671	226,950	254,979
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	147,664	-	-	-	147,664
Restricted for Scholarships	-	194,181	-	-	194,181
Total Net Position	\$ 147,664	\$ 194,181	\$ -	\$ -	\$ 341,845

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIPS	2015
ADDITIONS:			
Local Sources:			
Contributions	\$ 36,399	\$ 1,600	\$ 37,999
Board Contributions	-	-	-
Total Contributions	36,399	1,600	37,999
Investment Earnings:			
Interest on Investments	286	213	499
Total Investment Earnings	286	213	499
Total Additions	36,685	1,813	38,498
DEDUCTIONS:			
Unemployment Claims	93,814	-	93,814
Scholarship Payments	-	4,074	4,074
Total Deductions	93,814	4,074	97,888
Change in Net Position	(57,129)	(2,261)	(59,390)
Net Position - Beginning of Year	204,793	196,442	401,235
Net Position - End of Year	\$ 147,664	\$ 194,181	\$ 341,845

**KINGSWAY REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

	JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2015
Kingsway Regional High School	\$ 189,633	\$ 526,203	\$ 521,145	\$ 194,691
Kingsway Regional Middle School	32,928	76,195	76,894	32,229
Kingsway Regional Athletics	36	97,949	97,955	30
Total	\$ 222,597	\$ 700,347	\$ 695,994	\$ 226,950

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2015**

ASSETS	BALANCE JULY 1, 2014	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2015
Cash & Cash Equivalents:				
Payroll Account	\$ 84	\$ 13,058,228	\$ 13,058,218	\$ 94
Payroll Agency Account	15,514	9,071,677	9,072,614	14,577
Interfund Account Receivable				-
Total Assets	\$ 15,598	\$ 22,129,905	\$ 22,130,832	\$ 14,671
LIABILITIES				
Net Payroll	\$ -	\$ 13,058,218	\$ 13,058,218	\$ -
Net Payroll Deductions & Withholdings	15,276	9,071,357	9,072,292	14,341
Interfund Account Payable	322	330	322	330
Total Liabilities	\$ 15,598	\$ 22,129,905	\$ 22,130,832	\$ 14,671

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I. Long-Term Debt

Not Applicable

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**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2015**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2014	ISSUED	REFUNDED	REDEEMED	BALANCE JUNE 30, 2015
2005 School Refunding Bonds	05/15/2005	15,780,000	01/15/16-2018	4.000%	\$ 10,385,000	\$ -	\$ 9,445,000	\$ 940,000	\$ -
2006 School Refunding Bonds of 03/01/2004 Issue	11/21/2006	9,075,000	01/15/2018-21 01/15/2022-24 03/01/2025	4.000% 4.000% 4.000%	8,800,000	-	-	25,000	8,775,000
			03/01/2026	4.000%					
			03/01/2027	4.125%					
			03/01/2028	4.125%					
			03/01/2029	4.125%					
			03/01/2030	4.125%					
			03/01/2031	4.125%					
Series 2012 Additions & Renovations of Existing School Buildings	1/18/2012	22,659,000	02/01/2016-17 02/01/2018 02/01/2019 02/01/2020 02/01/2021 02/01/2022 02/01/2023 02/01/2024 02/01/2025 02/01/2026 02/01/2027 02/01/2028 02/01/2029 02/01/2030 02/01/2031 02/01/2032 02/01/2033-36 02/01/2037	2.500% 2.500% 2.500% 2.500% 2.500% 2.500% 2.500% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.000% 3.125% 3.250-3.500% 3.500%	21,409,000	-	-	650,000	20,759,000
Series 2012 Refunding Bonds of 08/17/2004 Issue	1/27/2012	5,935,000	01/15/16 01/15/17 01/15/18 01/15/19 1/15/2020-21 01/15/22 01/15/23 01/15/24	3.000% 3.000% 2.000% 2.000% 2.250-4.000% 2.500% 3.000% 3.831%	5,770,000	-	-	470,000	5,300,000
Series 2014 Refunding Bonds of 05/15/05 Issue	12/4/2014	8,730,000	03/01/16 03/01/17 03/01/18 03/01/19 03/01/20 03/01/21 03/01/21 03/01/21 03/01/22 03/01/23 03/01/24	1.000% 4.000% 4.000% 5.000% 4.000% 3.000% 5.000% 3.000% 3.000% 4.000% 5.000%	-	8,730,000	-	10,000	8,720,000
Total					\$ 46,364,000	\$ 8,730,000	\$ 9,445,000	\$ 2,095,000	\$ 43,554,000

**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2015**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2014	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2015
Technology Equipment	07/15/2010	5 Years	3.17%	\$ 1,500,000	600,000	\$ -	\$ 300,000	\$ 300,000
Total					600,000	\$ -	\$ 300,000	\$ 300,000

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	JUNE 30, 2015				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,024,851	\$ -	\$ 3,024,851	\$ 3,024,851	\$ -
State Sources:					
Debt Service Aid Type II	603,050	-	603,050	603,050	-
Miscellaneous	-	-	-	8,209	8,209
Total Revenues	3,627,901	-	3,627,901	3,636,110	8,209
Expenditures:					
Regular Debt Service:					
Interest	1,590,063	(10,000)	1,580,063	1,477,255	102,808
Principal	2,085,000	10,000	2,095,000	2,095,000	-
Expense of Refunding Bonds	-	-	-	97,778	(97,778)
Total Expenditures	3,675,063	-	3,675,063	3,670,033	5,030
Other Financing Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	9,736,442	9,736,442
Deposit to Refunding Escrow	-	-	-	(9,638,664)	(9,638,664)
Total Other Financial Sources/(Uses)	-	-	-	97,778	97,778
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(47,162)	-	(47,162)	63,855	(111,017)
Fund Balance July 1, 2014	47,162	-	47,162	47,162	-
Fund Balance June 30, 2015	\$ -	\$ -	\$ -	\$ 111,017	\$ (111,017)

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STATISTICAL SECTION (Unaudited)

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KINGSWAY REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental Activities:										
Net Investment in Capital Assets	\$ 19,475,201	\$ 17,827,660	\$ 17,607,415	\$ 16,354,079	\$ 8,717,235	\$ 9,449,419	\$ 9,885,660	\$ 10,836,455	\$ 9,816,867	\$ 5,411,503
Restricted	3,279,005	3,406,385	4,725,703	3,584,379	2,733,713	2,908,692	3,904,704	4,584,524	4,872,361	5,155,830
Unrestricted	(9,870,037)	1,100,145	139,963	53,340	(1,031,840)	(1,236,904)	(929,075)	(1,080,626)	(852,021)	(1,073,946)
Total Governmental Activities	\$ 12,884,169	\$ 22,334,190	\$ 22,473,081	\$ 19,991,798	\$ 10,419,108	\$ 11,121,207	\$ 12,861,289	\$ 14,340,353	\$ 13,837,207	\$ 9,493,387
Business-Type Activities:										
Net Investment in Capital Assets	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667	\$ 135,707	\$ 142,253	\$ 170,703	\$ 52,494
Unrestricted	361,896	391,020	275,518	218,608	129,752	38,542	390,262	427,480	401,868	322,985
Total Business-Type Activities	\$ 462,372	\$ 401,235	\$ 286,280	\$ 259,901	\$ 204,074	\$ 145,209	\$ 525,969	\$ 569,733	\$ 572,571	\$ 375,479
District-Wide:										
Net Investment in Capital Assets	\$ 19,575,677	\$ 17,837,875	\$ 17,618,177	\$ 16,395,372	\$ 8,791,557	\$ 9,556,086	\$ 10,021,367	\$ 10,978,708	\$ 9,987,570	\$ 5,463,997
Restricted	3,279,005	3,406,385	4,725,703	3,584,379	2,733,713	2,908,692	3,904,704	4,584,524	4,872,361	5,155,830
Unrestricted	(9,508,141)	1,491,165	415,481	271,948	(902,088)	(1,198,362)	(538,813)	(653,146)	(450,153)	(750,961)
Total District Net Position	\$ 13,346,541	\$ 22,735,425	\$ 22,759,361	\$ 20,251,699	\$ 10,623,182	\$ 11,266,416	\$ 13,387,258	\$ 14,910,086	\$ 14,409,778	\$ 9,868,866

