

KINGSWAY REGIONAL SCHOOL DISTRICT

Woolwich Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016



Prepared by: Jason Schimpf
School Business Administrator/
Board Secretary

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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*

November 11, 2016

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, 2016, 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, 2016. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District’s organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor’s report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB’s Circular 15-08. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Reporting Entity

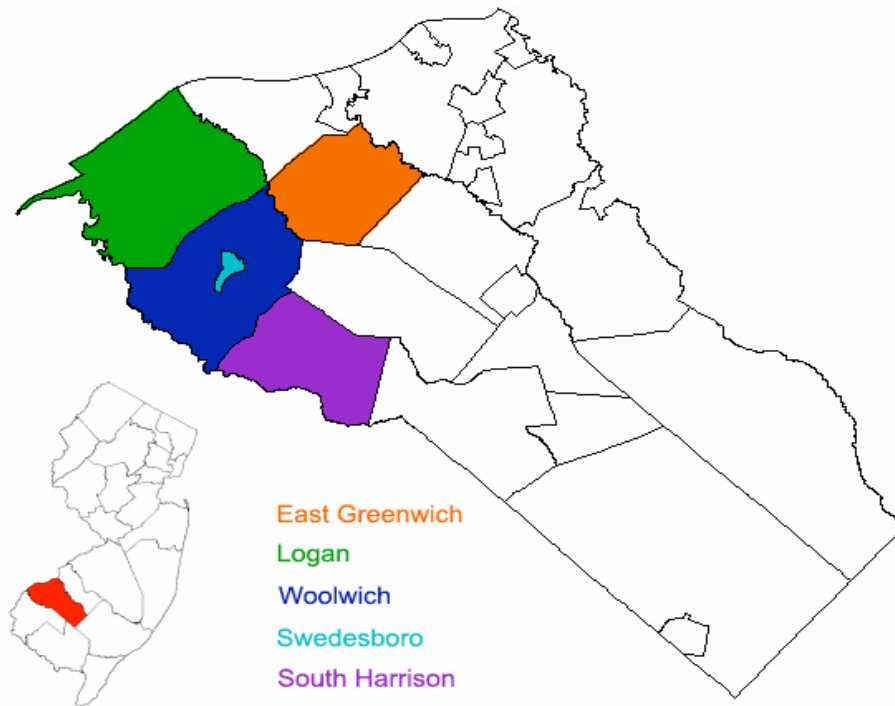
The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are

Home of the Dragons

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 28,000 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 2015-2016 fiscal year with an Average Daily Enrollment (“ADE”) of 2,556.0 students, which equates to an increase of 22.0 students from the 2014-2015 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>
2015-16	2,556.0	+1.0%
2014-15	2,534.0	+4.0%
2013-14	2,442.1	+4.8%
2012-13	2,329.9	+3.0%
2011-12	2,261.3	+1.3%

Economic Condition and Outlook

The Kingsway Regional School District remains committed to providing challenging educational programs as well as comparable extra-curricular and athletic program offerings that prepare students for college and career upon graduation. Despite budgetary constraints due to a rapidly growing student population, the District continues to maintain and expand student opportunities while securing the safety of both students and staff. Kingsway Regional has managed these significant enrollment increases, year after year, without the benefit of corresponding state aid increases that reflect our growth. As a result, the financial support of our schools continues to be disproportionately placed on the homeowners within our region. Kingsway will receive only 43.3% of the state aid it is entitled per the state’s funding formula (SFRA) in fiscal year 2017. If funded at 100% of SFRA, Kingsway would receive an additional \$11.6 million of state aid in fiscal year 2017 alone. Conversely, districts within Gloucester County with declining enrollments will receive more than 140% of the state aid they are entitled per the state’s funding formula. This inadequacy in state aid simply cannot continue if Kingsway is to compete with its peer districts.

In FY17, the District’s proposed budget falls in excess of \$8.3 million below adequacy as determined by the SFRA. This fact, along with the constant demands placed on our programs as a result of continued and significant enrollment growth, has made it extremely difficult to raise standards and expand opportunities for our students. In fact, we are and will continue to communicate the point that our students have fewer opportunities than students attending schools in Districts that receive a far more proportionate share of state aid. Kingsway is a District that must grow to meet the demands of a rapidly expanding student body in order to provide the rigor, opportunity, and quality of program for our students to compete in the highly competitive global community.



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



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KINGSWAY REGIONAL AND SOUTH HARRISON SCHOOL DISTRICTS



KINGSWAY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Mueller, President	2018
Lauren Boerlin, Vice President	2016
Barry Jenkins	2016
Michele A. Blair	2018
Lisa Mordecai-Daniel	2017
Mia Randazzo	2018
Russell H. Marino	2017
Deborah Cunningham	2016
Patrick M. Daley	2017
Frank Donnelly, Logan Representative	2016

OTHER OFFICIALS

Dr. James J. Lavender, Superintendent

Jason Schimpf, Business Administrator/Board Secretary

KINGSWAY REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

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Medford, New Jersey 08055

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Morristown, New Jersey 07960

Architect

Garrison Architects
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Bellmawr, NJ 08031

OFFICIAL DEPOSITORY

Fulton Bank of New Jersey
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Woolwich Township, New Jersey 08085

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

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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, 2016, 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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the schedules relating to accounting and reporting for pensions as presented 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 introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule 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 Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents 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 November 11, 2016 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
November 11, 2016

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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, 2016**

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, 2016. 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.

Financial Highlights

- In total, the net position of the District was \$13,540,706, an increase of \$194,165. The District's net position consists of \$12,908,588 in governmental activities, and \$632,118 in business-type activities.
- Total revenue of \$46,375,039 was comprised of general revenues in the amount of \$35,857,884, or 77 percent, and program specific revenues from charges for services, grants, and contributions in the amount of \$10,517,155, or 23 percent.
- The District had \$44,739,005 in governmental activity expenses; only \$8,907,007 of these expenses were offset by program specific charges for services, operating grants and contributions. General revenues of \$35,856,417 were adequate to provide for these programs.
- In the governmental funds, the General fund had \$34,946,859 in revenues and \$35,808,869 in expenditures. Other financing sources accounted for an additional \$178,382. The General fund's fund balance decreased by \$683,628 from fiscal year ended June 30, 2015.

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 2016 and 2015.

	Governmental Activities		Business-Type Activities	
	FY2016	FY2015	FY2016	FY2015
Assets				
Current and Other Assets	\$ 5,714,169	\$ 7,547,238	\$ 617,426	\$ 421,692
Capital Assets, Net	61,225,877	62,102,406	96,706	100,476
Deferred Outflow of Resources	4,044,101	2,447,596	-	-
Total Assets	70,984,147	72,097,240	714,132	522,168
Liabilities				
Current and Other Liabilities	3,356,350	4,959,775	15,827	11,502
Long-Term Liabilities	54,504,898	53,652,227	66,187	48,294
Deferred Inflow of Resources	214,311	601,069	-	-
Total Liabilities	58,075,559	59,213,071	82,014	59,796
Net Position				
Invested in Capital Assets, Net of Related Debt	18,773,132	19,475,201	96,706	100,476
Restricted Assets	4,446,602	3,279,005	-	-
Unrestricted Assets	(10,311,146)	(9,870,037)	535,412	361,896
Total Net Position	\$ 12,908,588	\$ 12,884,169	\$ 632,118	\$ 462,372

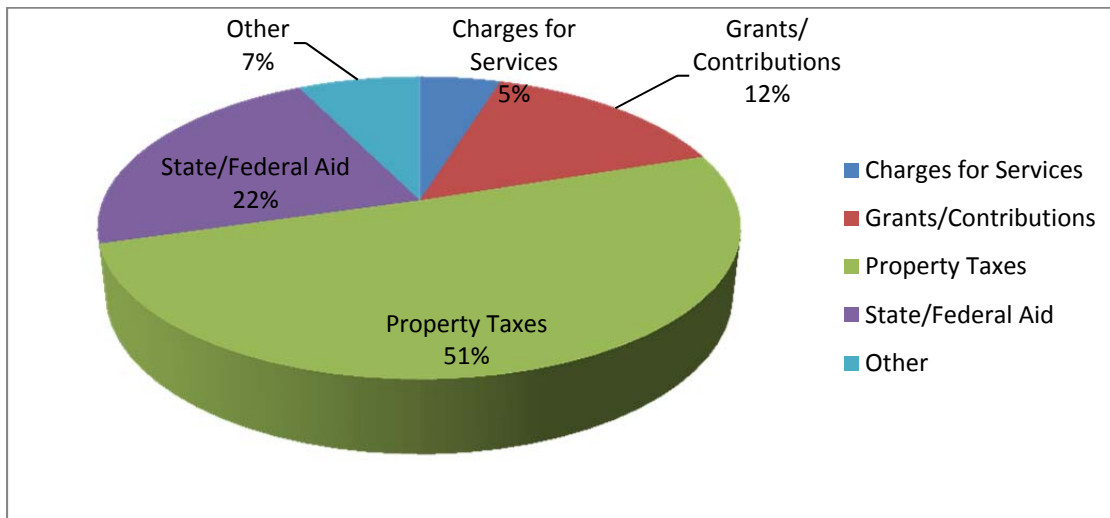
Table 2 illustrates changes in net position for fiscal years ending 2016 and 2015

	Governmental Activities		Business-Type Activities	
	FY2016	FY2015	FY2016	FY2015
Revenues				
Charges for Services	\$ 2,172,973	\$ 1,961,651	\$ 1,301,012	\$ 1,058,962
Operating Grants and Contributions	6,734,034	5,315,795	309,136	257,626
Property Taxes	22,636,838	21,425,088		
Grants and Entitlements	9,937,469	9,970,427		
Other	3,282,110	3,653,553	1,467	(3,948)
Total Revenues	44,763,424	42,326,514	1,611,615	1,312,640
Expenses				
Instruction	21,193,572	19,677,369		
Tuition	2,504,726	2,355,900		
Related Services	5,185,765	4,670,664		
Administrative Services	3,855,134	3,429,733		
Operations and Maintenance of Plant Services	4,259,701	3,840,177		
Pupil Transportation	4,720,942	4,564,605		
Interest on Debt	1,615,378	1,578,718		
Food Service			1,332,646	1,208,748
Unallocated Depreciation	1,509,706	1,670,349		
Other	(105,919)	231,294	109,223	42,755
Total Expenses	44,739,005	42,018,809	1,441,869	1,251,503
Increase/(Decrease) in Net Position	\$ 24,419	\$ 307,705	\$ 169,746	\$ 61,137

Governmental Activities

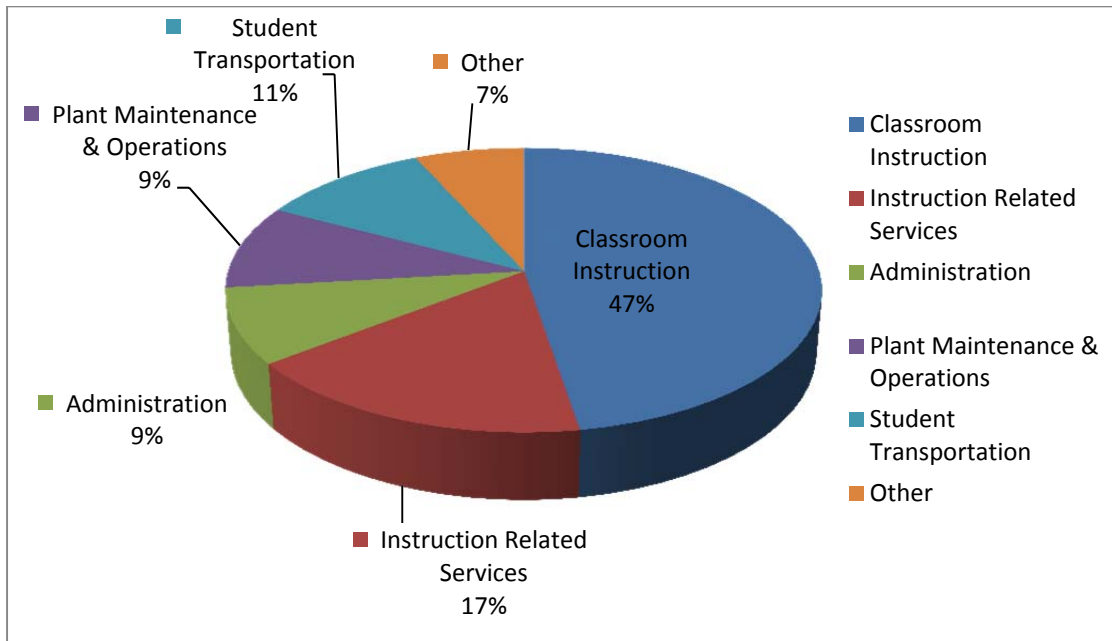
Property taxes made up 51 percent of revenues for fiscal year 2016 and 51 percent for fiscal year 2015. Property tax revenues increased \$1,211,750, or 5.7% percent over the prior fiscal year.

Sources of Revenue for Fiscal Year 2016



The cost of all programs and services was \$44,739,005. Classroom instruction comprised 47 percent of District expenses.

Expenses for Fiscal Year 2016



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 \$169,746. Food service program revenues exceeded expenditures by \$48,637, while community education program revenues exceeded expenditures by \$121,109. This result was consistent with expectations of the program.
- Charges for services represented \$1,301,012 of revenue. \$1,070,680 was paid by patrons of the daily food service and \$230,332 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 \$309,136.

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 \$39,168,753 and expenditures were \$40,380,970. The net change in fund balance was (\$1,033,835) after adjusting for an additional \$178,382 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 2016, the District had \$61,225,877 invested in land, buildings, machinery and equipment, net of depreciation. The table below shows fiscal year 2016 balances compared to 2015.

Capital Assets (net of accumulated depreciation) June 30, 2016 and 2015

	Governmental		Business-Type		District-Wide	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,481,278	\$ 2,481,278			\$ 2,481,278	\$ 2,481,278
Construction in Progress	29,089,533	28,737,422			29,089,533	28,737,422
Buildings and Structures	24,716,626	25,830,555			24,716,626	25,830,555
Land Improvements	1,619,893	1,736,983			1,619,893	1,736,983
Machinery and Equipment	3,318,547	3,316,168	96,706	100,476	3,415,253	3,416,644
Net Assets	\$61,225,877	\$62,102,406	\$ 96,706	\$ 100,476	\$61,322,583	\$62,202,882

Overall capital assets decreased \$880,299 from fiscal year 2015 to fiscal year 2016. 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, 2016, the District had \$56,809,458 in outstanding liabilities. This total consists of \$1,132,633 in compensated absences, a net pension liability of \$13,329,366, unamortized bond premiums of \$943,425 and \$41,404,000 of serial bonds for school construction.