**KINGSWAY REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 14,702,463	\$ 12,536,245	\$ 11,978,588	\$ 11,243,222	\$ 7,878,158	\$ 8,763,250	\$ 8,789,020	\$ 7,546,067	\$ 7,710,990	\$ 6,828,004
Special Education	3,732,321	3,317,324	2,965,920	3,056,553	2,194,808	2,149,129	1,955,353	1,756,123	1,640,338	1,358,885
Other Instruction	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690	7,691
School Sponsored	1,237,231	1,188,826	1,155,925	1,073,294	755,011	1,095,130	1,157,586	984,296	983,472	759,215
Support Services:										
Tuition	2,355,900	2,045,704	2,097,428	1,658,412	1,862,674	1,729,187	1,566,990	1,347,856	1,280,284	1,325,259
Student & Instruction Related Services	4,670,664	3,980,590	3,504,324	3,249,067	2,132,387	2,212,311	2,097,251	1,929,467	1,773,372	1,581,452
School Administrative Services	1,715,299	1,587,333	1,392,634	1,464,383	1,272,945	1,326,729	1,254,410	1,196,511	1,076,291	1,011,856
General & Business Administrative Services	857,522	717,954	682,990	618,884	537,466	439,397	410,818	456,780	426,569	435,409
Central Office & Technology Services	856,912	748,669	825,133	584,884	569,573	626,864	615,387	563,748	624,718	466,850
Plant Operations & Maintenance	3,840,177	3,790,087	3,137,022	3,171,687	2,528,095	2,711,376	3,080,264	2,995,772	2,795,334	2,287,650
Pupil Transportation	4,564,605	3,702,236	3,156,947	3,112,014	2,821,829	3,080,396	2,946,272	3,384,766	3,182,155	2,948,602
Allocated Benefits	-	-	-	-	-	4,716,007	4,808,105	4,376,662	3,788,563	-
Unallocated Benefits	-	-	-	-	-	1,686,111	1,639,606	2,179,478	2,012,548	4,450,911
Special Schools	-	-	-	-	-	-	-	-	19,470	20,683
Interest on Long-Term Debt	1,578,718	1,838,789	1,715,834	1,448,736	1,245,834	1,287,509	1,324,177	1,357,997	1,277,248	1,468,115
Unallocated Depreciation	1,670,349	1,880,234	1,679,247	1,904,135	1,439,521	676,384	675,162	1,457,201	629,463	305,496
Capital Asset Adjustment	-	-	-	72,143	-	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	102,268	75,192	-	-	-	-	-	-
Unallocated Compensated Absences	231,294	417,609	(94,013)	265,957	-	-	-	-	-	-
Total Governmental Activities Expenses	42,018,809	37,575,592	34,300,648	33,003,413	31,643,450	32,531,041	32,351,690	31,542,401	29,223,505	25,256,078
Business-Type Activities:										
Community Education Program	42,755	13,266	16,409	13,832	2,912	-	-	-	-	-
Food Service	1,208,748	1,155,055	1,046,087	1,042,778	1,003,315	949,241	1,005,978	999,511	985,159	741,889
Total Business-Type Activities Expenses	1,251,503	1,168,321	1,062,496	1,056,610	1,006,227	949,241	1,005,978	999,511	985,159	741,889
Total District Expenses	43,270,312	38,925,913	35,363,144	34,060,023	32,649,677	33,480,282	33,357,668	32,541,912	30,208,664	25,997,967
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Pupil Transportation	\$ -	\$ -	\$ -	\$ -	\$ 943,221	\$ 1,184,917	\$ 1,055,760	\$ 1,623,513	\$ 1,565,273	\$ 1,397,351
Operating Grants & Contributions	1,961,651	1,742,380	1,165,354	1,104,912	1,134,114	1,091,333	1,135,868	1,075,725	1,071,949	1,073,525
Capital Grants & Contributions	5,315,795	456,633	436,803	449,711	-	-	-	-	-	-
Total Governmental Activities Program Revenues	7,277,446	2,199,013	1,602,157	1,554,623	2,077,335	2,276,250	2,191,628	2,699,238	2,637,222	2,470,876
Business-Type Activities:										
Charges for Services:										
Community Education Program	93,098	30,026	28,854	26,378	13,615.00	-	-	-	-	-
Food Service	965,864	962,521	842,295	837,864	872,766	822,769	798,796	773,209	702,206	620,217
Technology Services	-	-	-	16,522.00	-	-	-	-	-	-
Operating Grants & Contributions	257,626	291,482	255,493	230,539	180,597	172,749	162,759	136,379	114,453	107,889
Total Business Type Activities Program Revenues	1,316,588	1,284,029	1,126,642	1,111,303	1,066,978	995,518	961,555	909,588	816,659	728,106
Total District Program Revenues	8,594,034	3,483,042	2,728,799	2,665,926	3,144,313	3,271,768	3,153,183	3,608,826	3,453,881	3,198,982

**KINGSWAY REGIONAL SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net/(Expense)/Revenue:										
Governmental Activities	\$ (34,741,363)	\$ (35,558,579)	\$ (32,698,491)	\$ (31,448,790)	\$ (29,566,115)	\$ (30,254,791)	\$ (30,160,062)	\$ (28,843,163)	\$ (26,586,283)	\$ (22,785,202)
Business-Type Activities	65,085	115,708	64,146	54,693	60,751	46,277	(44,423)	(89,923)	(168,500)	(13,783)
Total District-Wide Net Expense	\$ (34,676,278)	\$ (35,442,871)	\$ (32,634,345)	\$ (31,394,097)	\$ (29,505,364)	\$ (30,208,514)	\$ (30,204,485)	\$ (28,933,086)	\$ (26,754,783)	\$ (22,798,985)

General Revenues & Other Changes in Net Position:

Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 18,400,237	\$ 17,431,770	\$ 17,089,971	\$ 16,323,659	\$ 15,536,649	\$ 14,194,655	\$ 13,248,425	\$ 13,010,690	\$ 13,402,716	\$ 9,883,969
Taxes Levied for Debt Service	3,024,851	3,039,318	3,108,239	1,888,351	1,803,669	1,703,432	1,688,110	1,627,323	1,683,659	2,081,896
Unrestricted Grants & Contributions	9,970,427	11,491,582	11,779,848	18,533,839	8,883,640	7,343,343	8,763,002	8,346,306	8,014,904	7,322,645
Tuition Received	3,341,849	3,360,599	2,855,074	2,798,202	3,332,156	4,342,882	4,587,891	4,623,432	4,168,924	3,790,808
Rents and Royalties	77,121	-	-	-	-	-	-	-	-	-
Investment Earnings	6,623	7,098	11,659	-	39,178	88,375	123,493	205,915	256,418	329,009
Miscellaneous Income	227,960	350,533	319,044	379,629	269,421	173,387	215,139	162,927	139,029	168,509
Transportation Fees From Other LEA's Within State	-	-	-	57,034	15,912	199,122	106,637	283,144	235,697	178,047
Transfers	-	-	-	-	-	425,600	-	(87,500)	(675,000)	(26,050)
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	-
Cancellation of Account Receivables/ Payables	-	14,956	(583)	-	-	-	-	-	-	-
Net (Increase)/Decrease in Compensated Absences	-	-	-	-	(32,419)	11,240	55,880	97,471	115,983	65,132
Net (Increase)/Decrease in Capital Assets	-	-	-	-	(984,190)	32,671	182,503	2,399,830	2,751,775	(3,783,974)
Total Governmental Activities	35,049,068	35,695,856	35,163,252	39,980,714	28,864,016	28,514,707	28,971,080	30,669,538	29,931,105	20,009,991