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 12,000 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. Government-Wide Financial Statements

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KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS
			JUNE 30, 2016
Cash & Cash Equivalents	\$ 4,668,576	\$ 580,438	\$ 5,249,014
Receivables, Net	1,031,644	16,727	1,048,371
Internal Balances	349	11,470	11,819
Inventory	-	8,791	8,791
Restricted Cash & Cash Equivalents	13,600	-	13,600
Capital Assets, Non-Depreciable (Note 5)	31,570,811	-	31,570,811
Capital Assets, Depreciable, Net (Note 5)	29,655,066	96,706	29,751,772
Total Assets	66,940,046	714,132	67,654,178
DEFERRED OUTFLOW OF RESOURCES			
Deferred Charge on Refunding of Debt	1,048,745	-	1,048,745
Deferred Outflows Related to Pensions	2,995,356	-	2,995,356
Total Deferred Outflow of Resources	4,044,101	-	4,044,101
Total Assets and Deferred Outflow of Resources	70,984,147	714,132	71,698,279
LIABILITIES			
Accounts Payable	574,943	1,540	576,483
Internal Balances	11,470	-	11,470
Unearned Revenue	18,464	14,287	32,751
Accrued Interest Payable	513,100	-	513,100
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,238,373	-	2,238,373
Due Beyond One Year	54,504,898	66,187	54,571,085
Total Liabilities	57,861,248	82,014	57,943,262
DEFERED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	214,311	-	214,311
Total Deferred Inflows of Resources	214,311	-	214,311
Total Liabilities and Deferred Inflows of Resources	58,075,559	82,014	58,157,573
NET POSITION			
Net Investment in Capital Assets	18,773,132	96,706	18,869,838
Restricted For:			
Capital Projects	2,040,219	-	2,040,219
Debt Service	(400,179)	-	(400,179)
Other Purposes	2,806,562	-	2,806,562
Unrestricted	(10,311,146)	535,412	(9,775,734)
Total Net Position	\$ 12,908,588	\$ 632,118	\$ 13,540,706

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, 2016**

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, 2016	2016
		\$	-	\$				
Governmental Activities:								
Instruction:								
Regular	15,885,531	-	3,440,378	-	(12,445,153)	-	\$	(12,445,153)
Special Education	4,052,599	-	977,928	-	(3,074,671)	-		(3,074,671)
Other Instructional	738	-	-	-	(738)	-		(738)
School Sponsored	1,254,704	-	100,668	-	(1,154,036)	-		(1,154,036)
Support Services & Undistributed Costs:								
Tuition	2,504,726	-	-	-	(2,504,726)	-		(2,504,726)
Student & Instruction Related Services	3,780,675	-	707,138	-	(3,073,537)	-		(3,073,537)
Health Services	383,215	-	54,816	-	(328,399)	-		(328,399)
Educational Media Services/School Library	1,021,875	-	409,183	-	(612,692)	-		(612,692)
School Administrative Services	1,794,052	-	118,044	-	(1,676,008)	-		(1,676,008)
General Administration	1,016,445	-	103,037	-	(710,493)	-		(710,493)
Central Services	490,367	-	-	-	(490,367)	-		(490,367)
Administrative Information Technology	554,270	-	-	-	(383,364)	-		(383,364)
Plant Operations & Maintenance	4,259,701	-	683,948	-	(3,480,400)	-		(3,480,400)
Pupil Transportation	4,720,942	-	1,703,799	-	(2,878,249)	-		(2,878,249)
Interest on Long-Term Debt and Other Charges	1,615,378	-	-	-	(1,615,378)	-		(1,615,378)
Unallocated Depreciation	1,509,706	-	-	-	(1,509,706)	-		(1,509,706)
Adjustment to Fixed Assets	46,435	-	-	-	(46,435)	-		(46,435)
Unallocated Compensated Absences	(152,355)	-	-	-	152,355	-		152,355
Total Governmental Activities	44,739,005	-	2,172,973	-	(35,831,998)	-		(35,831,998)
Business-Type Activities:								
Food Service	1,332,646	-	1,070,680	-	-	47,170		47,170
Community Education Program	109,223	-	230,332	-	-	121,109		121,109
Total Business-Type Activities	1,441,869	-	1,301,012	-	-	168,279		168,279
Total Primary Government	\$ 46,180,874	-	\$ 3,473,985	-	(35,831,998)	168,279		(35,663,719)

**KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2016
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				-	19,605,356
Taxes Levied for Debt Service				-	3,031,482
Federal & State Aid Not Restricted				-	9,937,469
Transportation Fees				2,916	2,916
Tuition Received				-	2,931,041
Rents and Royalties				77,706	77,706
Investment Earnings				5,726	7,193
Miscellaneous Income				1,467	264,721
				-	
Total General Revenues, Special Items, Extraordinary Items & Transfers				1,467	35,857,884
Change In Net Position				169,746	194,165
Net Position - Beginning				462,372	13,346,541
Net Position - Ending				632,118	13,540,706

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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, 2016**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2016
ASSETS & OTHER DEBITS					
Cash & Cash Equivalents	\$ 2,022,992	\$ -	\$ 2,280,669	\$ 111,017	\$ 4,414,678
Receivables from Other Governments	271,549	92,575	204,390	-	568,514
Due from Other Funds	840,690	-	26,796	1,904	869,390
Receivables, Net	46,325	10,872	-	-	57,197
Restricted Cash & Cash Equivalents	13,600	-	-	-	13,600
Total Assets	<u>\$ 3,195,156</u>	<u>\$ 103,447</u>	<u>\$ 2,511,855</u>	<u>\$ 112,921</u>	<u>\$ 5,923,379</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 71,618	\$ -	\$ -	\$ 71,618
Unearned Revenue	-	18,464	-	-	18,464
Accounts Payable	191,929	13,365	-	-	205,294
Due to Other Funds	47,077	-	101,987	-	149,064
Construction Contract Payable - Retainage	-	-	369,649	-	369,649
Total Liabilities	<u>239,006</u>	<u>103,447</u>	<u>471,636</u>	<u>-</u>	<u>814,089</u>
Fund Balances:					
Restricted for:					
Capital Reserve Account	13,600	-	-	-	13,600
Excess Surplus - Designated for Subsequent Year's Expenditures	1,540,587	-	-	-	1,540,587
Excess Surplus	1,252,375	-	-	-	1,252,375
Capital Projects Fund	-	-	2,040,219	-	2,040,219
Debt Service Fund	-	-	-	112,921	112,921
Committed to:					
Other Purposes	69,794	-	-	-	69,794
Assigned to:					
Designated for Subsequent Year's Expenditures	79,794	-	-	-	79,794
Total Fund Balances	<u>2,956,150</u>	<u>-</u>	<u>2,040,219</u>	<u>112,921</u>	<u>5,109,290</u>
Total Liabilities & Fund Balances	<u>\$ 3,195,156</u>	<u>\$ 103,447</u>	<u>\$ 2,511,855</u>	<u>\$ 112,921</u>	
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 \$91,905,706 and the accumulated depreciation is \$30,679,829.					61,225,877
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.					3,829,792
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.					(56,743,271)
Accrued interest payable is not recorded in the fund Financial Statements due to the fact that the payables are not due in the period.					(513,100)
Net Position of Governmental Activities					<u>\$ 12,908,588</u>

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2016**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2016
Revenues:					
Local Sources:					
Local Tax Levy	\$ 19,605,356	\$ -	\$ -	\$ 3,031,482	\$ 22,636,838
Tuition	2,931,041	-	-	-	2,931,041
Transportation	2,916	-	-	-	2,916
Rents and Royalties	77,706	-	-	-	77,706
Miscellaneous	230,884	37,659	-	1,904	270,447
Total Local Sources	22,847,903	37,659	-	3,033,386	25,918,948
State Sources	12,088,774	-	-	582,433	12,671,207
Federal Sources	10,182	568,416	-	-	578,598
Total Revenues	34,946,859	606,075	-	3,615,819	39,168,753
Expenditures:					
Current Expense:					
Regular Instruction	9,331,660	-	-	-	9,331,660
Special Education Instruction	2,332,467	157,799	-	-	2,490,266
Other Instruction	738	-	-	-	738
School Sponsored	1,062,934	-	-	-	1,062,934
Support Services:					
Tuition	2,060,413	444,313	-	-	2,504,726
Attendance Services	80,209	-	-	-	80,209
Health Services	278,791	-	-	-	278,791
Student & Instruction Related Services	2,260,373	-	-	-	2,260,373
Educational Media Services/School					
Library	242,387	-	-	-	242,387
Instructional Staff Training	93,006	-	-	-	93,006
General Administration	617,914	-	-	-	617,914
School Administration	1,569,181	-	-	-	1,569,181
Central Services	490,367	-	-	-	490,367
Administrative Information Technology	383,364	-	-	-	383,364
Plant Operations & Maintenance	2,861,274	-	-	-	2,861,274
Pupil Transportation	2,930,429	-	-	-	2,930,429
Allocated Employee Benefits	5,230,633	-	-	-	5,230,633
Unallocated Employee Benefits	3,238,491	3,963	-	-	3,242,454
Debt Service:					
Principal	-	-	-	2,150,000	2,150,000
Interest & Other Charges	-	-	-	1,463,915	1,463,915
Capital Outlay	744,238	-	352,111	-	1,096,349
Total Expenditures	35,808,869	606,075	352,111	3,613,915	40,380,970
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(862,010)	-	(352,111)	1,904	(1,212,217)
Other Financing Sources/(Uses)					
Transfers In	178,382	-	-	-	178,382
Total Other Financing Sources/(Uses)	178,382	-	-	-	178,382
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(683,628)	-	(352,111)	1,904	(1,033,835)
Fund Balances July 1, 2015	\$ 3,639,778	\$ -	\$ 2,392,330	\$ 111,017	\$ 6,143,125
Fund Balances June 30, 2016	\$ 2,956,150	\$ -	\$ 2,040,219	\$ 112,921	\$ 5,109,290

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, 2016**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,033,835)

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	\$ (1,509,706)	
Adjust to Capital Assets	(46,435)	
Capital Outlay	<u>679,612</u>	(876,529)

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		2,150,000
----------------	--	-----------

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	(98,734)	
Current Year	<u>105,318</u>	6,584

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 - 2016	510,499	
Unfunded TPAF Pension Expense	(3,421,698)	
State Share of Unfunded TPAF Pension Expense	3,421,698	
Pension Expense	<u>(1,143,345)</u>	(632,846)

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	471,790	
Current Year	<u>(513,100)</u>	(41,310)

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	1,218,831	
Current Year	<u>(1,066,476)</u>	152,355

Change in Net Position of Governmental Activities \$ 24,419

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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, 2016**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 354,953	\$ 225,485	\$ 284,694	\$ 70,382
Interfund Receivable	11,470	-	-	-
Accounts Receivable	16,727	-	370,769	353
Other Receivable			437	-
Inventories	8,791	-	-	-
Total Current Assets	391,941	225,485	655,900	70,735
Noncurrent Assets:				
Equipment	709,799	-	-	-
Accumulated Depreciation	(613,093)	-	-	-
Total Capital Assets	96,706	-	-	-
Total Assets	488,647	225,485	655,900	70,735
LIABILITIES:				
Current Liabilities:				
Accounts Payable	-	1,540	-	-
Interfund Payable		-	655,900	70,735
Unearned Revenue	14,287	-	-	-
Total Current Liabilities	14,287	1,540	655,900	70,735
Noncurrent Liabilities:				
Compensated Absences	66,187	-	-	-
Total Noncurrent Liabilities	66,187	-	-	-
Total Liabilities	80,474	1,540	655,900	70,735
NET POSITION				
Net Investment in Capital Assets	96,706	-	-	-
Unrestricted Net Position	311,467	223,945	-	-
Total Net Position	\$ 408,173	\$ 223,945	\$ -	\$ -

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, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2016
Current Assets:			
Cash & Cash Equivalents	\$ 13,329	\$ -	\$ 948,843
Interfund Receivable	-	8,810	20,280
Accounts Receivable	-	-	387,849
Other Receivables	295	34,079	34,811
Inventories	-	-	8,791
Total Current Assets	13,624	42,889	1,400,574
Noncurrent Assets:			
Equipment	-	-	709,799
Accumulated Depreciation	-	-	(613,093)
Total Capital Assets	-	-	96,706
Total Assets	13,624	42,889	1,497,280
LIABILITIES:			
Current Liabilities:			
Cash Deficit	-	42,889	42,889
Accounts Payable	-	-	1,540
Interfund Payable	13,624	-	740,259
Unearned Revenue	-	-	14,287
Total Current Liabilities	13,624	42,889	798,975
Noncurrent Liabilities:			
Compensated Absences	-	-	66,187
Total Noncurrent Liabilities	-	-	66,187
Total Liabilities	13,624	42,889	865,162
NET POSITION			
Net Investment in Capital Assets	-	-	96,706
Unrestricted Net Position	-	-	535,412
Total Net Position	\$ -	\$ -	\$ 632,118

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, 2016**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			
	FOOD SERVICE FUND	COMMUNITY EDUCATION	GOVERNMENTAL ACTIVITIES	
			TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Operating Revenue:				
Local Sources:				
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,695,731	\$ -
Sale of Gasoline			8,068	-
Daily Sales - Reimbursable Programs	502,331	-	-	-
Daily Sales - Nonreimbursable Programs	497,083	-	-	-
Vending Machine Sales	9,079	-	-	-
Special Function	62,187	-	-	-
Program Fees	-	230,332	-	-
Service Fees	-	-	-	95,353
Miscellaneous	-	-	-	-
Total Operating Revenue	1,070,680	230,332	1,703,799	95,353
Operating Expenses:				
Salaries & Employee Benefits	733,298	82,690	946,021	60,171
Supplies and Materials	23,190	24,524	102,087	-
Repairs & Other Expenses	8,667	-	10,552	35,345
Other Purchased Services-Contracted	-	2,009	140,654	-
Miscellaneous Purchased Services	-	-	326,404	-
Depreciation	15,688	-	-	-
Miscellaneous Expense	1,563	-	204	-
Cost of Sales	550,240	-	-	-
Total Operating Expenses	1,332,646	109,223	1,525,922	95,516
Operating (Loss)/Gain	(261,966)	121,109	177,877	(163)
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	8,686	-	-	-
Federal Sources:				
National School Lunch Program	202,256	-	-	-
Healthy Hunger-Free Kids Act	10,952	-	-	-
Food Distribution Program	87,242	-	-	-
Interest & Dividends	1,467	-	-	-
Total Nonoperating Revenues	310,603	-	-	-
Net Income/(Loss)	48,637	121,109	177,877	(163)
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Change in Compensated Absences	-	-	-	-
Transfer to General Fund	-	-	(177,877)	163
Total Other Financing Sources/(Uses)	-	-	(177,877)	163
Change in Net Position	48,637	121,109	-	-
Total Net Position - Beginning	359,536	102,836	-	-
Total Net Position - Ending	408,173	223,945	-	-

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2016
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,695,731
Sale of Gasoline	-	-	8,068
Daily Sales - Reimbursable Programs	-	-	502,331
Daily Sales - Nonreimbursable Programs	-	-	497,083
Vending Machine Sales	-	-	9,079
Special Function	-	-	62,187
Program Fees	-	-	230,332
Service Fees	202,915	170,906	469,174
Miscellaneous	-	-	-
Total Operating Revenue	202,915	170,906	3,473,985
Operating Expenses:			
Salaries & Employee Benefits	177,758	149,145	2,149,083
Supplies and Materials	6,089	21,761	177,651
Repairs & Other Expenses	-	-	54,564
Other Purchased Services-Contracted	-	-	142,663
Miscellaneous Purchased Services	18,400	-	344,804
Depreciation	-	-	15,688
Miscellaneous Expense	-	-	1,767
Cost of Sales	-	-	550,240
Total Operating Expenses	202,247	170,906	3,436,460
Operating (Loss)/Gain	668	-	37,525
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	-	8,686
Federal Sources:			
National School Lunch Program	-	-	202,256
Healthy Hunger-Free Kids Act	-	-	10,952
Food Distribution Program	-	-	87,242
Interest & Dividends	-	-	1,467
Total Nonoperating Revenues	-	-	310,603
Net Income/(Loss)	668	-	348,128
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Change in Compensated Absences	-	-	-
Transfer to General Fund	(668)	-	(178,382)
Total Other Financing Sources/(Uses)	(668)	-	(178,382)
Change in Net Position	-	-	169,746
Total Net Position - Beginning	-	-	462,372
Total Net Position - Ending	\$ -	\$ -	\$ 632,118

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, 2016**

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 1,072,629	\$ 230,332	\$ 1,646,621	\$ 95,539
Payments to Employees	(515,449)	(76,814)	(705,683)	(60,159)
Payments for Employee Benefits	(199,956)	(5,876)	(240,338)	(12)
Payments to Suppliers	(585,918)	(24,993)	(402,024)	(35,509)
Net Cash Provided/(Used) by Operating Activities	(228,694)	122,649	298,576	(141)
Cash Flows From Investing Activities:				
Interest & Dividends	1,467	-	-	-
Net Cash Provided by Investing Activities	(10,451)	-	-	-
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	(177,877)	163
State Sources	8,686	-	-	-
Federal Sources	300,450	-	-	-
Net Cash Provided by Noncapital Financing Activities	309,136	-	(177,877)	163
Net Increase/(Decrease) in Cash & Cash Equivalents	69,991	122,649	120,699	22
Cash and Cash Equivalents, July 1	284,962	102,836	163,995	70,360
Cash & Cash Equivalents, June 30	\$ 354,953	\$ 225,485	\$ 284,694	\$ 70,382