Business-Type Activities:										
Investment Earnings	1,386	948	1,627	1,383	850	867	556	2,518	5,730	4,643
Transfers	-	-	-	-	-	(425,600)	-	87,500	163,000	26,050
Contributed Capital	-	-	-	-	-	-	-	-	199,154	-
Net (Increase)/Decrease in Capital Assets	-	4,389	-	-	-	958	-	-	-	-
Net (Increase)/Decrease in Compensated Absences	(5,334)	(6,090)	(22,872)	(248)	(2,737)	(3,262)	102	(2,933)	(2,290)	99
Total Business-Type Activities	(3,948)	(753)	(21,245)	1,135	(1,887)	(427,037)	658	87,085	365,594	30,792

Total District-Wide	\$ 35,045,120	\$ 35,695,103	\$ 35,142,007	\$ 39,981,849	\$ 28,862,129	\$ 28,087,670	\$ 28,971,738	\$ 30,756,623	\$ 30,296,699	\$ 20,040,783
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Change in Net Position:										
Governmental Activities	\$ 307,705	\$ 137,277	\$ 2,464,761	\$ 8,531,924	\$ (702,099)	\$ (1,740,084)	\$ (1,188,982)	\$ 1,826,375	\$ 3,344,822	\$ (2,775,211)
Business-Type Activities	61,137	114,955	42,901	55,828	58,864	(380,760)	(43,765)	(2,838)	197,094	17,009
Total District	\$ 368,842	\$ 252,232	\$ 2,507,662	\$ 8,587,752	\$ (643,235)	\$ (2,120,844)	\$ (1,232,747)	\$ 1,823,537	\$ 3,541,916	\$ (2,758,202)

**KINGSWAY REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30, 2013									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund:										
Restricted	\$ 3,552,629	\$ 3,873,976	\$ 4,406,076	\$ 3,584,379	\$ 2,728,509	\$ 2,858,692	\$ 3,943,036	\$ 4,584,524	\$ 4,839,294	\$ 4,408,975
Assigned	87,149	87,149	319,627	-	-	-	-	-	-	-
Unassigned	-	-	-	-	759,943	552,731	659,534	530,489	226,948	141,609
Total General Fund	\$ 3,639,778	\$ 3,961,125	\$ 4,725,703	\$ 3,584,379	\$ 3,488,452	\$ 3,411,423	\$ 4,602,570	\$ 5,115,013	\$ 5,066,242	\$ 4,550,584
All Other Governmental Funds:										
Restricted	\$ 2,392,330	\$ 2,513,829	\$ 3,777,425	\$ 25,422,409	\$ 5,204	\$ 50,000	\$ (38,332)	\$ -	\$ 33,067	\$ 1,564,306
Committed	-	131,008	4,424,528	-	-	-	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	(299,600)	(449,600)	-	-	-	150,789
Debt Service Fund	111,017	47,162	47,162	-	-	5,204	-	-	-	42,020
Total All Other Governmental Funds	\$ 2,503,347	\$ 2,691,999	\$ 8,249,115	\$ 25,422,409	\$ (294,396)	\$ (394,396)	\$ (38,332)	\$ -	\$ 33,067	\$ 1,757,115

**KINGSWAY REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues:										
Taxes Local	\$ 21,425,088	\$ 20,471,088	\$ 20,198,210	\$ 18,212,010	\$ 17,340,316	\$ 15,898,087	\$ 14,936,535	\$ 14,638,013	\$ 15,086,375	\$ 11,965,865
Tuition Charges	3,341,849	3,360,599	2,855,074	2,798,202	3,332,156	4,342,882	4,587,891	4,623,432	4,168,924	3,790,808
Transportation	77,121	-	-	57,034	15,912	199,122	106,637	283,144	235,697	178,047
Miscellaneous	234,583	357,631	330,703	379,629	308,599	261,762	338,632	368,843	395,469	497,518
Local Sources	-	-	-	-	9,625	8,407	17,592	17,000	-	-
State Sources	12,127,546	11,494,211	11,785,650	18,254,364	9,290,613	6,906,832	9,447,830	9,031,936	8,699,321	8,058,662
Federal Sources	547,794	454,004	431,001	729,186	717,516	1,673,401	433,448	373,095	386,510	337,508
Total Revenue	37,753,981	36,137,533	35,600,638	40,430,425	31,014,737	29,290,493	29,868,565	29,335,463	28,972,296	24,828,408
Expenditures:										
Instruction:										
Regular Instruction	9,187,438	8,764,411	8,277,245	7,735,128	7,784,180	8,221,599	8,271,054	7,470,528	7,241,438	6,426,638
Special Education Instruction	2,417,631	2,418,182	2,083,582	2,220,282	2,186,002	2,136,896	1,943,140	1,755,367	1,628,706	1,340,209
Other Instructional	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690	7,691
School Sponsored	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335	867,217	896,704	747,467	706,858
Support Services:										
Tuition	2,355,900	2,045,704	2,097,428	1,658,412	1,862,674	1,729,187	1,566,990	1,347,856	1,280,284	1,325,259
Student & Instruction Related Services	2,793,298	2,696,623	2,244,352	2,054,879	2,125,940	2,114,301	1,999,922	1,920,914	1,679,388	1,507,394
School Administrative Services	1,526,072	1,457,917	1,265,636	1,344,016	1,270,985	1,307,195	1,237,037	1,184,384	1,056,791	992,869
General & Business Administration Services	1,375,899	1,186,763	1,282,660	1,098,703	1,056,420	1,020,532	981,075	990,699	1,011,679	866,152
Plant Operations & Maintenance	2,697,816	2,893,133	2,400,574	2,474,277	2,488,072	2,654,490	3,026,315	2,963,466	2,747,111	2,251,361
Pupil Transportation	2,694,444	2,269,025	2,058,100	1,865,474	1,740,212	1,755,960	1,742,691	1,612,110	1,467,740	1,437,366
Allocated Benefits	5,145,365	4,891,551	4,037,238	4,489,690	4,408,279	4,716,007	4,808,105	4,391,316	3,788,563	-
Unallocated Benefits	2,627,894	2,318,258	3,037,827	2,215,982	1,940,708	1,686,111	1,639,606	2,164,825	2,012,548	4,450,911

**KINGSWAY REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenditures (continued):										
Special Schools	-	-	-	-	-	-	-	-	19,470	20,683
Capital outlay	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393	331,346	508,784	2,988,071	12,845,130
Debt service:										
Principal	2,095,000	1,930,000	2,018,600	1,310,000	1,260,000	1,070,000	1,035,000	935,000	1,035,000	1,045,000
Interest & Other Charges	1,575,033	1,662,163	1,695,165	1,214,657	1,264,531	1,302,106	1,337,938	1,370,712	1,310,738	1,685,743
Total Expenditures	38,456,562	42,621,621	51,902,853	36,817,537	32,340,334	31,326,373	30,818,725	29,522,342	30,017,684	36,909,264
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(702,581)	(6,484,088)	(16,302,215)	3,612,888	(1,325,597)	(2,035,880)	(950,160)	(186,879)	(1,045,388)	(12,080,856)
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	22,659,000	-	-	-	-	-	-
Bond Anticipation Note	-	-	153,600	146,000	-	-	-	-	-	-
Capital Leases (Nonbudgeted)	-	-	-	-	1,500,000	-	-	-	-	872,527
Cancellation of Account Payable	(9,638,664)	14,956	15,550	-	-	-	-	-	-	-
Cancellation of Account Receivable	9,736,442	-	(16,133)	-	-	-	-	-	-	-
Transfers in	94,804	147,438	151,392	-	150,001	480,803	1	1	1	338,366
Transfers Out	-	-	(34,164)	-	(1)	(55,203)	(1)	(87,501)	(163,001)	(364,416)
Total Other Financing Sources/ (Uses)	192,582	162,394	270,245	22,805,000	1,650,000	425,600	-	(87,500)	(163,000)	846,477
Net Change in Fund Balances	\$ (509,999)	\$ (6,321,694)	\$ (16,031,970)	\$ 26,417,888	\$ 324,403	\$ (1,610,280)	\$ (950,160)	\$ (274,379)	\$ (1,208,388)	\$ (11,234,379)
Debt Service as a Percentage of Noncapital Expenditures	9.77%	10.09%	11.07%	8.24%	7.92%	7.77%	7.58%	8.07%	9.96%	5.79%

Source: District Records

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

FISCAL YEAR ENDING JUNE 30,	FACILITY USAGE	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	SPORTING EVENTS GATE RECEIPTS	DRIVER'S EDUCATION FEES	STUDENT PARTICIPATION FEES	MISCELLANEOUS	TOTAL
2015	\$ -	\$ 6,623	\$ 10,573	\$ 17,317	\$ -	\$ 92,475	\$ 69,320	\$ 196,308
2014	62,796	7,098	31,576	23,068	-	96,327	120,058	340,923
2013	43,806	11,659	16,693	17,611	-	123,000	55,399	268,168
2012	61,587	19,349	55,902	19,521	-	122,680	92,333	371,372
2011	58,476	39,178	3,747	24,849	-	-	182,349	308,599
2010	48,195	88,375	7,321	27,169	-	-	90,702	261,762
2009	17,664	123,493	3,213	17,664	-	-	176,598	338,632
2008	-	205,915	11,377	27,700	-	-	123,850	368,842
2007	-	256,418	2,701	15,740	14,685	-	96,886	386,430
2006	-	247,131	1,258	19,770	29,575	-	117,906	415,640

Source: District records

KINGSWAY REGIONAL SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
East Greenwich Township												
2015	\$ 15,699,700	\$ 941,124,600	\$ 21,611,800	\$ 2,710,000	\$ 49,351,600	\$ 16,146,300	\$ 1,916,500	\$ 1,048,560,500	\$ 1,280,885	\$ 1,049,841,385	0.752	\$ 1,089,213,265
2014	14,104,900	924,528,700	23,001,600	2,712,700	54,274,600	16,459,200	1,916,500	1,036,998,200	1,266,142	1,038,264,342	0.726	1,079,797,686
2013	17,930,100	910,807,400	23,975,400	2,749,200	54,269,400	16,952,500	2,159,800	1,028,843,800	1,470,197	1,030,313,997	0.720	1,092,833,683
2012	23,442,400	889,149,600	26,804,000	2,753,700	55,217,900	16,965,700	2,159,800	1,016,493,100	1,619,410	1,018,112,510	0.708	1,138,046,180
2011	11,189,900	553,679,120	13,521,100	2,501,200	27,839,800	12,696,000	1,799,600	623,226,720	938,951	624,165,671	1.115	1,147,450,036
2010	15,368,950	525,325,520	14,300,100	2,533,250	28,051,700	13,029,300	1,799,600	600,408,420	1,115,561	601,523,981	1.080	1,157,758,363
2009	20,274,050	486,601,720	15,097,500	2,548,250	28,096,200	13,029,300	1,799,600	567,446,620	1,053,782	568,500,402	1.074	1,114,585,756
2008	24,720,000							24,720,000	1,830,918	26,550,918	1.158	1,029,784,496
2007	25,575,800							25,575,800	895,424	26,471,224	1.229	880,402,990
2006	35,843,020							35,843,020	902,448	36,745,468	1.203	728,406,176
South Harrison Township												
2015	10,430,500	301,016,100	34,823,500	3,680,300	21,933,100			371,883,300	501,225	372,384,525	0.868	389,734,776
2014	8,852,800	299,016,400	34,566,600	3,695,400	21,437,300			367,568,500	521,058	368,089,558	0.851	365,487,580
2013	10,692,100	328,052,400	38,652,800	3,701,000	23,785,500			404,883,800	703,216	405,587,016	0.738	366,225,204
2012	12,412,200	323,062,100	42,337,000	3,622,100	23,694,300			405,127,700	743,659	405,871,359	0.694	371,167,397
2011	13,369,500	317,392,500	43,481,000	3,686,500	24,013,800			401,943,300	782,657	402,725,957	0.644	383,259,327
2010	13,794,500	316,892,600	43,321,200	4,766,800	21,313,900			400,089,000	978,729	401,067,729	0.612	372,661,163
2009	6,934,700	184,090,000	27,418,300	2,675,100	8,322,300			229,440,400	581,640	230,022,040	1.008	382,273,242
2008	6,872,100							6,872,100	518,283	7,390,383	1.013	371,852,725
2007	6,337,100							6,337,100	485,985	6,823,085	1.140	348,301,700
2006	35,996,300							35,996,300	518,145	36,514,445	1.162	286,760,352
Borough of Swedesboro												
2015	1,311,500	135,324,200		25,300	30,020,200	3,273,800	2,749,500	172,704,500	1,774,301	174,478,801	0.905	176,331,228
2014	1,516,500	146,211,800		25,300	34,204,500	1,663,900	1,122,400	184,744,400	1,703,659	186,448,059	0.867	181,333,040
2013	1,962,600	148,474,600		24,700	34,901,000	1,695,500	1,122,400	188,180,800	1,833,117	190,013,917	0.870	192,277,907
2012	2,146,800	148,633,300		24,700	35,797,600	1,695,500	1,122,400	189,420,300	2,354,496	191,774,796	0.785	197,364,832
2011	2,511,200	147,909,300		24,700	35,840,600	1,695,500	1,122,400	189,103,700	2,399,420	191,503,120	0.713	202,130,113
2010	2,218,200	72,847,700			13,511,400	902,800	1,000,700	90,480,800	1,123,014	91,603,814	1.403	193,463,770
2009	2,670,600	69,283,500			13,489,600	902,800	1,000,700	87,347,200	1,122,898	88,470,098	1.304	187,421,942
2008	3,807,000							3,807,000	1,369,051	5,176,051	1.337	158,515,152
2007	4,352,800							4,352,800	1,474,720	5,827,520	1.371	140,236,957
2006	1,929,600							1,929,600	1,791,013	3,720,613	1.283	108,811,940
Woolwich Township												
2015	13,276,400	943,474,000	20,072,500	4,317,800	50,503,300	43,425,600	21,054,900	1,096,124,500	1,870,892	1,097,995,392	0.848	1,163,596,438
2014	17,421,300	923,944,400	18,481,400	4,344,600	51,771,100	44,073,200	22,229,800	1,082,265,800	1,901,162	1,084,166,962	0.798	1,110,614,108
2013	19,999,300	905,097,600	20,677,300	4,291,500	55,082,700	45,953,200	22,229,800	1,073,331,400	2,303,228	1,075,634,628	0.767	1,099,949,222
2012	15,110,900	543,765,600	14,130,200	4,968,700	25,146,400	21,639,600	7,701,100	632,462,500	1,369,350	633,831,850	1.207	1,150,834,822
2011	17,200,900	534,786,500	14,280,800	4,979,500	25,187,900	23,097,100	8,741,400	627,274,100	1,279,782	628,553,882	1.090	1,188,696,871
2010	20,088,000	526,066,000	14,063,400	4,954,300	21,996,900	23,006,100	8,741,400	618,916,100	1,543,335	620,459,435	1.029	1,207,715,607
2009	23,310,900		14,172,700	4,975,600	45,169,800		12,611,300	100,240,300	1,409,722	101,650,022	0.943	1,244,290,405
2008	25,487,400							25,487,400	1,276,729	26,764,129	0.903	1,188,592,291
2007	20,050,700							20,050,700	1,282,227	21,332,927	0.951	1,049,583,006
2006	40,001,600							40,001,600	1,311,722	41,313,322	0.937	852,888,629