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (261,966)	\$ 121,109	\$ 177,877	\$ (163)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	15,688	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	(2,258)	-	-	-
(Increase)/Decrease in Interfund Receivable	(1,419)	-	-	-
(Increase)/Decrease in Accounts Receivable, Net	583	-	(57,178)	186
(Increase)/Decrease in Accounts Payable	-	1,540	-	-
Increase/(Decrease) in Interfund Payable	-	-	177,877	(164)
Increase/(Decrease) in Unearned Revenue	2,785	-	-	-
Increase/(Decrease) in Compensated Absences	17,893	-	-	-
Total Adjustments	15,379	1,540	120,699	22
Net Cash Provided/(Used) by Operating Activities	\$ (246,587)	\$ 122,649	\$ 298,576	\$ (141)

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	GOVERNMENTAL ACTIVITIES		TOTALS
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	JUNE 30, 2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 202,922	\$ 149,528	\$ 3,397,571
Payments to Employees	(177,089)	(149,145)	(1,684,339)
Payments for Employee Benefits	-	-	(446,182)
Payments to Suppliers	(24,489)	(21,761)	(1,094,694)
	1,344	(21,378)	172,356
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Investing Activities:			
Interest & Dividends	-	-	1,467
Purchase of Equipment	-	-	(11,918)
	-	-	(10,451)
Net Cash Provided by Investing Activities			
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	(668)	-	(178,382)
State Sources	-	-	8,686
Federal Sources	-	-	300,450
	(668)	-	130,754
Net Cash Provided by Noncapital Financing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	676	(21,378)	292,659
Cash and Cash Equivalents, July 1	12,653	(21,511)	613,295
	\$ 13,329	\$ (42,889)	\$ 905,954
	13,329	(42,889)	905,954
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:			
Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 668	\$ -	\$ 37,525
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	-	15,688
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	-	(2,258)
(Increase)/Decrease in Accounts Receivable, Net	7	(21,378)	(77,780)
(Increase)/Decrease in Interfund Receivable	-	-	(1,419)
Increase/(Decrease) in Accounts Payable	-	-	1,540
Increase/(Decrease) in Interfund Payable	669	-	178,382
Increase/(Decrease) in Prepaid Lunches	-	-	2,785
Increase/(Decrease) in Compensated Absences	-	-	17,893
	676	(21,378)	134,831
Total Adjustments			
Net Cash Provided/(Used) by Operating Activities	\$ 1,344	\$ (21,378)	\$ 172,356
	1,344	(21,378)	172,356

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

Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2016**

ASSETS	PRIVATE PURPOSE			TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	AGENCY FUND	JUNE 30, 2016
Cash & Cash Equivalents	\$ 170,207	\$ 192,282	\$ 240,260	\$ 602,749
Total Assets	170,207	192,282	240,260	602,749
LIABILITIES				
Payroll Deductions & Withholdings	-	-	13,100	13,100
Due to Student Groups	-	-	226,811	226,811
Accounts Payable	3,273	-	-	3,273
Interfund Payable	-	-	349	349
Total Liabilities	3,273	-	240,260	243,533
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	166,934	-	-	166,934
Reserved for Scholarships	-	192,282	-	192,282
Total Net Position	\$ 166,934	\$ 192,282	\$ -	\$ 359,216

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, 2016**

ADDITIONS:	UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND	SCHOLARSHIPS	<u>TOTALS</u> JUNE 30, 2016
Local Sources:			
Contributions	\$ 31,209	\$ 1,600	\$ 32,809
Total Contributions	<u>31,209</u>	<u>1,600</u>	<u>32,809</u>
Investment Earnings:			
Interest on Investments	240	201	441
Total Investment Earnings	<u>240</u>	<u>201</u>	<u>441</u>
Total Additions	<u>31,449</u>	<u>1,801</u>	<u>33,250</u>
DEDUCTIONS:			
Unemployment Claims	12,179	-	12,179
Scholarship Payments	-	3,700	3,700
Total Deductions	<u>12,179</u>	<u>3,700</u>	<u>15,879</u>
Change in Net Position	19,270	(1,899)	17,371
Net Position - Beginning of Year	<u>147,664</u>	<u>194,181</u>	<u>341,845</u>
Net Position - End of Year	<u>\$ 166,934</u>	<u>\$ 192,282</u>	<u>\$ 359,216</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, 2016

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KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

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, 2016 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 and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units as of for the year ended June 30, 2016.

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, 2016

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, 2016**

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, 2016

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, 2016**

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, 2016

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, 2016

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, 2016 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, 2016**

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, 2016

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, 2016

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

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB)

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67*

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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

and 68. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

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.

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 District has evaluated subsequent events occurring after June 30, 2016 through the date of November 11, 2016, 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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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, 2016, the District’s bank balance of \$7,131,692 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 500,000
Collateralized by securities held by Pledging financial institution	6,151,759
Uninsured and uncollateralized	<u>479,933</u>
Total	<u><u>\$ 7,131,692</u></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..

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 2. Cash Deposits and Investments (continued):

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, 2016.

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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 500,100
Add: Budgeted Transfer	-
Less: Withdrawals	<u>(486,500)</u>
Ending Balance, June 30, 2016	<u><u>\$ 13,600</u></u>

Note 4. Receivables

Receivables at June 30, 2016 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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 4. Receivables (continued):

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	Enterprise Funds	Internal Service Fund	Total
Intergovernmental	\$ 271,549	\$ 92,575	\$ 204,390	\$ 16,727	\$ 371,122	\$ 956,363
Other	46,325	10,872	-	-	34,811	92,008
Total	\$ 317,874	\$ 103,447	\$ 204,390	\$ 16,727	\$ 405,933	\$ 1,048,371

Note 5. Capital Assets

The following schedule is a summarization of the general capital assets by source for the fiscal year ended June 30, 2016:

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>June 30, 2016</u>
<u>Non-Depreciable Assets</u>					
Land	\$ 2,481,278	\$ -	\$ -	\$ -	\$ 2,481,278
Construction in Progress	28,737,422	352,111	-	-	29,089,533
Total Non-Depreciable Assets	31,218,700	352,111	-	-	31,570,811
<u>Depreciable Assets</u>					
Building & Structures	47,353,591	-	-	-	47,353,591
Land Improvements	6,078,131	107,587	-	-	6,185,718
Machinery & Equipment	6,622,107	219,913	-	(46,435)	6,795,585
Subtotal	60,053,829	327,500	-	(46,435)	60,334,894
<u>Accumulated Depreciation</u>					
Building & Structures	(21,523,036)	(1,113,928)	-	-	(22,636,964)
Land Improvements	(4,341,148)	(224,677)	-	-	(4,565,825)
Machinery & Equipment	(3,305,939)	(171,100)	-	-	(3,477,039)
Subtotal	(29,170,123)	(1,509,705)	-	-	(30,679,828)
Total	\$ 62,102,406	\$ (830,094)	\$ -	\$ (46,435)	\$ 61,225,877

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 5. Capital Assets (continued):

Business-Type Activities

	June 30, 2015	Additions	Deletions	Adjustments	June 30, 2016
Machinery & Equipment	\$ 697,880	\$ 11,919	\$ -	\$ -	\$ 709,799
Subtotal	697,880	11,919	-	-	709,799
Accumulated Depreciation	(597,405)	(15,688)	-	-	(613,093)
Total	<u>\$ 100,475</u>	<u>\$ (3,769)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,706</u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2016 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 840,690	\$ 47,076
Debt Service Fund	1,904	-
Capital Projects Fund	26,796	101,987
Enterprise Funds	11,470	-
Internal Service Funds	8,810	740,258
Fiduciary Funds	-	349
	<u>\$ 889,670</u>	<u>\$ 889,670</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	\$ 178,382	\$ -
Capital Projects Fund	-	1,904
Debt Service Fund	1,904	-
Internal Service Fund	-	178,382
	<u>\$ 180,286</u>	<u>\$ 180,286</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, 2016**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2016 the following changes occurred in long-term obligations:

	Balance <u>6/30/15</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>6/30/16</u>	Due Within <u>One Year</u>
Compensated Absences - Governmental	\$ 1,218,831	\$ -	\$ (152,355)	\$ 1,066,476	\$ -
Compensated Absences - Business-Type	48,294	17,863	-	66,157	-
Net Pension Liability	10,085,971	3,243,395	-	13,329,366	-
Capital Leases Payable	300,000	-	(300,000)	-	-
Unamortized Bond Premium	1,066,798	-	(123,373)	943,425	123,373
Bonds Payable	43,554,000	-	(2,150,000)	41,404,000	2,115,000
Total	\$ 56,273,894	\$ 3,261,258	\$ (2,725,728)	\$ 56,809,424	\$ 2,238,373

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, 2016**

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>
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	2,420,000	1,130,590	3,550,590
2022-2026	11,820,000	3,728,435	15,548,435
2027-2031	11,185,000	2,425,655	13,610,655
2032-2036	5,975,000	819,244	6,794,244
2037	1,199,000	41,965	1,240,965
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 41,404,000</u>	<u>\$ 13,413,374</u>	<u>\$ 54,817,374</u>

Note 8. Pension Obligations

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS):

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. 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
6/30/2016	\$ 510,499	100%	\$ 13,329,366
6/30/2015	356,959	100%	10,085,971
6/30/2014	314,178	100%	9,757,726

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS):

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$13,329,366 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. 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, 2015. The District's proportion measured as of June 30, 2015, was .05938%, which was a decrease of .00551% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
	July 1, 2015	July 1, 2014
Actuarial valuation date		
Deferred Outflows of Resources	\$ 2,995,356	\$ 1,282,061
Deferred Inflows of Resources	214,311	601,069
Net Pension Liability	13,329,366	10,085,971
District's portion of the Plan's total net pension Liability	0.05938%	0.05387%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2015, the District recognized pension expense of \$1,152,731. At June 30, 2016, 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>
Differences between expected and actual experience	\$ 317,992	\$ -
Changes of assumptions	1,431,467	-
Net difference between projected and actual earnings on pension plan investments	-	214,311
Changes in proportion and differences between District contributions and proportionate share of contributions	1,245,897	-
Pension Expense Related to Specific Employees	-	-
Total	\$ 2,995,356	\$ 214,311

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS):

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2017	\$ 547,026
2018	547,026
2019	547,026
2020	697,293
2021	442,673
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds	1.75%	1.64%
Intermediate - Term Bonds	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined 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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS):

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 District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 16,566,771	\$ 13,329,366	\$ 10,615,149

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/annrpts.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.

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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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 2015, 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.

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

Year Funded	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2016	\$ 2,162,689	100%	-
6/30/2015	1,598,159	100%	-
6/30/2014	1,577,616	100%	-

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8: Pension Obligations (continued):

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

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, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

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.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8: Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgage	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - Multistrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	<u>4.00%</u>	4.30%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of employers' 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 8: Pension Obligations (continued)

C. Defined Contribution Retirement Program (DCRP)

Defined Contribution Retirement Plan (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.

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, 2016, employee contributions totaled \$30,723 and employer contributions totaled \$16,353 for a total pension expense of \$47,076.

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, 2016, 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the state contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

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>
2015-2016	\$ 31,209	\$ 240	\$ 12,179	\$ 166,934
2014-2015	36,399	286	93,814	147,664
2013-2014	67,895	256	22,000	204,793

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, 2016 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, 2016**

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 \$1,066,476 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, 2016, \$66,187 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 \$1,252,375.

Note 16. Fund Balance

General Fund – Of the \$2,956,150 General Fund fund balance at June 30, 2016, \$13,600 has been restricted for future capital activity; \$1,540,587 has been appropriated and included as anticipated revenue for the year ending June 30, 2017; \$69,794 has be committed to other purposes; \$1,252,375 is restricted for current year excess surplus; and \$79,794 has been assigned for subsequent year expenditures.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

Note 16. Fund Balance (continued):

Capital Projects Fund – Of the \$2,040,219 Capital Projects Fund fund balance at June 30, 2016, \$2,040,219 has been restricted for Capital Projects.

Debt Service Fund – The Debt Service Fund fund balance of \$112,921 has been restricted for Debt Service.

Note 17. Deficit Net Position

Unrestricted Net Position – As reflected on Exhibit A-1, Statement of Net position, a deficit in unrestricted net position of \$(10,311,146) existed as of June 30, 2016 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.

Restricted Net Position – The School District had a deficit in restricted net position for Debt Service in the amount of (\$400,179) at June 30, 2016. The deficit is caused by the accrual of bond interest in the government-wide financial statements.

Note 18. Subsequent Events

On October 20, 2016, the School District issued \$8,190,000 in Refunding Bonds with interest rates ranging from 2.00% to 4.00% to advance refund \$8,725,000 of outstanding 2006 Refunding Bonds with interest rates ranging from 4.00% to 4.125%. As a result of the Refunding Bonds, the District had a net present value savings of \$1,295,530 based on the yield for the Refunding Bonds.

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, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Tax Levy	10-1210	\$ 19,605,356	\$ -	\$ 19,605,356	\$ 19,605,356	\$ -
Tuition From Other LEAs Within the State	10-1320	2,859,000	-	2,859,000	2,931,041	72,041
Transportation From Other LEAs	10-1420	-	-	-	2,916	2,916
Rents and Royalties	10-1910	50,000	-	50,000	77,706	27,706
Miscellaneous Revenues	10-1XXX	155,100	-	155,100	230,884	75,784
Total Local Sources		22,669,456	-	22,669,456	22,847,903	178,447
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	38,062	-	38,062	10,182	(27,880)
Total Federal Sources		38,062	-	38,062	10,182	(27,880)
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	160,867	60,867
Non-Public Transportation Aid	10-3XXX	-	-	-	37,072	37,072
Under Adequacy Aid	10-3175	133,057	-	133,057	133,057	-
Supplemental Enrollment Growth Aid	10-3100	921,670	-	921,670	921,670	-
Per Pupil Growth Aid	10-3XXX	22,880	-	22,880	22,880	-
PARCC Readiness Aid	10-3XXX	22,880	-	22,880	22,880	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	987,203	987,203
On-Behalf Post Retirement Medical Contribution		-	-	-	1,175,486	1,175,486
Reimbursed TPAF Social Security Contribution		-	-	-	991,846	991,846
Total State Sources		8,842,379	-	8,842,379	12,094,853	3,252,474
Total Revenues		31,549,897	-	31,549,897	34,952,938	3,403,041
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	2,980,120	(113,000)	2,867,120	2,860,486	6,634
Grades 9 - 12	11-140-100-101	5,952,150	(171,100)	5,781,050	5,736,044	45,006
Home Instruction:						
Salaries of Teachers	11-150-100-101	17,500	23,400	40,900	33,002	7,898
Purchased Professional - Educational Services						
	11-150-100-320	44,000	6,576	50,576	50,306	270
Other Purchased Services						
	11-150-100-500	1,500	250	1,750	1,580	170
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction						
	11-190-100-106	47,700	-	47,700	45,929	1,771
Purchased Professional - Educational Services						
	11-190-100-320	200	-	200	-	200
Purchased Technical Services						
	11-190-100-340	8,200	(1,706)	6,494	2,860	3,634
Other Purchased Services						
	11-190-100-500	87,225	(25,400)	61,825	56,567	5,258
General Supplies						
	11-190-100-610	539,721	7,646	547,367	516,155	31,212
Textbooks						
	11-190-100-640	66,025	(22,485)	43,540	28,140	15,400
Other Objects						
	11-190-100-890	3,275	-	3,275	591	2,684
Total Regular Programs		9,747,616	(295,819)	9,451,797	9,331,660	120,137
Special Education:						
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	50,850	(165)	50,685	50,194	491
Other Salaries for Instruction	11-209-100-106	21,850	165	22,015	21,502	513
Other Purchased Services	11-209-100-500	500	-	500	-	500
Supplies and Materials	11-209-100-610	490	-	490	489	1
Other Objects	11-209-100-890	1,800	-	1,800	-	1,800
Total Behavioral Disabilities		75,490	-	75,490	72,185	3,305