Source: County Abstract of Rates

KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT & OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	MUNICIPALITY	GLOUCESTER COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
East Greenwich Township								
2015	1.216	0.752	1.968	0.385	0.637	0.049	0.043	3.082
2014	1.150	0.726	1.876	0.327	0.600	0.047	0.042	2.892
2013	1.090	0.720	1.810	0.320	0.596	0.046	0.044	2.816
2012	1.018	0.708	1.726	0.301	0.571	0.047	0.045	2.690
2011	1.611	1.115	2.726	0.416	0.920	0.075	0.074	4.211
2010	1.618	1.080	2.698	0.390	0.980	0.077	0.077	4.222
2009	1.527	1.074	2.601	0.374	1.156	-	-	4.131
2008	1.542	1.158	2.700	0.364	1.173	-	-	4.237
2007	1.467	1.229	2.696	0.327	1.060	-	-	4.083
2006	1.485	1.202	2.687	0.327	1.012	-	-	4.026
South Harrison Township								
2015	1.012	0.868	1.880	0.201	0.644	0.049	0.044	2.818
2014	0.999	0.851	1.850	0.198	0.564	0.045	0.040	2.697
2013	0.889	0.738	1.627	0.171	0.508	0.039	0.037	2.382
2012	0.874	0.694	1.568	0.177	0.467	0.039	0.037	2.288
2011	0.861	0.644	1.505	0.175	0.475	0.039	0.038	2.232
2010	0.842	0.612	1.454	0.101	0.474	0.038	0.038	2.105
2009	1.404	1.008	2.412	0.176	0.989	-	-	3.577
2008	1.378	1.013	2.391	0.177	0.994	-	-	3.562
2007	1.357	1.139	2.496	0.149	0.980	-	-	3.625
2006	1.142	1.160	2.302	0.099	0.917	-	-	3.318
Borough of Swedesboro								
2015	1.354	0.905	2.259	0.918	0.620	0.047	0.042	3.886
2014	1.324	0.867	2.191	0.833	0.559	0.044	0.039	3.666
2013	1.279	0.870	2.149	0.802	0.569	0.044	0.042	3.606
2012	1.197	0.785	1.982	0.775	0.524	0.044	0.042	3.367
2011	1.144	0.713	1.857	0.745	0.529	0.043	0.043	3.217
2010	2.296	1.403	3.699	1.563	1.081	0.085	0.085	6.513
2009	1.855	1.304	3.159	1.739	1.251	-	-	6.149
2008	1.554	1.337	2.891	1.710	1.194	-	-	5.795
2007	1.247	1.350	2.597	1.159	1.082	-	-	4.838
2006	1.220	1.262	2.482	1.133	0.927	-	-	4.542
Woolwich Township								
2015	1.408	0.848	2.256	0.548	0.651	0.050	0.044	3.549
2014	1.390	0.798	2.188	0.506	0.590	0.047	0.041	3.372
2013	1.325	0.767	2.092	0.486	0.575	0.045	0.042	3.240
2012	2.187	1.207	3.394	0.735	0.926	0.077	0.073	5.205
2011	2.126	1.090	3.216	0.705	0.936	0.077	0.075	5.009
2010	2.117	1.029	3.146	0.705	0.992	0.078	0.078	4.999
2009	1.908	0.943	2.851	0.705	1.190	-	-	4.746
2008	1.865	0.903	2.768	0.660	1.177	-	-	4.605
2007	1.540	0.951	2.491	0.586	1.104	-	-	4.181
2006	1.453	0.935	2.388	0.511	1.061	-	-	3.960

Source: Gloucester County Abstract of Ratable:

**KINGSWAY REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

	2015		2006	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
EAST GREENWICH TOWNSHIP				
Travelcenters Properties LP	\$ 4,446,000	0.43%		
Saint Gobain Performance Plastics	3,768,700	0.36%		
Colonial Pipeline Co.	3,538,200	0.34%		
Columbia Gas Transmission Co.	3,517,300	0.34%		
Transcontinental Gas Pipeline Co.	2,351,500	0.23%		
Storage World of NJ LLC	2,235,100	0.22%		
Summer Skye LLC	2,066,700	0.20%		
Mt. Royal Plaza Real Estate Inc.	1,921,900	0.19%		
Jemm Holdings LLC	1,872,900	0.18%		
Taxpayer #1	1,500,000	0.14%		
Corporate Associates			3,024,500	1.09%
Travel Port & Easekt & McCaleb			2,134,800	0.77%
Colonial Pipeline Company			1,842,500	0.66%
Columbia Gas Transmission Co.			1,831,600	0.66%
Taxpayer #1			1,466,300	0.53%
Transcontinental Gas Pipeline Co.			1,224,500	0.44%
Taxpayer #2			1,199,467	0.37%
Bell Atlantic - NJ, Inc.			1,041,000	0.37%
Media Realty Co.			1,015,100	0.37%
Transcontinental Gas Pipeline Co.			926,000	0.33%
Total	\$27,218,300	2.62%	15,705,767	5.59%
SOUTH HARRISON TOWNSHIP				
Mullica Hill Group Co LLC	\$ 3,115,000	0.85%		
Mullica Hill Group Companies LLC	2,533,600	0.69%		
Taxpayer #1	2,200,000	0.60%		
Taxpayer #2	2,171,000	0.59%		
South Harrsion 500 Assoc LLC	2,160,000	0.59%		
Mullica Hill Group Companies LLC	2,010,500	0.55%		
American Tower Asset Sub LLC	1,605,300	0.44%		
Taxpayer #3	1,272,000	0.35%		
Harrisonville Mobile Home Park Inc	1,012,500	0.28%		
Taxpayer #4	884,900	0.24%		
Taxpayer #1			2,127,749	1.58%
Paxon Communications			1,006,100	0.75%
HFM Properties			685,700	0.51%
Taxpayer #2			525,900	0.39%
Taxpayer #3			524,300	0.39%
Taxpayer #4			475,600	0.35%
Taxpayer #5			437,700	0.33%
Harrison Mobile Home Park			433,000	0.32%
Taxpayer #6			428,000	0.32%
Taxpayer #7			416,800	0.31%
Total	\$18,964,800	5.15%	7,060,849	5.25%