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	273,991	(18,715)	255,276	253,773	1,503
Other Salaries for Instruction	11-212-100-106	104,800	63,621	168,421	152,683	15,738
Other Purchased Services	11-212-100-500	1,250	-	1,250	239	1,011
General Supplies	11-212-100-610	3,457	7,443	10,900	6,790	4,110
Textbooks	11-212-100-640	240	-	240	-	240
Other Objects	11-212-100-800	2,300	-	2,300	-	2,300
Total Multiple Disabilities		386,038	52,349	438,387	413,485	24,902
Resource Room:						
Salaries of Teachers	11-213-100-101	1,727,041	(43,000)	1,684,041	1,669,244	14,797
Other Salaries for Instruction	11-213-100-106	231,350	(85,000)	146,350	130,531	15,819
Other Purchased Services	11-213-100-500	2,000	-	2,000	239	1,761
General Supplies	11-213-100-610	17,506	6,000	23,506	20,313	3,193
Textbooks	11-213-100-640	10,659	(8,000)	2,659	1,506	1,153
Total Resource Room		1,988,556	(130,000)	1,858,556	1,821,833	36,723
Special Education - Home Instruction:						
Salaries of Teachers	11-219-100-101	9,000	-	9,000	6,337	2,663
Purchased Professional - Educational Services	11-219-100-320	9,500	10,000	19,500	18,627	873
General Supplies	11-219-100-610	300	-	300	-	300
Total Special Education - Home Instruction		18,800	10,000	28,800	24,964	3,836
Total Special Education		2,468,884	(67,651)	2,401,233	2,332,467	68,766
Basic Skills/Remedial:						
General Supplies	11-230-100-610	1,743	-	1,743	738	1,005
Total Basic Skills/Remedial		1,743	-	1,743	738	1,005
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	130,126	-	130,126	128,067	2,059
Other Purchased Services	11-401-100-500	16,360	(5,200)	11,160	9,097	2,063
Supplies and Materials	11-401-100-600	16,650	15,000	31,650	26,723	4,927
Other Objects	11-401-216-800	5,370	200	5,570	3,622	1,948
Total School Sponsored Cocurricular Activities		168,506	10,000	178,506	167,509	10,997
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	548,531	24,200	572,731	572,238	493
Other Purchased Services	11-402-100-500	115,355	4,975	120,330	97,108	23,222
General Supplies	11-402-100-610	74,140	(5,995)	68,145	54,592	13,553
Other Objects	11-402-216-800	38,828	520	39,348	37,573	1,775
Total School Sponsored Athletics Instruction		776,854	23,700	800,554	761,511	39,043
Before/After School Programs:						
Salaries	11-421-100-101	5,700	2,800	8,500	6,534	1,966
Total Before/Afterschool Programs		5,700	2,800	8,500	6,534	1,966
Alternative Education Programs - Instruction:						
Salaries	11-423-100-101	81,500	(13,350)	68,150	66,405	1,745
Other Salaries for Instruction	11-423-100-106	12,500	7,800	20,300	20,277	23
Purchased Professional & Technical Services	11-423-100-300	5,800	-	5,800	3,000	2,800
Other Purchased Services	11-423-100-500	-	-	-	-	-
Salaries - Support Services	11-423-200-100	32,000	5,550	37,550	37,400	150
Supplies and Materials	11-423-100-610	400	-	400	298	102
Other Objects	11-423-100-800	500	-	500	-	500
Total Alternative Education Programs		132,700	-	132,700	127,380	5,320
Total Instruction		13,302,003	(326,970)	12,975,033	12,727,799	247,234

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			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	41,000	17,200	58,200	47,506	10,694
Tuition to Other LEAs Within the State - Special	11-000-100-562	50,000	17,918	67,918	67,918	-
Tuition to County Vocational School District - Special	11-000-100-564	89,000	(57,802)	31,198	31,191	7
Tuition to County Vocational School District - Regular	11-000-100-563	242,550	6,300	248,850	248,614	236
Tuition to CSSD & Regional Day School	11-000-100-565	792,700	107,603	900,303	896,833	3,470
Tuition to Private School for the Handicapped - State	11-000-100-566	493,534	274,715	768,249	730,907	37,342
Tuition to Private School for the Disabled & Other LEAs	11-000-100-567	35,000	2,444	37,444	37,444	-
Tuition - Other	11-000-100-569	10,000	(10,000)	-	-	-
Total Undistributed Expenditures - Instruction		1,753,784	358,378	2,112,162	2,060,413	51,749
Attendance & Social Work Services:						
Salaries	11-000-211-100	77,920	560	78,480	77,284	1,196
Purchased Professional & Technical Services	11-000-211-300	1,520	-	1,520	1,518	2
Other Purchased Services	11-000-211-500	900	(100)	800	300	500
Supplies and Materials	11-000-211-600	1,700	(72)	1,628	1,107	521
Total Attendance & Social Work Services		82,040	388	82,428	80,209	2,219
Health Services:						
Salaries	11-000-213-100	242,760	(5,469)	237,291	236,200	1,091
Purchased Professional & Technical Services	11-000-213-300	26,415	8,665	35,080	30,635	4,445
Other Purchased Services	11-000-213-500	1,450	(1,250)	200	-	200
Supplies and Materials	11-000-213-600	9,409	4,250	13,659	11,605	2,054
Other Objects	11-000-213-800	904	-	904	351	553
Total Health Services		280,938	6,196	287,134	278,791	8,343
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	55,650	(4,160)	51,490	50,537	953
Purchased Professional - Educational Services	11-000-216-320	75,000	(6,870)	68,130	63,276	4,854
Supplies and Materials	11-000-216-600	2,000	(250)	1,750	368	1,382
Other Objects	11-000-216-800	1,000	(1,000)	-	-	-
Total Other Support Services-Students-Related Services		133,650	(12,280)	121,370	114,181	7,189
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	298,050	42,000	340,050	322,147	17,903
Supplies and Materials	11-000-217-600	10,000	131	10,131	9,557	574
Total Other Support Services - Students - Extra Services		308,050	42,131	350,181	331,704	18,477
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	574,151	28,795	602,946	589,838	13,108
Salaries of Secretarial & Clerical Assistants	11-000-218-105	110,380	140	110,520	107,677	2,843
Purchased Professional - Educational Services	11-000-218-320	25,800	(4,405)	21,395	20,118	1,277
Other Purchased Professional & Technical Services	11-000-218-390	29,000	(800)	28,200	26,062	2,138
Other Purchased Services	11-000-218-500	12,730	(1,976)	10,754	9,862	892
Supplies and Materials	11-000-218-600	600	3,000	3,600	3,361	239
Other Objects	11-000-218-800	1,945	-	1,945	1,833	112
Total Other Support Services - Students - Regular		754,606	24,754	779,360	758,751	20,609

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	409,841	(5,430)	404,411	395,097	9,314
Salaries of Secretarial & Clerical Assistants	11-000-219-105	65,940	-	65,940	63,428	2,512
Purchased Professional - Educational Services	11-000-219-320	10,000	-	10,000	8,097	1,903
Other Purchased Professional & Technical Services	11-000-219-390	22,366	-	22,366	22,366	-
Other Purchased Services	11-000-219-500	8,490	(8,490)	-	-	-
Miscellaneous Purchased Services	11-000-219-592	-	8,490	8,490	5,238	3,252
Supplies and Materials	11-000-219-600	5,916	2,000	7,916	7,278	638
Other Objects	11-000-219-800	850	-	850	820	30
Total Other Support Services-Students-Special Services		523,403	(3,430)	519,973	502,324	17,649
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisor of Instruction	11-000-221-102	354,500	89,000	443,500	441,641	1,859
Salaries of Other Professional Staff	11-000-221-104	60,600	(10,000)	50,600	49,062	1,538
Salaries of Secretarial & Clerical Assistants	11-000-221-105	23,460	1,870	25,330	24,365	965
Other Salaries	11-000-221-110	-	-	-	-	-
Purchased Professional - Educational Services	11-000-221-320	57,350	(38,857)	18,493	17,449	1,044
Other Purchased Professional & Technical Services	11-000-221-390	-	-	-	-	-
Other Purchased Services	11-000-221-500	23,800	(10,431)	13,369	9,659	3,710
Supplies and Materials	11-000-221-600	4,900	1,302	6,202	6,171	31
Other Objects	11-000-221-800	6,000	-	6,000	5,066	934
Total Improvement of Instruction Services/Other Support Services Instructional Staff		530,610	32,884	563,494	553,413	10,081
Educational Media Services/School Library:						
Salaries	11-000-222-100	206,150	400	206,550	202,419	4,131
Purchased Professional & Technical Services	11-000-222-300	15,869	400	16,269	16,169	100
Other Purchased Services	11-000-222-500	1,670	(120)	1,550	1,100	450
Supplies and Materials	11-000-222-600	23,528	129	23,657	22,504	1,153
Other Objects	11-000-222-800	200	15	215	195	20
Total Educational Media Services/School Library		247,417	824	248,241	242,387	5,854
Support Services Instructional Staff Training Service:						
Salaries of Supervisors of Instruction	11-000-223-102	58,500	4,300	62,800	62,753	47
Salaries of Other Professional Staff	11-000-223-104	-	4,800	4,800	954	3,846
Salaries of Secretarial & Clerical Assistants	11-000-223-105	22,500	1,900	24,400	24,365	35
Purchased Professional - Educational Services	11-000-223-320	-	-	-	-	-
Other Purchased Professional & Technical Services	11-000-223-390	-	-	-	-	-
Other Purchased Services	11-000-223-500	11,750	(1,140)	10,610	4,934	5,676
Supplies and Materials	11-000-223-600	137	-	137	-	137
Total Support Services Instructional Staff Training		92,887	9,860	102,747	93,006	9,741

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Support Services General Administration:						
Salaries	11-000-230-100	172,500	3,000	175,500	173,552	1,948
Legal Services	11-000-230-331	59,471	88,600	148,071	145,985	2,086
Audit Services	11-000-230-332	28,000	3,500	31,500	31,500	-
Architectural/Engineering Services	11-000-230-334	-	11,000	11,000	10,560	440
Purchased Technical Services	11-000-230-340	12,570	2,700	15,270	15,232	38
Communications/Telephone	11-000-230-530	114,500	965	115,465	105,088	10,377
BOE Other Purchased Services	11-000-230-585	5,500	-	5,500	5,092	408
Other Purchased Services	11-000-230-590	96,500	13,360	109,860	108,231	1,629
Supplies and Materials	11-000-230-600	7,000	(1,250)	5,750	5,671	79
BOE In-House Training Supplies	11-000-230-630	1,000	(600)	400	288	112
Miscellaneous Expenditures	11-000-230-890	3,000	1,525	4,525	4,525	-
BOE Membership Dues & Fees	11-000-230-895	13,000	(800)	12,200	12,190	10
Total Support Services General Administration		513,041	122,000	635,041	617,914	17,127
Support Services School Administration:						
Salaries of Principals & Assistant						
Principals	11-000-240-103	767,800	5,500	773,300	770,237	3,063
Salaries of Other Professional Staff	11-000-240-104	318,000	10,899	328,899	328,568	331
Salaries of Secretarial &						
Clerical Assistants	11-000-240-105	314,720	(5,000)	309,720	302,509	7,211
Other Salaries	11-000-240-110	73,325	-	73,325	65,200	8,125
Purchased Professional & Technical Services						
Other Purchased Services	11-000-240-300	7,410	24,965	32,375	32,322	53
Other Purchased Services	11-000-240-500	43,900	(5,000)	38,900	30,376	8,524
Supplies and Materials	11-000-240-600	30,600	(9,203)	21,397	17,833	3,564
Other Objects	11-000-240-800	27,272	2,113	29,385	22,136	7,249
Total Support Services School Administration		1,583,027	24,274	1,607,301	1,569,181	38,120
Central Services:						
Salaries	11-000-251-100	347,000	32,850	379,850	378,768	1,082
Purchased Professional Services	11-000-251-330	7,000	1,605	8,605	8,077	528
Purchased Technical Services	11-000-251-340	21,000	6,325	27,325	27,325	-
Miscellaneous Purchased Services	11-000-251-592	31,050	25,892	56,942	55,740	1,202
Supplies & Materials	11-000-251-600	12,500	(3,240)	9,260	8,867	393
Interest on Lease Purchase						
Agreements	11-000-251-832	9,510	-	9,510	9,510	-
Interest on Bond Anticipation						
Agreements	11-000-251-836	-	-	-	-	-
Miscellaneous Expenditures	11-000-251-890	2,200	-	2,200	2,080	120
Total Central Services		430,260	63,432	493,692	490,367	3,325
Administrative Information Technology:						
Salaries	11-000-252-100	307,660	(2,650)	305,010	242,834	62,176
Purchased Technical Services	11-000-252-340	103,100	(20,000)	83,100	82,712	388
Other Purchased Services	11-000-252-500	12,000	(7,000)	5,000	3,391	1,609
Supplies and Materials	11-000-252-600	29,210	25,650	54,860	53,662	1,198
Other Objects	11-000-252-800	1,300	-	1,300	765	535
Total Administrative Information Technology		453,270	(4,000)	449,270	383,364	65,906
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	237,760	(61,500)	176,260	171,475	4,785
Maintenance Services	11-000-261-420	115,090	63,589	178,679	177,877	802
General Supplies	11-000-261-610	83,384	(16,500)	66,884	61,696	5,188
Other Objects	11-000-261-800	-	-	-	-	-
Total Allowance Maintenance for School Facilities		436,234	(14,411)	421,823	411,048	10,775

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,060,620	(69,500)	991,120	991,058	62
Purchased Professional & Technical Services	11-000-262-300	59,913	30,460	90,373	79,252	11,121
Cleaning, Repair & Maintenance Services	11-000-262-420	3,090	(2,195)	895	291	604
Other Purchased Property Services	11-000-262-490	38,080	(1,935)	36,145	32,270	3,875
Insurance	11-000-262-520	148,500	(7,000)	141,500	141,489	11
Miscellaneous Purchased Services	11-000-262-590	2,293	-	2,293	1,935	358
General Supplies	11-000-262-610	103,011	(7,100)	95,911	95,608	303
Energy (Natural Gas)	11-000-262-621	155,000	(49,500)	105,500	97,801	7,699
Energy (Electricity)	11-000-262-622	583,000	7,978	590,978	590,735	243
Energy (Gasoline)	11-000-262-626	12,500	(10,400)	2,100	-	2,100
Other Objects	11-000-262-800	773	-	773	525	248
Total Other Operation&Maintenance of Plant Services		2,166,780	(109,192)	2,057,588	2,030,964	26,624
Care & Upkeep of Grounds						
Salaries	11-000-263-100	195,630	(8,500)	187,130	185,439	1,691
Purchased Professional & Technical Services	11-000-263-300	17,860	(7,195)	10,665	10,368	297
Cleaning, Repair & Maintenance Services	11-000-263-420	20,140	-	20,140	16,613	3,527
General Supplies	11-000-263-610	67,683	(8,005)	59,678	56,715	2,963
Total Care & Upkeep of Grounds		301,313	(23,700)	277,613	269,135	8,478
Security						
Purchased Professional & Technical Services	11-000-266-300	75,000	71,455	146,455	146,141	314
Cleaning, Repair & Maintenance Services	11-000-266-420	6,104	(1,400)	4,704	3,986	718
Supplies and Materials	11-000-266-610	-	-	-	-	-
Total Security		81,104	70,055	151,159	150,127	1,032
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	28,400	8,700	37,100	29,212	7,888
Salaries for Pupil Transportation (Between Home & School)-Reg	11-000-270-160	624,500	24,100	648,600	634,123	14,477
Salaries for Pupil Transportation (Between Home & School)-Sp.	11-000-270-161	88,000	(63,500)	24,500	15,302	9,198
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	70,000	(15,000)	55,000	52,009	2,991
Other Purchased Professional & Technical Services	11-000-270-390	1,750	-	1,750	-	1,750
Cleaning, Repair&Maintenance	11-000-270-420	6,625	2,500	9,125	8,358	767
Lease Purchase Payments - School Buses	11-000-270-443	146,626	-	146,626	146,625	1
Aid in Lieu of Payments	11-000-270-503	155,000	19,978	174,978	172,928	2,050
Contracted Services (Other Than Between School) - Vendors	11-000-270-511	400,300	184,000	584,300	581,844	2,456
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	145,300	12,442	157,742	128,935	28,807
Contracted Services (Special Education) - Vendors	11-000-270-514	49,000	5,000	54,000	53,555	445
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	-	3,000	3,000	403	2,597
Contracted Services (Regular Education Students) - ESC	11-000-270-517	113,000	(52,900)	60,100	58,518	1,582
Contracted Services (Special Education Students) - ESC	11-000-270-518	862,300	13,000	875,300	874,991	309
Miscellaneous Purchased Services - Transportation	11-000-270-593	35,550	2,000	37,550	37,326	224
Supplies and Materials	11-000-270-610	3,500	-	3,500	2,234	1,266
Transportation Supplies	11-000-270-615	192,600	(44,265)	148,335	134,066	14,269
Other Objects	11-000-270-800	150	-	150	-	150
Total Student Transportation Services		2,922,601	99,055	3,021,656	2,930,429	91,227

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allocated Benefits:						
Regular Programs - Instructional:						
Social Security Contributions	11-1xx-100-220	35,474	6,855	42,329	42,080	249
Other Retirement Contributions - PERS	11-1xx-100-241	5,750	-	5,750	4,542	1,208
Workmen's Compensation	11-1xx-100-260	76,450	(3,000)	73,450	71,321	2,129
Health Benefits	11-1xx-100-270	1,967,639	(78,254)	1,889,385	1,887,617	1,768
Tuition Reimbursement	11-1xx-100-280	50,000	(46,100)	3,900	1,950	1,950
Other Employee Benefits	11-1xx-100-290	154,500	(10,440)	144,060	144,057	3
Total Regular Programs - Instructional		2,289,813	(130,939)	2,158,874	2,151,567	7,307
Special Programs - Instructional:						
Social Security Contributions	11-2xx-100-220	30,902	3,195	34,097	28,587	5,510
Other Retirement Contributions - PERS	11-2xx-100-241	44,520	(4,200)	40,320	37,055	3,265
Workmen's Compensation	11-2xx-100-260	21,390	(1,442)	19,948	19,142	806
Health Benefits	11-2xx-100-270	478,953	(40,745)	438,208	423,372	14,836
Tuition Reimbursement	11-2xx-100-280	-	-	-	-	-
Other Employee Benefits	11-2xx-100-290	22,500	6,573	29,073	29,063	10
Total Special Programs		598,265	(36,619)	561,646	537,219	24,427
Other Instructional Programs - Instruction:						
Social Security Contributions	11-4xx-100-220	59,605	55	59,660	54,842	4,818
Other Retirement Contributions - PERS	11-4xx-100-241	4,550	-	4,550	3,613	937
Workmen's Compensation	11-4xx-100-260	1,500	-	1,500	1,276	224
Health Benefits	11-4xx-100-270	15,836	845	16,681	16,254	427
Other Employee Benefits	11-4xx-100-290	5,000	-	5,000	5,000	-
Total Other Instructional Programs		86,491	900	87,391	80,985	6,406
Attendance & Social Work Services:						
Social Security Contributions	11-000-211-220	5,961	-	5,961	5,659	302
Other Retirement Contributions - PERS	11-000-211-241	10,000	(2,400)	7,600	7,535	65
Workmen's Compensation	11-000-211-260	675	-	675	630	45
Health Benefits	11-000-211-270	50,577	-	50,577	48,199	2,378
Other Employee Benefits	11-000-211-290	-	-	-	-	-
Total Attendance & Social Work Services		67,213	(2,400)	64,813	62,023	2,790
Health Services:						
Social Security Contributions	11-000-213-220	3,944	2,185	6,129	6,125	4
Other Retirement Contributions - PERS	11-000-213-241	4,600	(500)	4,100	3,613	487
Workmen's Compensation	11-000-213-260	2,050	-	2,050	1,881	169
Health Benefits	11-000-213-270	44,321	(2,500)	41,821	40,910	911
Other Employee Benefits	11-000-213-290	10,000	(1,190)	8,810	8,705	105
Total Health Services		64,915	(2,005)	62,910	61,234	1,676
Speech/Occupational/Physical Therapy:						
Social Security Contributions	11-000-216-220	432	-	432	-	432
Workmen's Compensation	11-000-216-260	450	-	450	413	37
Health Benefits	11-000-216-270	24,483	-	24,483	22,309	2,174
Total Speech/Occupational/Physical Therapy		25,365	-	25,365	22,722	2,643
Extraordinary Services:						
Social Security Contributions	11-000-217-220	22,801	1,755	24,556	24,552	4
Other Retirement Contributions - PERS	11-000-217-241	36,500	(8,000)	28,500	28,024	476
Workmen's Compensation	11-000-217-260	2,500	-	2,500	2,314	186
Health Benefits	11-000-217-270	10,021	-	10,021	8,897	1,124
Total Extraordinary Services		71,822	(6,245)	65,577	63,787	1,790
Other Support Services - Students - Regular:						
Social Security Contributions	11-000-218-220	11,551	575	12,126	12,123	3
Other Retirement Contributions - PERS	11-000-218-241	16,250	(3,000)	13,250	13,158	92
Workmen's Compensation	11-000-218-260	6,500	-	6,500	5,898	602
Health Benefits	11-000-218-270	103,736	17,785	121,521	119,263	2,258
Other Employee Benefits	11-000-218-290	24,500	-	24,500	23,587	913
Total Other Support Services - Students - Regular		162,537	15,360	177,897	174,029	3,868

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Other Support Services - Students - Special:						
Social Security Contributions	11-000-219-220	7,821	385	8,206	8,202	4
Other Retirement Contributions - PERS	11-000-219-241	5,400	-	5,400	4,488	912
Workmen's Compensation	11-000-219-260	4,000	-	4,000	3,570	430
Health Benefits	11-000-219-270	125,457	(24,120)	101,337	99,320	2,017
Other Employee Benefits	11-000-219-290	4,000	4,665	8,665	8,660	5
Total Other Support Services - Students - Special		146,678	(19,070)	127,608	124,240	3,368
Improvement of Instruction Services:						
Social Security Contributions	11-000-221-220	6,431	605	7,036	7,036	-
Other Retirement Contributions - PERS	11-000-221-241	5,600	-	5,600	4,438	1,162
Workmen's Compensation	11-000-221-260	4,600	-	4,600	4,267	333
Health Benefits	11-000-221-270	101,276	2,150	103,426	100,827	2,599
Other Employee Benefits	11-000-221-290	5,000	2,151	7,151	7,146	5
Total Improvement of Instruction Services		122,907	4,906	127,813	123,714	4,099
Educational Media Services:						
Social Security Contributions	11-000-222-220	562	-	562	150	412
Workmen's Compensation	11-000-222-260	1,800	-	1,800	1,662	138
Health Benefits	11-000-222-270	51,880	(1,565)	50,315	49,115	1,200
Total Educational Media Services		54,242	(1,565)	52,677	50,927	1,750
Instructional Staff Training Services:						
Social Security Contributions	11-000-223-220	3,646	-	3,646	1,849	1,797
Total Instructional Staff Training Services		3,646	-	3,646	1,849	1,797
Support Services - General Administration:						
Social Security Contributions	11-000-230-220	3,672	720	4,392	4,391	1
Other Retirement Contributions - PERS	11-000-230-241	5,760	-	5,760	5,594	166
Workmen's Compensation	11-000-230-260	2,000	-	2,000	2,000	-
Health Benefits	11-000-230-270	-	16,100	16,100	15,906	194
Tuition Reimbursement	11-000-230-280	-	1,690	1,690	1,595	95
Other Employee Benefits	11-000-230-290	11,800	(2,146)	9,654	9,185	469
Total Support Services - General Administration		23,232	16,364	39,596	38,671	925
Support Services - School Administration:						
Social Security Contributions	11-000-240-220	44,481	(11,190)	33,291	30,815	2,476
Other Retirement Contributions - PERS	11-000-240-241	38,500	(7,000)	31,500	30,552	948
Workmen's Compensation	11-000-240-260	12,500	(1,000)	11,500	11,428	72
Health Benefits	11-000-240-270	246,219	(4,207)	242,012	240,799	1,213
Tuition Reimbursement	11-000-240-280	-	13,660	13,660	9,806	3,854
Other Employee Benefits	11-000-240-290	20,000	1,337	21,337	21,337	-
Total Support Services - School Administration		361,700	(8,400)	353,300	344,737	8,563
Support Services - Central Services:						
Social Security Contributions	11-000-251-220	16,142	5,000	21,142	20,637	505
Other Retirement Contributions - PERS	11-000-251-241	26,580	(6,200)	20,380	20,258	122
Workmen's Compensation	11-000-251-260	3,100	-	3,100	2,636	464
Health Benefits	11-000-251-270	85,464	7,875	93,339	91,508	1,831
Total Support Services - Central Services		131,286	6,675	137,961	135,039	2,922

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACCOUNT NUMBERS	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services - Administrative Information						
Technology:						
Social Security Contributions	11-000-252-220	31,380	-	31,380	28,183	3,197
Other Retirement Contributions - PERS	11-000-252-241	45,000	(9,000)	36,000	35,335	665
Workmen's Compensation	11-000-252-260	3,200	-	3,200	2,910	290
Health Benefits	11-000-252-270	93,492	16,771	110,263	108,348	1,915
Total Support Services - Administrative Information						
Technology		173,072	7,771	180,843	174,776	6,067
Operation & Maintenance of Plant Services:						
Social Security Contributions	11-000-260-220	114,535	-	114,535	106,200	8,335
Other Retirement Contributions - PERS	11-000-260-241	171,500	(34,000)	137,500	135,900	1,600
Workmen's Compensation	11-000-260-260	75,000	(5,063)	69,937	69,937	-
Health Benefits	11-000-260-270	560,912	(53,200)	507,712	506,999	713
Tuition Reimbursement	11-000-260-280	5,000	(3,036)	1,964	1,961	3
Other Employee Benefits	11-000-260-290	21,050	5,941	26,991	26,117	874
Total Operation & Maintenance of Plant Services		947,997	(89,358)	858,639	847,114	11,525
Student Transportation Services:						
Social Security Contributions	11-000-270-220	60,642	-	60,642	55,371	5,271
Other Retirement Contributions - PERS	11-000-270-241	79,250	(10,000)	69,250	69,075	175
Workmen's Compensation	11-000-270-260	30,000	(2,000)	28,000	27,922	78
Health Benefits	11-000-270-270	88,360	(5,010)	83,350	82,043	1,307
Other Employee Benefits	11-000-270-290	7,345	(5,660)	1,685	1,589	96
Total Student Transportation Services		265,597	(22,670)	242,927	236,000	6,927
Total Allocated Benefits		5,596,778	(267,295)	5,329,483	5,230,633	98,850
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	3,710	5,610	9,320	9,316	4
Health Benefits	11-000-291-270	-	5,000	5,000	733	4,267
Other Employee Benefits	11-000-291-290	49,500	24,663	74,163	73,907	256
Total Unallocated Benefits - Employee Benefits		53,210	35,273	88,483	83,956	4,527
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	987,203	(987,203)
On-Behalf Post Retirement Medical Contribution		-	-	-	1,175,486	(1,175,486)
Reimbursed TPAF Social Security Contribution		-	-	-	991,846	(991,846)
Total Undistributed Expenditures		19,245,003	455,196	19,700,199	22,336,832	(2,636,633)
Total Expenditures - Current Expense		32,547,006	128,226	32,675,232	35,064,631	(2,389,399)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction: Grades 9 - 12	12-140-100-730	3,200	(352)	2,848	2,848	-
School-Sponsored & Other Instructional Programs	12-4xx-100-730	4,000	-	4,000	-	4,000
Undistributed Expense - Administrative Information						
Technology	12-000-252-730	77,000	-	77,000	75,705	1,295
Custodial Services	12-000-262-730	26,596	1,677	28,273	28,272	1
Total Equipment		110,796	1,325	112,121	106,825	5,296

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	ACCOUNT NUMBERS	JUNE 30, 2016			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Architectural/Engineering Services	12-000-400-334	32,500	-	32,500	26,363	6,137
Construction Services	12-000-400-450	440,000	21,217	461,217	194,313	266,904
General Supplies	12-000-400-600	14,000	(14,000)	-	-	-
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		903,237	7,217	910,454	637,413	273,041
Interest Deposit to Capital Reserve		100	-	100	-	100
Total Capital Outlay		1,014,133	8,542	1,022,675	744,238	278,437
Total Expenditures		33,561,139	136,768	33,697,907	35,808,869	(2,110,962)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(2,011,242)	(136,768)	(2,148,010)	(855,931)	1,292,079
Other Financing Sources/(Uses):						
Operating Transfers In/(Out)		-	-	-	178,382	178,382
Total Other Financing Sources/(Uses)		-	-	-	178,382	178,382
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(2,011,242)	(136,768)	(2,148,010)	(677,549)	1,470,461
Fund Balances, July 1		4,432,667	-	4,432,667	4,432,667	-
Fund Balances, June 30		2,421,425	(136,768)	2,284,657	3,755,118	1,470,461

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	<u>\$ 136,768</u>
Total	<u><u>\$ 136,768</u></u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	13,600
Excess Surplus	1,252,375
Excess Surplus Designated for Subsequent Year's Expenditures	1,540,587
Committed to:	
Year-End Encumbrances	69,794
Assigned to:	
Designated for Subsequent Year's Expenditures	127,736
Unassigned Fund Balance	<u>751,026</u>
Subtotal	3,755,118
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(798,968)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 2,956,150</u></u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 504,384	\$ 84,415	\$ 588,799	\$ 561,227	\$ (27,572)
Local Sources	-	46,699	46,699	37,659	(9,040)
Total Revenues	504,384	131,114	635,498	598,886	(36,612)
Expenditures:					
Instruction:					
Salaries	104,384	(40,663)	63,721	59,804	3,917
Tuition to Private Schools for the Handicapped	400,000	44,313	444,313	444,313	-
Purchased Educational Services	-	24,660	24,660	18,392	6,268
Supplies & Materials	-	89,111	89,111	72,414	16,697
Total Instruction	504,384	117,421	621,805	594,923	26,882
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Benefits	-	13,693	13,693	3,963	9,730
Other Purchased Service	-	-	-	-	-
Total Support Services	-	13,693	13,693	3,963	9,730
Total Expenditures	504,384	131,114	635,498	598,886	36,612
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, 2016**

**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)	\$ 34,952,938	\$ 598,886
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	-	11,279
Current Year	-	(4,090)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	792,889	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(798,968)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 34,946,859	\$ 606,075
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 35,808,869	\$ 598,886
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	-	7,189
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 35,808,869	\$ 606,075

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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 THREE FISCAL YEARS

	2016	2015	2014
District's proportion of the net pension liability (asset)	0.05938%	0.05387%	0.051%
District's proportionate share of the net pension liability (asset)	\$ 13,329,366	\$ 10,085,971	\$ 9,757,726
District's covered-employee payroll	\$ 4,327,819	\$ 4,155,381	\$ 4,033,224
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	307.99%	242.72%	N/A
Plan fiduciary net position as a percentage of the total pension liability	47.93%	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 THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 564,147	\$ 510,499	444,098
Contributions in relation to the contractually required contribution	<u>564,147</u>	<u>510,499</u>	<u>444,098</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 4,327,819	\$ 4,155,381	4,033,224
Contributions as a percentage of covered-employee payroll	13.04%	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 THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.11424%	0.11226%	0.11459%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 72,207,218	\$ 59,999,348	\$ 57,910,947
District's covered-employee payroll	\$ 13,252,305	\$ 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%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	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, 2016**

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. 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.