Source: Municipal Tax Assessor

**KINGSWAY REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYERS	2015		2006	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
BOROUGH OF SWEDESBORO				
Botto Sons, LLC	\$ 1,932,000	1.04%		
Verizon - New Jersey	1,774,301	0.95%		
D & D Properties of Swedesboro Inc.	1,721,500	0.92%		
Swedesboro Housing LTD Partnership	1,693,800	0.91%		
Taxpayer #1	1,634,400	0.88%		
Raccoon Creek, LLC	1,615,400	0.87%		
D & D Properties of Swedesboro Inc.	1,267,000	0.68%		
Bank of America	984,000	0.53%		
GI Advo Propco LLC	833,400	0.45%		
R&R Real Estate, LLC	775,300	0.42%		
New Jersey Bell			1,100,000	1.51%
Taxpayer #1			909,000	1.25%
Rawl Equipment Co.			854,200	1.17%
National Westminster Bank			640,300	0.88%
NJ Bell Telephone Co,			505,600	0.69%
Botto Sons, LLC			429,800	0.59%
Russo Rentals, LLC			422,600	0.58%
Teledyne Wirz			408,000	0.56%
Bank of America			398,300	0.55%
Reliable Garage, Inc.			396,600	0.54%
Total	\$14,231,101	7.63%	6,064,400	8.32%
WOOLWICH TOWNSHIP				
Westbrook at Weatherby, LLC	\$ 12,250,000	1.13%		
Liberty Property LTD Partnership	8,830,900	0.81%		
Pond View at Westbrook, LLC	8,804,900	0.81%		
USF Propco, LLC	7,300,000	0.67%		
Liberty NJ 3 Industrial LLC	7,111,800	0.66%		
JMJ Warehouse Associates	6,304,500	0.58%		
Liberty Property LTD Partnership	5,963,000	0.55%		
Columbia Gas Transmission	4,441,200	0.41%		
Appleseed NJ, LLC	3,787,500	0.35%		
Auburn Road Associates LLC	3,708,900	0.34%		
OP&F Woolwich Township, LLC			6,923,000	4.87%
Columbia Gas Transmission			3,925,000	2.76%
Crown Cork Seal Co.			3,588,900	2.52%
Del Monte Corp.			3,528,900	2.48%
Liberty Property LTD Partnership			3,024,300	2.13%
Gloucester New Communities, Inc.			2,538,100	1.79%
Taxpayer #1			1,427,800	1.00%
Triangle Land Co., Inc.			1,295,500	0.91%
Matlack, Inc.			1,159,400	0.82%
WPM Realty Co.			902,100	0.63%
Total	\$68,502,700	6.32%	28,313,000	19.91%

Source: Municipal Tax Assessor

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
East Greenwich Township				
2015	7,666,136	7,666,136	100.00%	-
2014	7,398,551	7,398,551	100.00%	-
2013	7,449,553	7,449,553	100.00%	-
2012	6,983,548	6,983,548	100.00%	-
2011	6,940,378	6,940,378	100.00%	-
2010	6,053,317	6,053,317	100.00%	-
2009	6,158,276	6,158,276	100.00%	-
2008	5,894,220	5,894,220	100.00%	-
2007	6,165,224	6,165,224	100.00%	-
2006	4,165,434	4,165,434	100.00%	-
South Harrison Township				
2015	3,212,136	3,212,136	100.00%	-
2014	3,053,996	3,053,996	100.00%	-
2013	2,932,492	2,932,492	100.00%	-
2012	2,705,173	2,705,173	100.00%	-
2011	2,485,214	2,485,214	100.00%	-
2010	2,425,297	2,425,297	100.00%	-
2009	2,210,899	2,210,899	100.00%	-
2008	2,306,380	2,306,380	100.00%	-
2007	2,514,391	2,514,391	100.00%	-
2006	2,089,320	2,089,320	100.00%	-
Borough of Swedesboro				
2015	1,560,059	1,560,059	100.00%	-
2014	1,688,729	1,688,729	100.00%	-
2013	1,634,313	1,634,313	100.00%	-
2012	1,393,609	1,393,609	100.00%	-
2011	1,338,014	1,338,014	100.00%	-
2010	1,233,201	1,233,201	100.00%	-
2009	1,094,878	1,094,878	100.00%	-
2008	1,090,706	1,090,706	100.00%	-
2007	1,020,090	1,020,090	100.00%	-
2006	889,946	889,946	100.00%	-
Woolwich Township				
2015	8,986,758	8,986,758	100.00%	-
2014	8,329,812	8,329,812	100.00%	-
2013	8,181,872	7,129,680	100.00%	-
2012	7,129,680	6,576,712	100.00%	-
2011	6,576,712	6,186,272	100.00%	-
2010	6,186,272	5,472,485	100.00%	-
2009	5,472,485	5,346,707	100.00%	-
2008	5,346,707	5,396,670	100.00%	-
2007	5,396,670	4,165,434	100.00%	-
2006	4,165,434	3,109,624	100.00%	-

**KINGSWAY REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	BOND ANTICIPATION NOTES (BANs)	CAPITAL LEASES				
2015	\$ 43,554,000	-	\$ 300,000	\$ 43,854,000	N/A	1,570	
2014	46,364,000	-	600,000	46,964,000	N/A	1,720	
2013	48,294,000	-	900,000	49,194,000	4.06%	1,820	
2012	50,159,000	153,600	1,200,000	51,512,600	2.85%	2,014	
2011	28,239,000	299,600	1,500,000	30,038,600	3.20%	1,177	
2010	29,349,000	449,600	169,000	29,967,600	3.43%	1,284	
2009	30,419,000	-	405,666	30,824,666	3.96%	1,384	
2008	31,454,000	-	642,333	32,096,333	4.45%	1,508	
2007	32,389,000	-	684,881	33,073,881	5.20%	1,627	
2006	32,749,000	-	866,645.00	33,615,645	6.00%	1,794	

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2015	\$ 43,554,000	\$ -	\$ 43,554,000	1.55%	1,560
2014	46,364,000	-	46,364,000	1.69%	1,698
2013	48,294,000	-	48,294,000	1.79%	1,787
2012	50,159,000	-	50,159,000	2.23%	1,961
2011	28,239,000	-	28,239,000	1.64%	1,106
2010	29,349,000	-	29,349,000	1.71%	1,257
2009	30,419,000	-	30,419,000	2.02%	1,366
2008	31,454,000	-	31,454,000	2.21%	1,478
2007	32,389,000	-	32,389,000	2.41%	1,593
2006	32,749,000	-	32,749,000	2.64%	1,747

**KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Greenwich Township	\$ 13,460,472	100.00%	\$ 13,460,472
South Harrison Township	-	100.00%	-
Swedesboro Borough	5,124,346	100.00%	5,124,346
Woolwich Township	8,866,442	100.00%	8,866,442
Other Debt:			
County of Gloucester	247,990,608	<u>Net County Apportioned</u>	
East Greenwich Township		1,088,031,284	4.288%
South Harrison Township		388,994,594	1.533%
Swedesboro Borough		174,082,492	0.686%
Woolwich Township		1,161,899,886	4.579%
			<u>11,356,100</u>
Subtotal, Overlapping Debt			54,944,853
Kingsway Regional School District Debt			<u>43,554,000</u>
		<u>County Total</u>	
		25,373,170,712	
Total Direct & Overlapping Debt			<u><u>\$ 98,498,853</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.

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Debt Limit	\$ 95,850,403	95,850,403	97,981,635	99,390,738	98,413,494	95,523,243	88,311,077	46,472,803	66,555,731	46,281,927
Total Net Debt Applicable to Limit	43,554,000	46,364,000	48,294,000	50,159,000	28,239,000	29,798,600	30,419,000	31,454,000	32,389,000	32,749,000
Legal Debt Margin	\$ 52,296,403	49,486,403	49,687,635	49,231,738	70,174,494	65,724,643	57,892,077	15,018,803	34,166,731	13,532,927
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	45.44%	48.37%	49.29%	50.47%	28.69%	31.20%	34.45%	67.68%	48.66%	70.76%

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis			Total
	East Greenwich	South Harrison	Swedesboro	
2014	1,109,930,177	384,123,362	178,255,499	1,165,114,551
2013	1,075,987,046	384,484,810	174,717,707	1,147,155,977
2012	1,070,287,774	367,611,961	180,593,258	1,100,003,576
				\$ 8,338,265,698
Average Equalized Valuation of Taxable Property				\$ 2,779,421,899
Debt Limit (3.5 % of Average Equalization Value)				\$ 97,279,766
Net Bonded School Debt				43,554,000
Legal Debt Margin				\$ 53,725,766

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
East Greenwich			
2014	10,292	N/A	5.5%
2013	10,193	45,169	3.8%
2012	10,083	44,833	7.5%
2011	9,883	43,488	7.3%
2010	9,664	41,411	7.5%
2009	8,317	40,851	7.0%
2008	7,762	40,690	4.7%
2007	7,244	38,857	3.7%
2006	6,772	37,444	4.0%
2005	6,346	35,548	3.3%
South Harrison			
2014	3,226	N/A	6.1%
2013	3,207	45,169	6.0%
2012	3,194	44,833	7.4%
2011	3,194	43,488	7.2%
2010	3,166	41,411	7.5%
2009	3,190	40,851	7.0%
2008	3,138	40,690	4.7%
2007	3,070	38,857	3.6%
2006	2,956	37,444	4.0%
2005	2,876	35,548	3.7%
Swedesboro Borough			
2014	2,623	N/A	5.3%
2013	2,632	45,169	8.3%
2012	2,635	44,833	10.8%
2011	2,640	43,488	10.6%
2010	2,626	41,411	10.9%
2009	2,372	40,851	10.2%
2008	2,251	40,690	7.0%
2007	2,078	38,857	5.4%
2006	2,045	37,444	6.0%
2005	2,043	35,548	5.5%
Woolwich			
2014	11,783	N/A	4.8%
2013	11,250	45,169	4.6%
2012	10,953	44,833	7.3%
2011	10,487	43,488	7.1%
2010	10,325	41,411	7.3%
2009	9,469	40,851	6.9%
2008	9,123	40,690	4.6%
2007	8,885	38,857	3.6%
2006	8,553	37,444	4.0%
2005	7,476	35,548	2.9%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income

c Per Capita

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**KINGSWAY REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2015		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Underwood Memorial Hospital	1,825	1	1.28%
Kennedy Memorial Hospital	1,675	2	1.18%
Washington Township School District	1,631	3	1.15%
Rowan University	1,483	4	1.04%
County of Gloucester	1,398	5	0.98%
Missa Bay, LLC	950	6	0.67%
Monroe Township School District	807	7	0.57%
U.S. Foodservices	725	8	0.51%
ExxonMobil Research & Engineering	540	9	0.38%
LaBrea Bakery	525	10	0.37%
	11,559		8.12%

2006

NOT AVAILABLE

Source: Comprehensive Annual Financial Reports of Individual School Districts

**KINGSWAY REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEAR**

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction:										
Regular	149.0	144.0	136.0	127.0	133.0	126.5	130.0	130.0	125.0	120.0
Special Education	56.0	55.0	48.0	51.0	51.0	29.0	28.0	28.0	28.0	28.0
Other Instruction	8.0	8.0	2.0	3.0	2.0	20.0	14.0	11.0	8.0	8.0
Athletics & Extra-Curricular	3.0	3.0	3.0							
Support Services:										
Student & Instruction Related Services	35.0	36.0	40.0	27.5	28.0	29.0	29.0	30.0	25.0	24.0
School Administrative Services	17.0	15.0	16.0	15.0	16.0	16.0	16.0	16.0	14.0	14.0
General Administrative Services	2.0	3.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5	2.5
Plant Operations & Maintenance	36.0	36.0	30.0	27.0	30.0	37.5	38.0	38.0	38.0	28.0
Pupil Transportation	48.0	44.0	42.0	33.0	33.0	34.0	33.0	31.0	28.0	28.0
Business & Other Support Services	11.0	10.0	10.0	8.0	8.0	9.0	9.0	8.5	8.5	9.0
Food Service	28.0	24.0	24.0	24.0						
Total	393.0	378.0	353.0	317.5	303.0	303.5	299.5	295.0	277.0	261.5

Source: District Personnel Records

**KINGSWAY REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (d)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL				
2015	2,534	33,342,831	13,158	2.66%	183	1.13	1.14	2,522.0	2,407.0	3.27%	95.44%
2014	2,463	31,569,386	12,817	0.03	175	1.14	1.15	2,442.1	2,311.4	4.82%	94.65%
2013	2,365	29,468,444	12,460	0.03	167	1.22	1.23	2,329.9	2,189.9	3.03%	93.99%
2012	2,284	27,682,627	12,120	0.04	152	1.25	1.24	2,261.3	2,121.3	1.31%	93.81%
2011	2,232	25,935,406	11,620	(0.02)	159	1.20	1.22	2,232.1	2,086.1	1.10%	93.46%
2010	2,208	26,182,824	11,858	(0.03)	165	1.14	1.26	2,207.9	2,068.1	3.64%	93.67%
2009	2,130	26,143,709	12,274	0.01	162	1.11	1.14	2,130.4	2,000.0	4.18%	93.88%
2008	2,044	24,792,266	12,129	0.03	157	1.12	1.14	2,044.9	1,935.3	1.27%	94.64%
2007	2,019	23,693,498	11,735	0.05	153	1.22	1.20	2,019.2	1,894.2	6.29%	93.81%
2006	1,900	21,333,392	11,228	0.02	148	1.12	1.14	1,899.7	1,787.3	6.55%	94.08%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay

(b) Teaching staff includes only full-time equivalents of certificated staff

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
High School (Grades 9-12)										
Square Feet	259,484	259,484	222,351	222,351	222,351	222,351	222,351	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	1,454	1,454	1,454	1,454	1,454	1,454	1,454	1,454
Enrollment	1,664	1,597	1,540	1,504	1,488	1,488	1,470	1,436	1,476	1,952
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	104,436	104,436	104,436	104,436	104,436	104,436	104,436	-
Capacity (Students)	1,000	1,000	800	800	800	800	800	800	800	-
Enrollment	870	866	825	780	743	720	660	608	582	-

Number of Schools at June 30, 2014:

 Middle School = 1

 Senior High School = 1

 Other = 0

Source: District Facilities Office

Enrollment is based on the annual October district count.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

Fiscal Year Ended June 30, District Facilities:	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	TOTAL
Kingsway Regional School District	-	-	-	-	-	-	-	-	133,375	191,700	325,075
Kingsway Regional Middle School	191,300	141,108	125,202	24,650	21,655	21,738	21,428	11,358	-	-	558,439
Kingsway Regional High School	278,942	320,229	202,997	73,535	61,991	76,567	223,596	142,758	-	-	1,380,615
Total School Facilities	\$470,242	461,337	328,199	98,185	83,646	98,305	245,024	154,116	133,375	191,700	2,264,129

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

Source: District records

**KINGSWAY REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015**

	COVERAGE	DEDUCTIBLE
School Package Policy (1)		
Commercial Property	\$ 102,601,390	\$ 1,000
Commercial General Liability	3,000,000	-
Commercial Automotive	1,000,000	1,000
Commercial Crime	100,000	1,000
Commercial Inland Marine	3,000,000	1,000
Student Accident Insurance (2)		
Base	25,000	500
Catastrophic	2,500,000	25,000
Umbrella Liability (3)	10,000,000	-
Surety Bonds (4)		
Business Administrator/Board Secretary	250,000	-
Workmen's Compensation (5)	2,000,000	

- (1) Utica
- (2) Berkley Life and Health Insurance Company
- (3) Utica
- (4) Liberty Mutual
- (5) NJSIG

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Kingsway Regional School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Kingsway Regional School District's basic financial statements, and have issued our report thereon dated December 1, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant, No.1148

Medford, New Jersey
December 1, 2015



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-
133 AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08.**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Kingsway Regional School District’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District’s major federal and state programs for the year ended June 30, 2015. 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.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Kingsway Regional School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB’s Circulars 04-04 and 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal

or state program occurred. An audit includes examining, on a test basis, evidence about the Kingsway Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Kingsway Regional School District's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Kingsway Regional School District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Kingsway Regional School District's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Kingsway Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circulars 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Kingsway Regional School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular(s) 04-04 and/or 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Public School Accountant No. 1148