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 males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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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, 2016**

	I.D.E.A. PART B BASIC							
	TITLE I PART A	TITLE II PART A	REGULAR PROGRAM	ITALIAN GRANT	SAFETY GRANT	YOUTH GRANT	KEF GRANT	2016
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ 10,822	\$ 3,914	\$ 2,475	\$ 20,448	\$ 37,659
Federal Sources	101,415	15,499	444,313	-	-	-	-	561,227
Total Revenues	\$ 101,415	\$ 15,499	\$ 444,313	\$ 10,822	\$ 3,914	\$ 2,475	\$ 20,448	\$ 598,886
Expenditures:								
Instruction:								
Salaries	\$ 47,790	\$ 4,014	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ 59,804
Tuition	-	-	444,313	-	-	-	-	444,313
Purchased Services	3,300	11,178	-	-	3,914	-	-	18,392
General Supplies	46,669	-	-	2,822	-	2,475	20,448	72,414
Total Instruction	97,759	15,192	444,313	10,822	3,914	2,475	20,448	594,923
Support Services:								
Personal Services - Employee Benefits	3,656	307	-	-	-	-	-	3,963
Total Support Services	3,656	307	-	-	-	-	-	3,963
Total Expenditures	\$ 101,415	\$ 15,499	\$ 444,313	\$ 10,822	\$ 3,914	\$ 2,475	\$ 20,448	\$ 598,886

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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, 2016**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2016
			PRIOR YEAR	CURRENT YEAR	
Construction of Middle School Auxiliary Gym	01/06/12	\$ 5,350,012	\$ 4,714,199	\$ 205,389	\$ 430,424
Additions and Renovations to Middle School	01/06/12	10,383,813	8,562,411	146,722	1,674,680
Additions and Renovations to High School	01/06/12	15,388,625	15,453,510	-	(64,885)
Total		\$ 31,122,450	\$ 28,730,120	\$ 352,111	\$ 2,040,219

**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, 2016**

Expenditures and Other Financing Uses:

Construction Services	\$ 352,111
Total Expenditures	<u>352,111</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(352,111)
Fund Balance - Beginning	<u>2,392,330</u>
Fund Balance - Ending	<u><u>\$ 2,040,219</u></u>

**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, 2016**

	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	4,215,080	205,389	4,420,469	4,124,994
Equipment Purchases	-		-	155,017
Total Expenditures	4,714,199	205,389	4,919,588	5,350,012
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 635,813	\$ (205,389)	\$ 430,424	\$ -

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, 2016**

	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	942,004	-	942,004	2,076,762
Construction Services	6,897,362	146,722	7,044,084	8,006,257
Equipment Purchases	723,045	-	723,045	300,794
Total Expenditures	8,562,411	146,722	8,709,133	10,383,813
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,821,402	\$ (146,722)	\$ 1,674,680	\$ -

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, 2016**

	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	12,726,677	-	12,726,677	11,807,291
Equipment Purchases	1,266,053	-	1,266,053	503,609
Total Expenditures	15,472,791	-	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				
	\$ (64,885)	\$ -	\$ (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

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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, 2016**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2016
Current Assets:			
Cash & Cash Equivalents	\$ 354,953	\$ 225,485	\$ 580,438
Accounts Receivable:			
State	647	-	647
Federal	16,080	-	16,080
Interfund Receivable	11,470	-	11,470
Inventories	8,791	-	8,791
	<hr/>		
Total Current Assets	391,941	225,485	617,426
Noncurrent Assets:			
Furniture, Machinery & Equipment	709,799	-	709,799
Accumulated Depreciation	(613,093)	-	(613,093)
	<hr/>		
Total Capital Assets	96,706	-	96,706
	<hr/>		
Total Assets	488,647	225,485	714,132
LIABILITIES:			
Current Liabilities:			
Accounts Payable	-	1,540	1,540
Unearned Revenue	14,287	-	14,287
	<hr/>		
Total Current Liabilities	14,287	1,540.00	15,827
Noncurrent Liabilities:			
Compensated Absences	66,187	-	66,187
	<hr/>		
Total Noncurrent Liabilities	66,187	-	66,187
	<hr/>		
Total Liabilities	80,474	1,540.00	82,014
NET POSITION			
Net Investment in Capital Assets	96,706	-	96,706
Unrestricted Net Position	311,467	223,945	535,412
	<hr/>		
Total Net Position	\$ 408,173	\$ 223,945	\$ 632,118
	<hr/>		

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2016
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 502,331	\$ -	\$ 502,331
Daily Sales - Nonreimbursable Programs	497,083	-	497,083
Vending Machine Sales	9,079	-	9,079
Special Function	62,187	-	62,187
Program Fees	-	230,332	230,332
Total Operating Revenue	1,070,680	230,332	1,301,012
Operating Expenses:			
Salaries	533,342	76,814	610,156
Employee Benefits	199,956	5,876	205,832
Other Professional Services	-	2,009	2,009
Supplies and Materials	23,190	24,524	47,714
Cleaning, Repair & Maintenance Services	8,667	-	8,667
Other Expenses	1,563	-	1,563
Depreciation	15,688	-	15,688
Cost of Sales	550,240	-	550,240
Total Operating Expenses	1,332,646	109,223	1,441,869
Operating (Loss)/Gain	(261,966)	121,109	(140,857)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	8,686	-	8,686
Federal Sources:			
National School Lunch Program	202,256	-	202,256
Healthy Hunger-Free Kids Act	10,952	-	10,952
Food Distribution Program	87,242	-	87,242
Interest Revenue	1,467	-	1,467
Total Nonoperating Revenues	310,603	-	310,603
Net Income/(Loss)	48,637	121,109	169,746
Change in Net Position	48,637	121,109	169,746
Total Net Position - Beginning	359,536	102,836	462,372
Total Net Position - Ending	\$ 408,173	\$ 223,945	\$ 632,118

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2016**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2016
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,072,629	\$ 230,332	\$ 1,302,961
Payments to Employees	(515,449)	(76,814)	(592,263)
Payments for Employee Benefits	(199,956)	(5,876)	(205,832)
Payments to Suppliers	(585,918)	(24,993)	(610,911)
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	(228,694)	122,649	(106,045)
	<hr/>		
Cash Flows From Investing Activities:			
Interest & Dividends	1,467	-	1,467
Purchase of Equipment	(11,918)	-	(11,918)
	<hr/>		
Net Cash Provided by Investing Activities	(10,451)	-	(10,451)
	<hr/>		
Cash Flows From Noncapital Financing Activities:			
State Sources	8,686	-	8,686
Federal Sources	300,450	-	300,450
	<hr/>		
Net Cash Provided by Noncapital Financing Activities	309,136	-	309,136
	<hr/>		
Net Increase/(Decrease) in Cash & Cash Equivalents	69,991	122,649	192,640
Cash & Cash Equivalents, July 1	284,962	102,836	387,798
	<hr/>		
Cash & Cash Equivalents, June 30	\$ 354,953	\$ 225,485	\$ 580,438
	<hr/>		

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (261,966)	\$ 121,109	\$ (140,857)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	15,688	-	15,688
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(2,258)	-	(2,258)
(Increase)/Decrease in Accounts Receivable, Net	583	-	583
(Increase)/Decrease in Interfund Receivable	(1,419)	-	(1,419)
Increase/(Decrease) in Accounts Payable	-	1,540	1,540
Increase/(Decrease) in Unearned Revenue	2,785	-	2,785
Increase/(Decrease) in Compensated Absences	17,893	-	17,893
	<hr/>		
Total Adjustments	15,379	1,540	16,919
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	\$ (246,587)	\$ 122,649	\$ (123,938)
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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, 2016**

ASSETS	GOVERNMENTAL ACTIVITIES					2016
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ 284,694	\$ 70,382	\$ 13,329	\$ -	\$ -	\$ 368,405
Accounts Receivable:						
Interfund Accounts Receivable	-	-	-	8,810	-	8,810
Intergovernmental - Other	370,769	353	295	-	-	371,417
Other Accounts Receivable	437	-	-	34,079	-	34,516
Total Assets	655,900	70,735	13,624	42,889	42,889	783,148
LIABILITIES						
Cash Deficit	-	-	-	42,889	-	42,889
Accounts Payable	-	-	-	-	-	-
Interfund Accounts Payable	655,900	70,735	13,624	-	-	740,259
Total Liabilities	655,900	70,735	13,624	42,889	42,889	783,148
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, 2016**

	GOVERNMENTAL ACTIVITIES				2016
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
OPERATING REVENUES:					
Local Sources:					
Transportation Fees	\$ 1,695,731	\$ -	\$ -	\$ -	\$ 1,695,731
Sale of Gasoline	8,068	-	-	-	8,068
Shared Service Fees	-	95,353	202,915	170,906	469,174
Total Operating Revenue	1,703,799	95,353	202,915	170,906	2,172,973
OPERATING EXPENSES:					
Salaries	705,683	60,159	177,758	149,145	1,092,745
Employee Benefits	240,338	12	-	-	240,350
Cleaning, Repair & Maintenance Services	10,552	35,345	-	-	45,897
Aid in Lieu of Transportation	140,654	-	-	-	140,654
Miscellaneous Purchased Services	326,404	-	18,400	-	344,804
Supplies & Materials	102,087	-	6,089	21,761	129,937
Miscellaneous Expenditures	204	-	-	-	204
Total Operating Expenses	1,525,922	95,516	202,247	170,906	1,994,591
Net Income/(Loss)	177,877	(163)	668	-	178,382
Other Financing Sources/(Uses):					
Operating Transfer In/(Out):					
Transfer to General Fund	(177,877)	163	(668)	-	(178,382)
Total Other Financing Sources/(Uses)	(177,877)	163	(668)	-	(178,382)
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, 2016**

	GOVERNMENTAL ACTIVITIES				2016
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,646,621	\$ 95,539	\$ 202,922	\$ 149,528	\$ 2,094,610
Payments to Employees	(705,683)	(60,159)	(177,089)	(149,145)	(1,092,076)
Payments for Employee Benefits	(240,338)	(12)	-	-	(240,350)
Payments to Suppliers	(402,024)	(35,509)	(24,489)	(21,761)	(483,783)
Net Cash Provided/(Used) by Operating Activities	298,576	(141)	1,344	(21,378)	278,401
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	(177,877)	163	(668)	-	(178,382)
Net Cash Provided by Noncapital Financing Activities	(177,877)	163	(668)	-	(178,382)
Net Increase/(Decrease) in Cash & Cash Equivalents	120,699	22	676	(21,378)	100,019
Cash & Cash Equivalents, July 1	163,995	70,360	12,653	(21,511)	225,497
Cash & Cash Equivalents, June 30, 2013	\$ 284,694	\$ 70,382	\$ 13,329	\$ (42,889)	\$ 325,516

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:	\$	177,877	\$	(163)	\$	668	\$	-	\$	178,382
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:										
Change in Assets & Liabilities:										
(Increase)/Decrease in Accounts Receivable	(57,178)	186	7	(21,378)	(78,363)					
(Increase)/Decrease in Interfund Receivable	-	-	-	-	-					
Increase/(Decrease) in Interfund Payable	177,877	(164)	669	-	178,382					
Increase/(Decrease) in Accounts Payable	-	-	-	-	-					
Total Adjustments	120,699	22	676	(21,378)	100,019					
Net Cash Provided/(Used) by Operating Activities	\$	298,576	\$	(141)	\$	1,344	\$	(21,378)	\$	278,401

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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, 2016**

ASSETS	PRIVATE PURPOSE		AGENCY		2016
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL FUND	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 170,207	\$ 192,282	\$ 13,449	\$ 226,811	\$ 602,749
Total Assets	170,207	192,282	13,449	226,811	602,749
LIABILITIES					
Payroll Deductions & Withholdings	-	-	13,100	-	13,100
Due to Student Groups	-	-	-	226,811	226,811
Accounts Payable	3,273	-	-	-	3,273
Interfund Payable	-	-	349	-	349
Total Liabilities	3,273	-	13,449	226,811	243,533
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	166,934	-	-	-	166,934
Restricted for Scholarships	-	192,282	-	-	192,282
Total Net Position	\$ 166,934	\$ 192,282	\$ -	\$ -	\$ 359,216

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIPS	2016
ADDITIONS:			
Local Sources:			
Contributions	\$ 31,209	\$ 1,600	\$ 32,809
Total Contributions	31,209	1,600	32,809
Investment Earnings:			
Interest on Investments	240	201	441
Total Investment Earnings	240	201	441
Total Additions	31,449	1,801	33,250
DEDUCTIONS:			
Unemployment Claims	12,179	-	12,179
Scholarship Payments	-	3,700	3,700
Total Deductions	12,179	3,700	15,879
Change in Net Position	19,270	(1,899)	17,371
Net Position - Beginning of Year	147,664	194,181	341,845
Net Position - End of Year	\$ 166,934	\$ 192,282	\$ 359,216

**KINGSWAY REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

	JULY 1, 2015	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2016
Kingsway Regional High School	\$ 194,691	\$ 626,017	\$ 624,910	\$ 195,798
Kingsway Regional Middle School	32,229	79,395	80,681	30,943
Kingsway Regional Athletics	30	100,995	100,955	70
Total	\$ 226,950	\$ 806,407	\$ 806,546	\$ 226,811

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

ASSETS	BALANCE JULY 1, 2015	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2016
Cash & Cash Equivalents:				
Payroll Account	\$ 94	\$ 13,388,971	\$ 13,388,972	\$ 93
Payroll Agency Account	14,577	9,570,634	9,571,855	13,356
Total Assets	\$ 14,671	\$ 22,959,605	\$ 22,960,827	\$ 13,449
LIABILITIES				
Net Payroll	\$ -	\$ 13,388,878	\$ 13,388,878	\$ -
Net Payroll Deductions & Withholdings	14,341	9,570,378	9,571,619	13,100
Interfund Account Payable	330	349	330	349
Total Liabilities	\$ 14,671	\$ 22,959,605	\$ 22,960,827	\$ 13,449

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I. Long-Term Debt

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**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2016**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2015	ISSUED	REDEEMED	BALANCE JUNE 30, 2016	
2006 School Refunding Bonds of 03/01/2004 Issue	11/21/2006	9,075,000	01/15/17-2018	4.000%	\$ 8,775,000	\$ -	\$ 25,000	\$ 8,750,000	
			01/15/2018-21	4.000%					
			01/15/2022-24	4.000%					
			03/01/2025	4.000%					
			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	02/01/2017	2.500%	20,759,000	-	675,000	20,084,000
				02/01/2018	2.500%				
				02/01/2019	2.500%				
				02/01/2020	2.500%				
			02/01/2021	2.500%					
			02/01/2022	2.500%					
			02/01/2023	2.500%					
			02/01/2024	3.000%					
			02/01/2025	3.000%					
			02/01/2026	3.000%					
			02/01/2027	3.000%					
			02/01/2028	3.000%					
			02/01/2029	3.000%					
			02/01/2030	3.000%					
		02/01/2031	3.000%						
		02/01/2032	3.125%						
		02/01/2033-36	3.250-3.500%						
		02/01/2037	3.500%						
Series 2012 Refunding Bonds of 08/17/2004 Issue	1/27/2012	5,935,000	01/15/17	3.000%	5,300,000	-	560,000	4,740,000	
			01/15/18	2.000%					
			01/15/19	2.000%					
			1/15/2020-21	2.250-4.000%					
			01/15/22	2.500%					
			01/15/23	3.000%					
Series 2014 Refunding Bonds of 05/15/05 Issue	12/4/2014	8,730,000	03/01/17	4.000%	8,720,000	-	890,000	7,830,000	
			03/01/18	4.000%					
			03/01/19	5.000%					
			03/01/20	4.000%					
			03/01/21	3.000%					
			03/01/22	3.000%					
		03/01/23	4.000%						
		03/01/24	5.000%						
Total					\$ 43,554,000	\$ -	\$ 2,150,000	\$ 41,404,000	

**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2015	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2016
Technology Equipment	07/15/2010	5 Years	3.17%	\$ 1,500,000	\$ 300,000	\$ -	\$ 300,000	\$ -
Total					\$ 300,000	\$ -	\$ 300,000	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	JUNE 30, 2016				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,031,482	\$ -	\$ 3,031,482	\$ 3,031,482	\$ -
State Sources:					
Debt Service Aid Type II	582,433	-	582,433	582,433	-
Miscellaneous	-	-	-	1,904	1,904
Total Revenues	3,613,915	-	3,613,915	3,615,819	1,904
Expenditures:					
Regular Debt Service:					
Interest	1,463,916	-	1,463,916	1,463,915	1
Principal	2,150,000	-	2,150,000	2,150,000	-
Total Expenditures	3,613,916	-	3,613,916	3,613,915	1
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1)	-	(1)	1,904	1,905
Fund Balance July 1, 2014	111,017	-	111,017	111,017	-
Fund Balance June 30, 2015	\$ 111,016	\$ -	\$ 111,016	\$ 112,921	\$ 1,905