Medford, New Jersey
December 1, 2015

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	UNEARNED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR AT JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
Food Distribution Program	10.550	45,918	7/1/13-6/30/14	\$ -	\$ 45,918	\$ (45,918)	\$ -	\$ -	\$ -
Healthy Hunger Free Kids Act Lunch Program	10.551	12,630	7/1/13-6/30/14	(878)	878	-	-	-	-
Healthy Hunger Free Kids Act Lunch Program	10.551	10,621	7/1/14-6/30/15	-	9,718	(10,621)	(903)	-	-
National School Lunch Program	10.555	196,183	7/1/13-6/30/14	(14,383)	14,383	-	-	-	-
National School Lunch Program	10.555	192,368	7/1/14-6/30/15	-	176,877	(192,368)	(15,491)	-	-
Total U.S. Department of Agriculture				(15,261)	247,774	(248,907)	(16,394)	-	-
U.S. DEPARTMENT OF EDUCATION:									
General Fund:									
Medical Assistance Program (SEMI)	93.778	17,724	9/1/14-8/31/15	-	7,015	(17,724)	(10,709)	-	-
Medical Assistance Program (SEMI)	93.778	14,079	9/1/13-8/31/14	(14,079)	14,079	-	-	-	-
Total General Fund				(14,079)	21,094	(17,724)	(10,709)	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
Special Revenue:									
Title I	84.010A	100,399	7/1/14-6/30/15	-	100,798	(105,858)	(5,060)	-	-
Title I	84.010A	62,240	7/1/13-6/30/14	(13,344)	13,344	-	-	-	-
Title II	84.367A	22,406	7/1/14-6/30/15	-	16,863	(19,129)	(2,266)	-	-
I.D.E.A. Part B, Basic Regular	84.027	352,451	7/1/13-6/30/14	(23,169)	23,169	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	416,112	7/1/14-6/30/15	-	416,112	(416,112)	-	-	-
Total Special Revenue Fund				(36,513)	570,286	(541,099)	(7,326)	-	-
Total Federal Financial Assistance				\$ (65,853)	\$ 839,154	\$ (807,730)	\$ (34,429)	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2015**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014	CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Equalization Aid	15-495-034-5120-078	\$ 6,107,281	7/1/14-6/30/15	\$ -	\$ 6,107,281	\$ (6,107,281)	-	\$ -	(553,898)	\$ 6,107,281
Categorical Special Education Aid	15-495-034-5120-089	1,121,086	7/1/14-6/30/15	-	1,121,086	(1,121,086)	-	-	(101,677)	1,121,086
Transportation Aid	15-495-034-5120-014	255,495	7/1/14-6/30/15	-	255,495	(255,495)	-	-	(23,172)	255,495
Security Aid	15-495-034-5120-084	158,030	7/1/14-6/30/15	-	158,030	(158,030)	-	-	(14,333)	158,030
Supplemental Enrollment Growth Aid	15-495-034-5120-094	921,670	7/1/14-6/30/15	-	921,670	(921,670)	-	-	(83,591)	921,670
Under Adequacy Aid	15-495-034-5120-083	133,057	7/1/14-6/30/15	-	133,057	(133,057)	-	-	(12,068)	133,057
PARCC Readiness Aid	15-495-034-5120-098	22,880	7/1/14-6/30/15	-	22,880	(22,880)	-	-	(2,075)	22,880
Per Pupil Growth Aid	15-495-034-5120-097	22,880	7/1/14-6/30/15	-	22,880	(22,880)	-	-	(2,075)	22,880
Extraordinary Aid	15-495-034-5120-044	169,609	7/1/14-6/30/15	-	-	(169,609)	-	(169,609)	-	169,609
Anti Bullying Aid	14-495-034-5120-044	105,338	7/1/13-6/30/14	(105,338)	105,338	-	-	-	-	-
Non-Public School Transportation	15-100-034-5120-067	32,647	7/1/14-6/30/15	(40,625)	40,625	(32,647)	-	(32,647)	-	32,647
Non-Public School Transportation	14-100-034-5120-067	40,625	7/1/13-6/30/14	(40,625)	40,625	-	-	-	-	-
Anti Bullying Aid	N/A	5,438	7/1/14-6/30/15	-	5,438	(5,438)	-	-	-	5,438
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	965,050	7/1/14-6/30/15	-	918,498	(965,050)	-	(46,552)	-	965,050
Reimbursed TPAF Social Security Contribution	14-495-034-5095-002	952,416	7/1/13-6/30/14	(45,367)	45,367	-	-	-	-	-
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	617,646	7/1/14-6/30/15	-	617,646	(617,646)	-	-	-	617,646
On-Behalf Post Retirement Medical Contribution	15-495-034-5095-006	980,513	7/1/14-6/30/15	-	980,513	(980,513)	-	-	-	980,513
Debt Service Fund:										
Debt Service Aid	15-495-034-5120-032	603,050	7/1/14-6/30/15	-	603,050	(603,050)	-	-	-	603,050
State Department of Agriculture:										
Enterprise Fund:										
National School Lunch Program (State Share)	15-100-010-3360-067	8,719	7/1/14-6/30/15	-	7,804	(8,719)	-	(915)	-	8,719
National School Lunch Program (State Share)	14-100-010-3360-067	9,760	7/1/13-6/30/14	(1,180)	1,180	-	-	-	-	-
NJ SCHOOL DEVELOPMENT AUTHORITY										
Capital Projects Fund:										
KRMS - Additions/Renovations	2440-060-10-1003	2,866,467	1/6/12-6/30/14	(423,170)	-	-	-	(423,170)	-	-
KRMS - Auxiliary Gymnasium	2440-060-10-1002	1,221,326	1/6/12-6/30/14	-	-	-	-	-	-	-
KRHS - Additions/Renovations	2440-050-10-2001	4,375,608	1/6/12-6/30/14	-	-	-	-	-	-	-
Total State Financial Assistance		\$ (615,680)	\$ 12,067,838	\$ (12,125,051)	\$ (792,889)	\$ 12,125,051	\$ -	\$ (672,893)	\$ (792,889)	\$ 12,125,051

On-Behalf TPAF Pension Contributions \$ 617,646
On-Behalf TPAF Post-Retirement 980,513

Total State Financial Assistance Reported on Single Audit Summary \$ (10,526,892)

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015**

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal awards and state financial assistance programs of the Kingsway Regional School District. The School District is defined in Note 1 to the District'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.

2. Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the District's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A.18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A.18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,214 for the general fund and \$(11,214) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2015**

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 11,524,496	\$ 17,724	\$ 11,542,220
Debt Service Fund	603,050	-	603,050
Special Revenue Fund	-	530,070	530,070
Food Service Fund	8,719	248,907	257,626
Total Financial Assistance	<u>\$ 12,136,265</u>	<u>\$ 796,701</u>	<u>\$ 12,932,966</u>

4. Relationship to Federal and State Financial Reports

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

5. Other

Revenues and expenditures reported under the Food Distribution Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015 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, 2015.

Note 6. Federal and State Loans Outstanding

The Kingsway Regional School District had no loan balances outstanding at June 30, 2015.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	No

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With Section .510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. Part B, Basic Regular

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal Control over major programs:

- | | |
|---|-------------------|
| 1) Material weakness(es) identified? | No |
| 2) Significant deficiencies identified that are not considered
To be material weaknesses? | None Reported |
| Type of auditor’s report issued on compliance for major programs | <u>Unmodified</u> |
| Any audit findings disclosed that are required to be reported in accordance
With NJ OMB Circular Letter(s) 04-04 and/or 15-08? | No |

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5120-094	Supplemental Enrollment Growth Aid
495-034-5120-089	Categorical Special Education Aid
495-034-5120-083	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid

Dollar threshold used to distinguish between type A and type B programs:	\$315,807
Auditee qualified as low-risk auditee?	Yes

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2015**

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.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB's Circular Letter(s) 04-04 and/or 15-08.

No Current Year Findings

**KINGSWAY REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2015**

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(s) 04-04 and/or 15-08.

No Prior Year Findings