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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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net Investment in Capital Assets	\$ 18,773,132	\$ 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
Restricted	4,446,602	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
Unrestricted	(10,311,146)	(9,870,037)	1,100,145	139,963	53,340	(1,031,840)	(1,236,904)	(929,075)	(1,080,626)	(852,021)
Total Governmental Activities	\$ 12,908,588	\$ 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
Business-Type Activities:										
Net Investment in Capital Assets	\$ 96,706	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667	\$ 135,707	\$ 142,253	\$ 170,703
Unrestricted	535,412	361,896	391,020	275,518	218,608	129,752	38,542	390,262	427,480	401,868
Total Business-Type Activities	\$ 632,118	\$ 462,372	\$ 401,235	\$ 286,280	\$ 259,901	\$ 204,074	\$ 145,209	\$ 525,969	\$ 569,733	\$ 572,571
District-Wide:										
Net Investment in Capital Assets	\$ 18,869,838	\$ 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
Restricted	4,446,602	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
Unrestricted	(9,775,734)	(9,508,141)	1,491,165	415,481	271,948	(902,088)	(1,198,362)	(538,813)	(653,146)	(450,153)
Total District Net Position	\$ 13,540,706	\$ 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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 15,885,531	\$ 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
Special Education	4,052,599	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
Other Instruction	738	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690
School Sponsored	1,254,704	1,237,231	1,188,826	1,155,925	1,073,294	755,011	1,095,130	1,157,586	984,296	983,472
Support Services:										
Tuition	2,504,726	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
Student & Instruction Related Services	5,185,765	4,670,664	3,980,590	3,504,324	3,249,067	2,132,387	2,121,311	2,097,251	1,929,467	1,773,372
School Administrative Services	1,794,052	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
General & Business Administrative Services	1,016,445	857,522	717,954	682,990	618,884	537,466	439,397	410,818	456,780	426,569
Central Office & Technology Services	1,044,637	856,912	748,669	825,133	584,884	569,573	626,864	615,387	563,748	624,718
Plant Operations & Maintenance	4,259,701	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
Pupil Transportation	4,720,942	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
Allocated Benefits	-	-	-	-	-	4,408,279	4,716,007	4,808,105	4,376,662	3,788,563
Unallocated Benefits	-	-	-	-	-	1,940,708	1,686,111	1,639,606	2,179,478	2,012,548
Special Schools	-	-	-	-	-	-	-	-	-	19,470
Interest on Long-Term Debt	1,615,378	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
Unallocated Depreciation	1,509,706	1,670,349	1,880,234	1,679,247	1,904,135	1,439,521	676,384	675,162	1,457,201	629,463
Capital Asset Adjustment	-	-	-	-	72,143	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	-	102,268	75,192	-	-	-	-	-
Unallocated Compensated Absences	(152,355)	231,294	417,609	(94,013)	265,957	-	-	-	-	-
Total Governmental Activities Expenses:	44,692,570	42,018,809	37,757,592	34,300,648	33,003,413	31,643,450	32,531,041	32,351,690	31,542,401	29,223,505
Business-Type Activities:										
Community Education Program	109,223	42,755	13,266	16,409	13,832	2,912	-	-	-	-
Food Service	1,332,646	1,208,748	1,155,055	1,046,087	1,042,778	1,003,315	949,241	1,005,978	999,511	985,159
Total Business-Type Activities Expense	1,441,869	1,251,503	1,168,321	1,062,496	1,056,610	1,006,227	949,241	1,005,978	999,511	985,159
Total District Expenses	\$ 46,134,439	\$ 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
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Pupil Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 943,221	\$ 1,184,917	\$ 1,055,760	\$ 1,623,513	\$ 1,565,273
Operating Grants & Contributions	2,172,973	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
Capital Grants & Contributions	6,734,034	5,315,795	456,633	436,803	449,711	-	-	-	-	-
Total Governmental Activities Program Revenues	8,907,007	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
Business-Type Activities:										
Charges for Services:										
Community Education Program	230,332	93,098	30,026	28,854	26,378	13,615,000	-	-	-	-
Food Service	1,070,680	965,864	962,521	842,295	837,864	872,766	822,769	798,796	773,209	702,206
Technology Services	-	-	-	-	16,522,000	-	-	-	-	-
Operating Grants & Contributions	309,136	257,626	291,482	255,493	230,539	180,597	172,749	162,759	136,379	114,453
Total Business Type Activities Program Revenues	1,610,148	1,316,588	1,284,029	1,126,642	1,111,303	1,066,978	995,518	961,555	909,588	816,659
Total District Program Revenues	\$ 10,517,155	\$ 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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net/(Expense)/Revenue:										
Governmental Activities	\$ (35,785,563)	\$ (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)
Business-Type Activities	168,279	65,085	115,708	64,146	54,693	60,751	46,277	(44,423)	(89,923)	(168,500)
Total District-Wide Net Expense	\$ (35,617,284)	\$ (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)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 19,605,356	\$ 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
Taxes Levied for Debt Service	3,031,482	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
Unrestricted Grants & Contributions	9,937,469	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
Tuition Received	2,931,041	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
Rents and Royalties	77,706	77,121	-	-	-	-	-	-	-	-
Investment Earnings	5,726	6,623	7,098	11,659	-	39,178	88,375	123,493	205,915	256,418
Miscellaneous Income	264,721	227,960	350,533	319,044	379,629	269,421	173,387	215,139	162,927	139,029
Transportation Fees from Other LEA's Within State	2,916	-	-	-	57,034	15,912	199,122	106,637	283,144	235,697
Transfers	-	-	-	-	-	425,600	-	-	(87,500)	(163,000)
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
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	(984,190)	32,671	182,503	2,399,830	2,751,775
Total Governmental Activities	\$ 35,856,417	\$ 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
Business-Type Activities:										
Investment Earnings	1,467	1,386	948	1,627	1,383	850	867	556	2,518	5,730
Transfers	-	-	-	-	-	-	(425,600)	-	87,500	163,000
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)
Total Business-Type Activities	1,467	(3,948)	(753)	(21,245)	1,135	(1,887)	(427,037)	658	87,085	365,594
Total District-Wide	\$ 35,857,884	\$ 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
Change in Net Position:										
Governmental Activities	\$ 70,854	\$ 307,705	\$ 137,277	\$ 2,464,761	\$ 8,531,924	\$ (702,099)	\$ (1,740,084)	\$ (1,188,982)	\$ 1,826,375	\$ 3,344,822
Business-Type Activities	169,746	61,137	114,955	42,901	55,828	58,864	(380,760)	(43,765)	(2,838)	197,094
Total District	\$ 240,600	\$ 368,842	\$ 252,232	\$ 2,507,662	\$ 8,587,752	\$ (643,235)	\$ (2,120,844)	\$ (1,232,747)	\$ 1,823,537	\$ 3,541,916

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

	FISCAL YEAR ENDING JUNE 30, 2013									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Fund:										
Restricted	\$ 2,876,356	\$ 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
Assigned	79,794	87,149	87,149	319,627	-	-	-	-	-	-
Committed	69,794	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	759,943	552,731	659,534	530,489	226,948
Total General Fund	\$ 3,025,944	\$ 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
All Other Governmental Funds:										
Restricted	\$ 2,040,219	\$ 2,392,330	\$ 2,513,829	\$ 3,777,425	\$ 25,422,409	\$ 5,204	\$ 50,000	\$ (38,332)	\$ -	\$ 33,067
Committed	-	-	131,008	4,424,528	-	-	-	-	-	-
Unassigned, Reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	(299,600)	(449,600)	-	-	-	-
Debt Service Fund	112,921	111,017	47,162	47,162	-	-	5,204	-	-	-
Total All Other Governmental Funds	\$ 2,153,140	\$ 2,503,347	\$ 2,691,999	\$ 8,249,115	\$ 25,422,409	\$ (294,396)	\$ (394,396)	\$ (38,332)	\$ -	\$ 33,067

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues:										
Taxes Local	\$ 22,636,838	\$ 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
Tuition Changes	2,931,041	3,341,849	3,360,599	2,853,074	2,798,202	3,332,156	4,342,882	4,587,891	4,623,432	4,168,924
Transportation	80,622	77,121	-	-	57,034	15,912	199,122	106,637	283,144	235,697
Miscellaneous	270,447	234,583	357,631	330,703	379,629	308,599	261,762	338,632	368,843	395,469
Local Sources	-	-	-	-	-	9,625	8,407	17,592	17,000	-
State Sources	12,671,207	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
Federal Sources	578,598	547,794	454,004	431,001	729,186	717,516	1,673,401	433,448	373,095	386,510
Total Revenue	39,168,753	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
Expenditures:										
Instruction:										
Regular Instruction	9,331,660	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
Special Education Instruction	2,490,266	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
Other Instructional	738	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690
School Sponsored	1,062,934	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335	867,217	896,704	747,467
Support Services:										
Tuition	2,504,726	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
Student & Instruction Related Services	2,954,766	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
School Administrative Services	1,569,181	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
General & Business Administration Services	1,491,645	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
Plant Operations & Maintenance	2,861,274	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
Pupil Transportation	2,930,429	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
Allocated Benefits	5,230,633	5,145,565	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	3,242,454	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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures (continued):										
Special Schools	-	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393	331,346	-	19,470
Capital outlay	1,096,349	-	-	-	-	-	-	-	508,784	2,988,071
Debt service:										
Principal	2,150,000	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
Interest & Other Charges	1,463,915	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
Total Expenditures	40,380,970	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(1,212,217)	(702,581)	(6,484,088)	(16,302,215)	3,612,888	(1,325,597)	(2,035,880)	(950,160)	(186,879)	(1,045,388)
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	22,659,000	-	-	-	-	-
Bond Anticipation Note	-	-	-	153,600	146,000	-	-	-	-	-
Capital Leases	-	-	-	-	-	1,500,000	-	-	-	-
(Nonbudgeted)	-	-	-	-	-	-	-	-	-	-
Cancellation of Account Payable	-	(9,638,664)	14,956	15,550	-	-	-	-	-	-
Cancellation of Account Receivable	-	9,736,442	-	(16,133)	-	-	-	-	-	-
Transfers in	178,382	94,804	147,438	151,392	-	150,001	480,803	1	1	1
Transfers Out	-	-	-	(34,164)	-	(1)	(55,203)	(1)	(87,501)	(163,001)
Total Other Financing Sources/ (Uses)	178,382	192,582	162,394	270,245	22,805,000	1,650,000	425,600	-	(87,500)	(163,000)
Net Change in Fund Balances	\$ (1,033,835)	\$ (509,999)	\$ (6,321,694)	\$ (16,031,970)	\$ 26,417,888	\$ 324,403	\$ (1,610,280)	\$ (950,160)	\$ (274,379)	\$ (1,208,388)
Debt Service as a Percentage of Noncapital Expenditures	9.20%	9.77%	10.09%	11.07%	8.24%	7.92%	7.77%	7.58%	8.07%	9.96%

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			MISCELLANEOUS	TOTAL
				EVENTS GATE RECEIPTS	DRIVER'S EDUCATION FEES	STUDENT PARTICIPATION FEES		
2016	\$ -	\$ 5,726	\$ 26,160	\$ 19,098	\$ -	\$ 122,090	\$ 57,810	\$ 230,884
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

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												
2016	\$ 15,568,800	\$ 954,674,000	\$ 20,887,100	\$ 2,651,300	\$ 48,924,400	\$ 16,188,500	\$ 1,624,400	\$ 1,060,518,500	\$ -	\$ 1,060,518,500	0.767	\$ 1,122,656,649
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	52,226,720	17,999,600	1,799,600	623,165,671	938,951	624,104,622	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	1,114,585,736
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
South Harrison Township												
2016	9,079,300	308,531,100	34,355,900	3,630,200	22,221,400	-	-	377,817,900	506,452	378,324,352	0.868	391,019,959
2015	10,430,500	301,016,100	34,823,300	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
Borough of Swedesboro												
2016	1,225,500	136,021,000	-	25,300	29,592,200	3,273,800	2,330,700	172,468,500	-	172,468,500	0.919	178,468,138
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
Woolwich Township												
2016	13,795,200	956,623,700	19,670,300	4,242,400	51,386,700	42,884,800	32,801,500	1,121,404,600	1,810,647	1,123,215,247	0.883	1,193,338,953
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	55,146,400	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	24,187,900	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	10,741,400	618,916,100	1,543,335	620,459,435	1.029	1,207,715,607
2009	23,310,900	-	-	4,975,600	45,169,800	-	12,611,300	101,650,022	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

Source: County Abstract if Ratables

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								
2016	1.301	0.767	2.068	0.384	0.668	0.052	0.044	3.216
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
South Harrison Township								
2016	1.011	0.868	1.879	0.210	0.653	0.051	0.043	2.836
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
Borough of Swedesboro								
2016	1.384	0.919	3.303	0.950	0.654	0.051	0.043	4.001
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
Woolwich Township								
2016	1.423	0.883	2.306	0.558	0.672	0.052	0.044	3.632
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

Source: Gloucester County Abstract of Ratable:

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

	2016		2007	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
EAST GREENWICH TOWNSHIP				
Travelcenters Properties LP	\$ 5,276,500	0.50%		
Saint Gobain Performance Plastics	3,815,700	0.36%		
Columbia Gas Transmission Co.	3,598,900	0.34%		
South Shore Properties LLC	3,503,400	0.33%		
Transcontinental Gas Pipeline Co.	2,520,900	0.24%		
Mt. Royal Plaza Real Estate Inc.	2,448,900	0.23%		
Storage World of NJ LLC	2,361,900	0.22%		
Summer Skye LLC	2,066,700	0.19%		
WGJ Enterprises	1,808,600	0.17%		
Baybridge LLC	1,650,000	0.16%		
Beazer Homes			5,551,900	1.07%
Fentell-Crossing LLC			4,418,200	0.85%
Pulte Homes			3,617,300	0.70%
HPT TA Properties			3,381,200	0.65%
St. Gobain Performance Plastics			2,235,200	0.43%
Transcontinental Gas Pipeline Co.			2,150,500	0.41%
Columbia Gas Transmission Co.			1,877,200	0.36%
Colonial Pipeline Co.			1,842,500	0.35%
Hovbros Oakridge LLC			1,811,900	0.35%
M & R Builders, Inc.			1,479,200	0.28%
Total	\$ 29,051,500	2.74%	\$ 28,365,100	
SOUTH HARRISON TOWNSHIP				
Mullica Hill Group Companies LLC	\$ 4,544,100	1.20%		
Mullica Hill Group Co LLC	3,145,800	0.83%		
Taxpayer #1	2,895,400	0.77%		
Taxpayer #2	2,171,000	0.57%		
South Harrison 500 Associates LLC	2,160,000	0.57%		
Taxpayer #3	1,767,600	0.47%		
American Tower Asset Sub LLC	1,680,100	0.44%		
Taxpayer #4	1,294,800	0.34%		
Taxpayer #5	1,061,500	0.28%		
Harrisonville Mobile Home Park Inc	1,012,500	0.27%		
Taxpayer #1			3,323,100	1.49%
Taxpayer #2			2,031,400	0.91%
C & F Family Limited Partnership			1,913,300	0.86%
Spectrasite Broadcast Towers, Inc.			1,337,100	0.60%
Taxpayer #3			1,239,700	0.56%
Robert J. Pacilli Investment, Inc.			989,000	0.44%
Taxpayer #4			795,600	0.36%
Gres & Kaluzny Land Development			724,000	0.32%
Piersol Homes at Country Bridge			697,400	0.31%
Taxpayer #5			598,700	0.27%
Total	\$ 21,732,800	5.74%	\$ 13,649,300	

Source: Municipal Tax Assessor

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

TAXPAYERS	2016		2007	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
BOROUGH OF SWEDESBORO				
Swedes Development LLC	\$ 3,789,200	2.20%		
D & D Properties of Swedesboro Inc.	2,823,500	1.64%		
R&R Real Estate, LLC	1,703,100	0.99%		
Taxpayer #1	1,660,000	0.96%		
Russo Rentals, LLC	1,513,700	0.88%		
Botto Sons, LLC	1,462,600	0.85%		
Swedesboro Housing LTD Partnership	1,275,000	0.74%		
Bank of America	974,900	0.57%		
GI Advo Propco LLC	961,100	0.56%		
Racoon Creek LLC	950,000	0.55%		
Del Monte Corporation			1,100,000	1.36%
Taxpayer #1			985,200	1.22%
Swedesboro Housing LTD Partnership			909,000	1.12%
D & D Properties of Swedesboro Inc.			839,300	1.04%
Bank of America			615,000	0.76%
Botto Sons, LLC			597,800	0.74%
Taxpayer #2			429,800	0.53%
CCL Container Corp.			422,600	0.52%
R&R Real Estate, LLC			398,300	0.49%
Hoerner Provision Co., Incc.			351,100	0.43%
Total	\$ 17,113,100	9.92%	\$ 6,648,100	
WOOLWICH TOWNSHIP				
Pond View at Westbrook, LLC	\$ 20,251,500	1.80%		
Liberty Venture	15,942,700	1.42%		
Westbrook at Weatherby LLC	12,250,000	1.09%		
Columbia Gas	7,678,100	0.68%		
USF Propco LLC	7,300,000	0.65%		
JMJ Warehouse Associates	6,304,500	0.56%		
Liberty Property LTD Partnership	5,963,000	0.53%		
Raab Family Partnership	3,708,900	0.33%		
GI Advo Propco LLC	3,199,600	0.28%		
Appleseed NJ LLC	3,185,000	0.28%		
Westbrook at Weatherby LLC			12,663,600	2.24%
Columbia NJ Commodore Ind.			9,000,000	1.59%
Alliant Food			4,845,700	0.86%
Liberty Property LTD Partnership			4,150,000	0.74%
Columbia Gas Transmissions			3,925,000	0.70%
JMJ Warehouse Associates			3,549,400	0.63%
Rayken Development LLC			2,385,100	0.42%
Townhouses at Weatherby LLC			2,325,700	0.41%
DLI Development Co., LLC			2,188,000	0.39%
Summitt Ventures LLC			2,030,600	0.36%
Total	\$ 85,783,300	7.64%	\$ 47,063,100	

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				
2016	8,123,897	8,123,897	100.00%	
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%	-
South Harrison Township				
2016	3,256,290	3,256,290	100.00%	
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%	-
Borough of Swedesboro				
2016	1,614,466	1,614,466	100.00%	
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%	-
Woolwich Township				
2016	9,642,185	9,642,185	100.00%	
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%	-

**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				
2016	\$ 41,404,000	-	\$ -	\$ 41,404,000	N/A	N/A	
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	

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		
2016	\$ 41,404,000	\$ -	\$ 41,404,000	N/A	N/A
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

**KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Greenwich Township	\$ 14,025,047	100.00%	\$ 14,025,047
South Harrison Township	-	100.00%	-
Swedesboro Borough	5,107,950	100.00%	5,107,950
Woolwich Township	7,733,176	100.00%	7,733,176
Other Debt:			
County of Gloucester	239,760,175	<u>Net County Apportioned</u>	
East Greenwich Township		1,121,292,557	4.387%
South Harrison Township		390,266,507	1.527%
Swedesboro Borough		176,240,037	0.689%
Woolwich Township		1,191,674,888	4.662%
			<u>11,177,536</u>
Subtotal, Overlapping Debt			53,874,734
Kingsway Regional School District Debt			<u>41,404,000</u>
		<u>County Total</u>	
		25,561,643,172	
Total Direct & Overlapping Debt			<u><u>\$ 95,278,734</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**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit	\$ 99,693,415	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
Total Net Debt Applicable to Limit	41,404,000	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
Legal Debt Margin	\$ 58,289,415	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
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	41.53%	45.44%	48.37%	49.29%	50.47%	28.69%	31.20%	34.45%	67.68%	48.66%

Legal Debt Margin Calculation for Fiscal Year 2013

	Equalized Valuation Basis			Total
	East Greenwich	South Harrison	Swedesboro	
2016	1,135,215,693	393,943,815	174,492,614	1,221,728,601
2015	1,109,930,177	384,123,362	178,255,499	1,165,114,551
2014	1,075,987,046	384,484,810	174,717,707	1,147,155,977
				\$ 8,545,149,852
Average Equalized Valuation of Taxable Property				\$ 2,848,383,284
Debt Limit (3.5 % of Average Equalization Value)				\$ 99,693,415
Net Bonded School Debt				41,404,000
Legal Debt Margin				\$ 58,289,415

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			
2015	10,380	N/A	4.2%
2014	10,332	46,603	5.5%
2013	10,204	45,169	3.8%
2012	10,110	44,833	7.5%
2011	9,899	43,488	7.3%
2010	9,674	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%
South Harrison			
2015	3,138	N/A	4.9%
2014	3,142	46,603	6.1%
2013	3,148	45,169	6.0%
2012	3,158	44,833	7.4%
2011	3,165	43,488	7.2%
2010	3,167	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%
Swedesboro Borough			
2015	2,613	N/A	4.8%
2014	2,607	46,603	5.3%
2013	2,604	45,169	8.3%
2012	2,610	44,833	10.8%
2011	2,612	43,488	10.6%
2010	2,598	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%
Woolwich			
2015	12,295	N/A	3.8%
2014	12,129	46,603	4.8%
2013	11,592	45,169	4.6%
2012	11,010	44,833	7.3%
2011	10,701	43,488	7.1%
2010	10,289	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%

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**

	2016		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	1.30%
Kennedy Memorial Hospital	1,675	2	1.19%
Washington Township School District	1,592	3	1.13%
Rowan University	1,483	4	1.05%
County of Gloucester	1,354	5	0.96%
Missa Bay, LLC	950	6	0.67%
Monroe Township School District	806	7	0.57%
U.S. Foodservices	725	8	0.51%
ExxonMobil Research & Engineering	540	9	0.38%
LaBrea Bakery	525	10	0.37%
	<u>11,475</u>		<u>8.15%</u>

2007

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	149.0	149.0	144.0	136.0	127.0	133.0	126.5	130.0	130.0	125.0
Special Education	58.0	56.0	55.0	48.0	51.0	51.0	29.0	28.0	28.0	28.0
Other Instruction	8.0	8.0	8.0	2.0	3.0	2.0	20.0	14.0	11.0	8.0
Athletics & Extra-Curricular	3.0	3.0	3.0	3.0						
Support Services:										
Student & Instruction Related Services	37.0	35.0	36.0	40.0	27.5	28.0	29.0	29.0	30.0	25.0
School Administrative Services	18.0	17.0	15.0	16.0	15.0	16.0	16.0	16.0	16.0	14.0
General Administrative Services	2.0	2.0	3.0	2.0	2.0	2.0	2.5	2.5	2.5	2.5
Plant Operations & Maintenance	36.0	36.0	36.0	30.0	27.0	30.0	37.5	38.0	38.0	38.0
Pupil Transportation	48.0	48.0	44.0	42.0	33.0	33.0	34.0	33.0	31.0	28.0
Business & Other Support Services	11.0	11.0	10.0	10.0	8.0	8.0	9.0	9.0	8.5	8.5
Food Service	28.0	28.0	24.0	24.0	24.0					
Total	398.0	393.0	378.0	353.0	317.5	303.0	303.5	299.5	295.0	277.0

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	SCHOOL				
2016	2,567	35,064,631	13,660	3.81%	184	1.13	1.14	1.14	2,555.9	2,427.0	1.34%	94.96%
2015	2,534	33,342,831	13,158	0.03	183	1.13	1.14	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	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	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	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	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	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	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	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	1.20	2,019.2	1,894.2	6.29%	93.81%

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
High School (Grades 9-12)										
Square Feet	259,484	259,484	259,484	222,351	222,351	222,351	222,351	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	2,000	1,454	1,454	1,454	1,454	1,454	1,454	1,454
Enrollment	1,685	1,664	1,597	1,540	1,504	1,488	1,488	1,470	1,436	1,476
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	146,888	104,436	104,436	104,436	104,436	104,436	104,436	104,436.00
Capacity (Students)	1,000	1,000	1,000	800	800	800	800	800	800	800.00
Enrollment	882	870	866	825	780	743	720	660	608	582.00

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:	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	TOTAL
Kingsway Regional School District	-	-	-	-	-	-	-	-	-	133,375	191,700
Kingsway Regional Middle School	141,328	191,300	141,108	125,202	24,650	21,655	21,738	21,428	11,358	-	-
Kingsway Regional High School	269,720	278,942	320,229	202,997	73,535	61,991	76,567	223,596	142,758	-	-
Total School Facilities	\$411,048	470,242	461,337	328,199	98,185	83,646	98,305	245,024	154,116	133,375	191,700

* 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, 2016**

	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, 2016, 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 November 11, 2016.

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
November 11, 2016



HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 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 Kingsway Regional School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2016. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); *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 Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB's Circular 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, 2016.

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 the Uniform Guidance and New Jersey OMB's Circular 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 the Uniform Guidance and New Jersey OMB's Circular 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
November 11, 2016

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2016**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2015	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	UNEARNED REVENUE AT JUNE 30, 2016	DUE TO GRANTOR AT JUNE 30, 2016
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Enterprise Fund:											
Child Nutrition Cluster:											
Noncash Assistance:											
Food Distribution Program	10.555	16161NJ304N1099	87,242	7/1/15-6/30/16	\$ -	\$ 87,242	\$ (87,242)	\$ -	\$ -	\$ -	\$ -
Cash Assistance:											
Healthy Hunger Free Kids Act Lunch Program	10.551	16161NJ304N1099	11,831	7/1/15-6/30/16	-	10,952	(11,831)	-	(879)	-	-
Healthy Hunger Free Kids Act Lunch Program	10.551	15151NJ304N1099	10,621	7/1/14-6/30/15	(903)	903	-	-	-	-	-
National School Lunch Program	10.555	16161NJ304N1099	201,377	7/1/15-6/30/16	-	186,176	(201,377)	-	(15,201)	-	-
National School Lunch Program	10.555	15151NJ304N1099	192,368	7/1/14-6/30/15	(15,491)	15,491	-	-	-	-	-
Total Child Nutrition Cluster					(16,394)	300,764	(300,450)	-	(16,080)	-	-
Total Enterprise Fund					(16,394)	300,764	(300,450)	-	(16,080)	-	-
U.S. DEPARTMENT OF EDUCATION:											
General Fund:											
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	17,724	7/1/14-6/30/15	(10,709)	10,709	-	-	-	-	-
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	10,182	7/1/15-6/30/16	-	6,098	(10,182)	-	(4,084)	-	-
Total General Fund					(10,709)	16,807	(10,182)	-	(4,084)	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:											
Special Revenue:											
Title I	84.010	S010A150030	100,399	7/1/14-6/30/15	(5,060)	5,060	-	-	-	-	-
Title I	84.010	S010A150030	117,217	7/1/15-6/30/16	-	97,215	(105,455)	-	(8,240)	-	-
Subtotal					(5,060)	102,275	(105,455)	-	(8,240)	-	-
Title II	84.367	S367A150029	22,406	7/1/14-6/30/15	(2,266)	2,266	-	-	-	-	-
Title II	84.367	S367A150029	22,119	7/1/15-6/30/16	-	4,410	(15,499)	-	(1,089)	-	-
Subtotal					(2,266)	6,676	(15,499)	-	(1,089)	-	-
I.D.E.A. Part B, Basic Regular	84.027	S024A150100	444,313	7/1/15-6/30/16	-	366,978	(444,313)	-	(77,335)	-	-
Total Special Revenue Fund					(7,326)	475,929	(565,267)	-	(96,664)	-	-
Total Federal Financial Assistance					\$ (34,429)	\$ 793,500	\$ (875,899)	\$ -	\$ (116,828)	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2016**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2016	MEMO	
				JUNE 30, 2015	JUNE 30, 2016						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
State Aid Cluster:												
Equalization Aid	16-495-034-5120-078	\$ 6,107,281	7/1/15-6/30/16	\$ -	\$ 6,107,281	\$ (6,107,281)	\$ -	\$ -	\$ -	\$ -	\$ (558,146)	\$ 6,107,281
Categorical Special Education Aid	16-495-034-5120-089	1,121,086	7/1/15-6/30/16	-	1,121,086	(1,121,086)	-	-	-	-	(102,456)	1,121,086
Security Aid	16-495-034-5120-084	158,030	7/1/15-6/30/16	-	158,030	(158,030)	-	-	-	-	(14,442)	158,030
Supplemental Enrollment Growth Aid	16-495-034-5120-094	921,670	7/1/15-6/30/16	-	921,670	(921,670)	-	-	-	-	(84,232)	921,670
Under Adequacy Aid	16-495-034-5120-083	133,057	7/1/15-6/30/16	-	133,057	(133,057)	-	-	-	-	(12,160)	133,057
PARCC Readiness Aid	16-495-034-5120-098	22,880	7/1/15-6/30/16	-	22,880	(22,880)	-	-	-	-	(2,091)	22,880
Per Pupil Growth Aid	16-495-034-5120-097	22,880	7/1/15-6/30/16	-	22,880	(22,880)	-	-	-	-	(2,091)	22,880
Total State Aid Cluster				-	8,486,884	(8,486,884)	-	-	-	-	(775,618)	8,486,884
Transportation Aid	16-495-034-5120-014	255,495	7/1/15-6/30/16	-	255,495	(255,495)	-	-	-	-	(23,350)	255,495
Extraordinary Aid	15-495-034-5120-044	169,609	7/1/14-6/30/15	(169,609)	-	-	-	-	-	-	-	-
Extraordinary Aid	16-495-034-5120-044	160,867	7/1/15-6/30/16	-	160,867	(160,867)	-	-	(160,867)	-	-	160,867
Non-Public School Transportation	15-100-034-5120-067	32,647	7/1/14-6/30/15	(32,647)	-	-	-	-	-	-	-	-
Non-Public School Transportation	16-100-034-5120-067	37,072	7/1/15-6/30/16	-	37,072	(37,072)	-	-	-	(37,072)	-	37,072
Reimbursed TPAF Social Security Contribution	15-495-034-5095-002	965,050	7/1/14-6/30/15	(46,552)	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	16-495-034-5095-002	991,846	7/1/15-6/30/16	-	943,409	(991,846)	-	-	(48,437)	-	-	991,846
Noncash Assistance:												
On-Behalf TPAF Pension Contribution	16-495-034-5095-006	987,203	7/1/15-6/30/16	-	987,203	(987,203)	-	-	-	-	-	987,203
On-Behalf Post Retirement Medical Contribution	16-495-034-5095-006	1,175,486	7/1/15-6/30/16	-	1,175,486	(1,175,486)	-	-	-	-	-	1,175,486
Total General Fund Assistance				(248,808)	12,097,285	(12,094,853)	-	-	-	(246,376)	(798,968)	12,094,853
Debt Service Fund:												
Debt Service Aid	16-495-034-5120-032	582,433	7/1/15-6/30/16	-	582,433	(582,433)	-	-	-	-	-	582,433
Total Debt Service Fund Assistance				-	582,433	(582,433)	-	-	-	-	-	582,433
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	(915)	915	-	-	-	-	-	-	-
National School Lunch Program (State Share)	16-100-010-3360-067	8,686	7/1/15-6/30/16	-	8,039	(8,686)	-	-	-	(647)	-	8,686
Total Enterprise Fund Assistance				(915)	8,954	(8,686)	-	-	-	(647)	-	8,686
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)	204,390	-	-	-	-	(218,780)	-	-
Total Capital Projects Fund Assistance				(423,170)	204,390	-	-	-	-	(218,780)	-	-
Total State Financial Assistance				\$ (672,893)	\$ 12,893,062	\$ (12,685,972)	\$ -	\$ -	\$ -	\$ (465,803)	\$ (798,968)	\$ 12,685,972

On-Behalf TPAF Pension Contributions \$ 987,203
 On-Behalf TPAF Post-Retirement 1,175,486
 Total State Financial Assistance Reported on Single Audit Summary \$ (10,523,283)

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

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. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the federal and state expenditures presented in the schedules of expenditures of federal awards and state financial assistance, Clearview Regional High School District did not provide any federal or state awards to sub recipients.

Noncash assistance is reported in the schedule of expenditures of federal awards as the entitlement value, as determined by the United States Department of Agriculture, of the food commodities received and disbursed during the year ended June 30, 2016. Unearned revenue represents the value of commodities left in the ending inventory of the District as of June 30, 2016.

The Kingsway Regional School District has not elected to use the 10% de minimis cost rate allowed by the Uniform Guidance.

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2016**

3. Relationship to Basic Financial Statements (continued):

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 \$(6,079) for the general fund and \$7,189 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:

	State	Federal	Total
General Fund	\$ 12,088,774	\$ 10,182	\$ 12,098,956
Debt Service Fund	582,433	-	582,433
Special Revenue Fund	-	568,416	568,416
Food Service Fund	8,686	300,450	309,136
Total Financial Assistance	<u>\$ 12,679,893</u>	<u>\$ 879,048</u>	<u>\$ 13,558,941</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, 2016 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, 2016.

Note 6. Federal and State Loans Outstanding

The Kingsway Regional School District had no loan balances outstanding at June 30, 2016.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

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 Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a) of the Uniform Guidance? No

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
84.027	S027A150100	I.D.E.A., Part B, Basic Regular

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

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 2 CFR 200 Section .516(a) of the Uniform Guidance or
NJOMB Circular Letter 15-08 as applicable? | 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:	\$750,000
Auditee qualified as low-risk auditee?	Yes

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

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, 2016**

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*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings