

KINGSWAY REGIONAL SCHOOL DISTRICT

Woolwich Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017



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 1, 2017

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, 2017, 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, 2017. 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

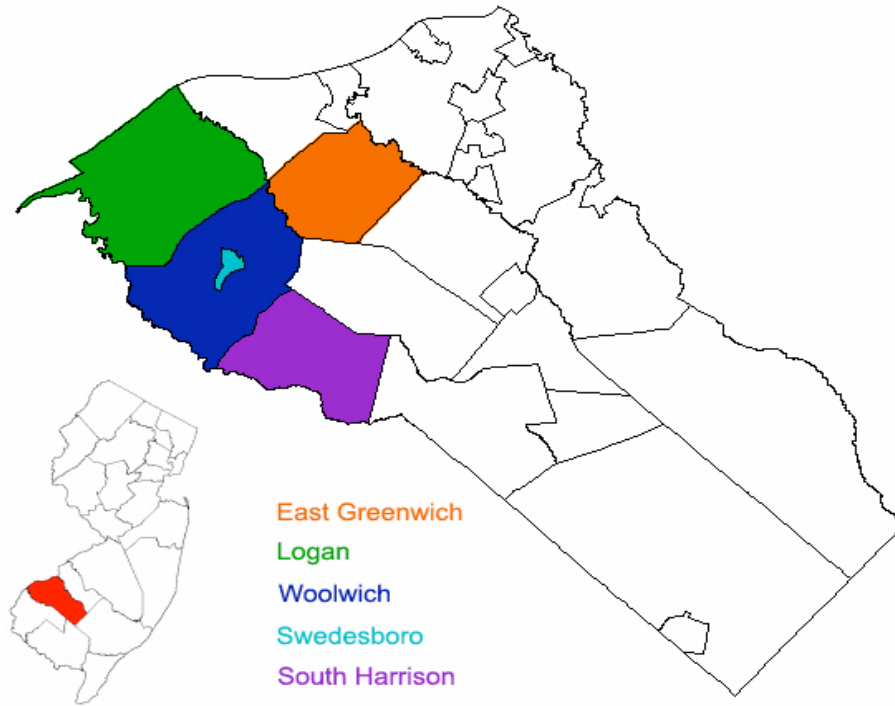
The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are

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 2016-2017 fiscal year with an Average Daily Enrollment (“ADE”) of 2,663.7 students, which equates to an increase of 107.7 students from the 2015-2016 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>
2016-17	2,663.7	+4.2%
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%

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 statutes require an annual audit by independent certified public accountants. The accounting firm of Holman Frenia Allison, P.C., Certified Public Accounts, was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor’s report on the basic financial statements and combining statements and related major fund supporting statements and schedules 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



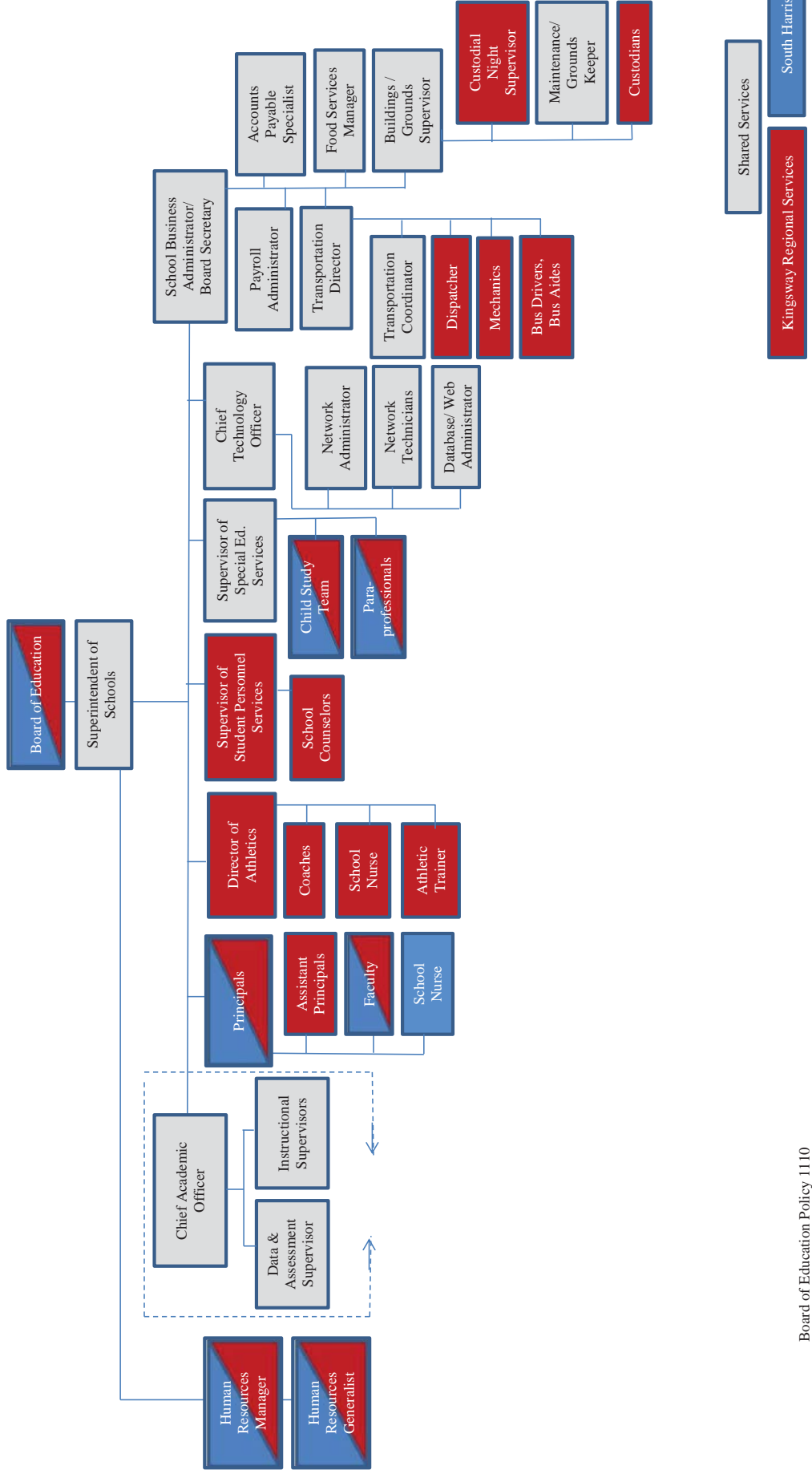
Jason Schimpf
School Business Administrator/
Board Secretary



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KINGSWAY REGIONAL AND SOUTH HARRISON SCHOOL DISTRICTS



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KINGSWAY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2017

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Mueller, President	2018
Lauren Boerlin, Vice President	2019
Christie Callahan Comerford	2019
Dr. Michele Blair	2018
Lisa Mordecai-Daniel	2017
Mia Randazzo	2018
Pamela Roney	2017
Deborah Cunningham	2019
Patrick M. Daley	2017
Frank Donnelly, Logan Township Representative	2017

OTHER OFFICIALS

Dr. James J. Lavender, Superintendent

Jason Schimpf, Business Administrator/Board Secretary

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KINGSWAY REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Michael Holt, CPA, PSA
Holman Frenia Allison, P. C.
618 Stokes Road
Medford, New Jersey 08055

Attorney

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

Architect

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

Official Depository

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Kingsway Regional School District
County of Gloucester
Woolwich, 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, 2017, and the related notes to the financial statements, which collectively comprise the School 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, 2017, 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, budgetary comparison information, and the schedules related to accounting and reporting for pensions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kingsway Regional School District's basic financial statements. The 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 schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements 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 1, 2017 on our consideration of the 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 the 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 1, 2017

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited)

As management of the Kingsway Regional School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-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 themselves.

Government-Wide Financial Statements

The *government-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 government-wide financial statements include the statement of net position and the statement of net activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets plus deferred outflows or resources and liabilities plus deferred inflows of resources is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund, Technology Internal Service Fund, Transportation Internal Service Fund, General Administration Internal Service Fund and Maintenance Services Internal Service Fund. Business-type activities reflect the Food Service Fund and the Community Education Program.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with financial-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains two types of proprietary funds – the Enterprise Fund and the Internal Service Fund. The fund financial statements of the enterprise funds and internal service funds provide the same information as the government-wide financial statements, only in more detail.

The School District's two enterprise funds (Food Service Fund and Community Education Program) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole

Table 1 provides a summary of the School Districts net position for the fiscal years 2017 compared to fiscal year 2016.

Table 1
Summary of Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 6,909,523	\$ 6,331,595	\$ 577,928	9.1%
Capital Assets, Net	<u>58,168,532</u>	<u>61,322,583</u>	<u>(3,154,051)</u>	-5.1%
Total Assets	<u>65,078,055</u>	<u>67,654,178</u>	<u>(2,576,123)</u>	-3.8%
Deferred Outflow of Resources	<u>8,310,605</u>	<u>4,044,101</u>	<u>4,266,504</u>	105.5%
Current and other Liabilities	1,620,756	1,133,804	486,952	42.9%
Noncurrent Liabilities	<u>60,294,714</u>	<u>56,809,458</u>	<u>3,485,256</u>	6.1%
Total Liabilities	<u>61,915,470</u>	<u>57,943,262</u>	<u>3,972,208</u>	6.9%
Deferred Inflow of Resources	<u>-</u>	<u>214,311</u>	<u>(214,311)</u>	-100.0%
Net Position:				
Net Investment in Capital Assets	18,947,005	18,869,838	77,167	0.4%
Restricted	5,615,516	4,446,602	1,168,914	26.3%
Unrestricted (Deficit)	<u>(13,089,331)</u>	<u>(9,775,734)</u>	<u>(3,313,597)</u>	33.9%
Total Net Position	<u>\$ 11,473,190</u>	<u>\$ 13,540,706</u>	<u>\$ (2,067,516)</u>	-15.3%

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2017 compared to fiscal year 2016.

Table 2
Summary of Changes in Net Position

	June 30, <u>2017</u>	June 30, <u>2016</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 3,672,156	\$ 3,473,985	\$ 198,171	5.7%
Operating Grants & Contributions	4,554,172	7,043,170	(2,488,998)	-35.3%
General Revenues:				
Property Taxes	23,220,007	22,636,838	583,169	2.6%
Federal & State Aid	9,502,728	9,937,469	(434,741)	-4.4%
Other General Revenues	3,103,663	3,283,577	(179,914)	-5.5%
Total Revenues	44,052,726	46,375,039	(2,322,313)	-5.0%
Function/Program Expenditures:				
Regular Instruction	12,432,875	15,885,532	(3,452,657)	-21.7%
Special Education Instruction	3,222,178	4,052,599	(830,421)	-20.5%
Other Instruction	881	738	143	19.4%
School Sponsored	1,220,283	1,254,704	(34,421)	-2.7%
Tuition	2,325,214	2,504,726	(179,512)	-7.2%
Student & Instruction Related Services	3,117,989	3,780,675	(662,686)	-17.5%
General Administrative	866,354	1,016,445	(150,091)	-14.8%
School Administrative Services	2,492,781	3,199,142	(706,361)	-22.1%
Central Services	495,402	490,367	5,035	1.0%
Administrative Info. Technology	498,556	554,270	(55,714)	-10.1%
Plant Operations & Maintenance	3,359,078	4,259,701	(900,623)	-21.1%
Pupil Transportation	4,457,203	4,720,942	(263,739)	-5.6%
Unallocated Benefits	1,677,538	(152,355)	1,829,893	-1201.1%
On Behalf TPAF Pension and Social				
Security Contributions	3,653,748	-	3,653,748	100.0%
Adjustment to Fixed Assets	-	46,435	(46,435)	-100.0%
Transfer to Charter Schools	8,833	-	8,833	100.0%
Interest & Other Charges	1,539,394	1,615,378	(75,984)	-4.7%
Unallocated Depreciation	3,247,950	1,509,706	1,738,244	115.1%
Food Service	1,336,916	1,332,646	4,270	0.3%
Community Education Program	167,069	109,223	57,846	53.0%
Total Expenditures	46,120,242	46,180,874	(60,632)	-0.1%
Change In Net Position	(2,067,516)	194,165	(2,261,681)	-1164.8%
Net Position - Beginning	13,540,706	13,346,541	194,165	1.5%
Net Position - Ending	\$ 11,473,190	\$ 13,540,706	\$ (2,067,516)	-15.3%

Governmental Activities

During the fiscal year 2017, the net position of governmental activities decreased by \$(2,067,516) or -15.3%. The primary reason for the decrease was an increase in depreciation expense from the prior year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$11,473,190, with an unrestricted deficit balance of \$(13,769,886). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

The School District's governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

Table 3
GASB 68 Effect on Unrestricted Net Position

Unrestricted Net Position (With GASB 68)	\$	(13,769,886)
Add back: PERS Pension Liability		18,807,614
Less: Deferred Outflows related to pensions		(7,206,215)
Add back: Deferred Inflows related to pensions		-
Unrestricted Net Position (Without GASB 68)	\$	(2,168,487)

Business-type Activities

During the fiscal year 2017, the net position of business-type activities increased by \$192,855 or 31.0%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$824,973.

General Fund Budgeting Highlights

Final budgeted revenues were \$32,084,236, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$209,369.

Final budgeted appropriations were \$33,822,353, which was an increase of \$69,794 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$2,045,083.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,306,788 at June 30, 2017, an increase of \$551,670 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$5,661,817, an increase of \$552,527 from the prior year.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

General fund - During the current fiscal year, the fund balance of the School District's general fund increased by \$567,887 to \$3,524,037 at June 30, 2017, compared to a decrease of \$(683,628) in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Unanticipated miscellaneous revenue
- Reduced utility costs due to solar implementation
- Overall reduction in special education transportation costs due to programmatic changes

Special revenue fund – There was no change in the fund balance for the special revenue fund.

Capital projects fund - During the current fiscal year, the fund balance of the School District's capital projects fund decreased by \$(7,602) to \$2,032,617 at June 30, 2017, compared to a decrease of \$(352,111) in fund balance in the prior fiscal year . The primary factor affecting the change in fund balance of the capital projects fund is as follows:

- Current year expenditures on capital projects

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$(7,758) to \$105,163 at June 30, 2017, compared to an increase of \$1,904 in fund balance in the prior fiscal year.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund increased by \$86,514 to \$494,687 at June 30, 2017, compared to an increase of \$48,637 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position of the food service fund is as follows:

- Reduction in one-time capital expenditures
- Increase in non-reimbursable a la carte program revenue

Community Education Fund - During the current fiscal year, the net position of the School District's community education fund increased by \$106,341 to \$330,286 at June 30, 2017, compared to an increase of \$121,109 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in net position is as follows:

- Increased labor and supply costs associated with expansion of CER summer camp program

Internal Service Funds – There were no changes in the fund balance for the internal service funds.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2017, totaled \$58,168,532 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$(3,154,051). This decrease is primarily due to the current year depreciation of capital assets. Table 4 shows fiscal 2017 balances compared to 2016.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2017</u>	<u>June 30,</u> <u>2016</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 2,481,278	\$ 2,481,278	\$ -	0.0%
Construction in Progress	7,602	29,089,533	(29,081,931)	-100.0%
Land Improvements	1,406,947	1,619,893	(212,946)	-13.1%
Building and Improvements	50,933,321	24,716,627	26,216,694	106.1%
Equipment	3,339,384	3,415,252	(75,868)	-2.2%
	<u>\$ 58,168,532</u>	<u>\$ 61,322,583</u>	<u>\$ (3,154,051)</u>	<u>-5.1%</u>

Depreciation expense for the year was \$3,268,899. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$38,734,000, which is a decrease of \$2,670,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Factors on the School District's Future

At Kingsway, we take great pride in our achievements, we are passionate about the services and opportunities we provide, and we value high quality education. Our motto, *Committed to Excellence*, drives us to ensure the sound educational experience our students and community deserves. Our name is consistently echoed throughout the region as an exemplar. We have the highest high school graduation rates in the county, a high school ranked alongside other top high schools in South Jersey, a middle school that serves as model for other middle schools in the area, advanced placement offerings that have been nationally recognized by College Board, and a competitive and accomplished performing arts and athletic programs.

Despite all our accomplishments, Kingsway may be better known as one of the State's fastest growing school districts, serving two of the fastest growing municipalities – the Townships of Woolwich and East Greenwich. As a result, Kingsway's enrollment has increased by more than 1,405 students over the last

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

fifteen years. Unfortunately, state aid has failed to keep pace. As you can imagine, the contradiction between unrelenting pupil enrollment growth and state aid reductions per pupil has placed extraordinary demands on our facilities, programs, and staff.

Throughout this same period Kingsway continued to implement cost-saving measures in an effort to reduce the tax burden while maintaining quality programs for our students. In the 2017 Taxpayers' Guide to Education Spending, the Kingsway Regional School District was ranked first out of forty-six (7-12/9-12) regional school districts throughout the state as the lowest spending in regard to budgetary per pupil costs (\$10,362). For FY 2018, Kingsway's budgetary cost per pupil was reduced to \$10,059 and is lower than the \$15,714 state average, and markedly lower than other districts such as Monmouth County's Henry Hudson Regional, which spends more than \$23,000 per pupil.

Despite our efforts, the burden to fund our school district has consistently been shifted to our local taxpayers. Throughout the same fifteen-year period where state aid per pupil has decreased by 29%, local property taxes per pupil have increased by more than 142%, from \$3,549 in 2001 to \$8,500 in 2017. This dramatic shift of responsibility has made it increasingly difficult to preserve our quality school system.

In 2008, we had hope that a solution to our problems was found with the passage of the School Funding Reform Act (SFRA). The new funding formula guaranteed that state school aid would be distributed fairly and equitably based on a formula that took into account each town's property tax base, its ability to pay, increases and decreases in enrollment, and the special needs of children. It was a formula that finally ended New Jersey's tortured history on school funding fairness, was lauded by experts throughout the country, and according to New Jersey's Supreme Court, SFRA's design was found to meet the constitutional mandates of *Abbott v. Burke*, for all students.

As a result, Kingsway, like many other districts, received a 20 percent increase in state aid for the 2008-09 school year and consequently adopted a school budget that called for the smallest local tax increase in a decade. We were also assured by then Commissioner of Education Lucille Davy that Kingsway would be afforded 20 percent increases per year for the next five years until we were made whole. This recognition and increase in state aid would have put Kingsway on par with other communities and eased the unfair tax burden placed on our local residents who make up the difference in funding our public schools. In fact, had the Kingsway Regional School District been funded at the levels the SFRA phase-in promised, we would have levied \$32.8 million dollars less than we did in the nine years since SFRA was adopted.

In the years after SFRA was adopted, state aid promises were never fulfilled. As a result, the status quo was protected and overfunded school districts continued to benefit at the cost of those who have historically been underfunded. Districts with declining enrollments were held harmless while growth districts continued to be ignored. Consequently, Kingsway and districts like Kingsway have fallen far from the promises of a constitutionally sound, nationally recognized school funding formula.

In FY18, Kingsway Regional will receive just 44.2% of its state aid entitlement, or \$11.2 million less than the full \$20 million owed. In contrast, more than 212 school districts will receive more than 100% of their state aid entitlements in FY18. In total, 379 of New Jersey's districts will receive less than 100% of their state aid entitlements as calculated by the SFRA. The hold harmless provision implemented through the budget, arbitrarily disregarding SFRA, has resulted in the disparate treatment of NJ students in underfunded districts.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
(Unaudited) (Continued)

MDA Contacting the School Districts Financial Management

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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.

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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, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 3,275,988	\$ 720,338	\$ 3,996,326
Receivables, Net (Note 4)	1,858,171	20,910	1,879,081
Internal Balances	139	11,048	11,187
Inventory	-	9,329	9,329
Restricted Cash & Cash Equivalents	1,013,600	-	1,013,600
Capital Assets, Non-Depreciable (Note 5)	2,488,880	-	2,488,880
Capital Assets, Depreciable, Net (Note 5)	55,535,234	144,418	55,679,652
	<hr/>		
Total Assets	64,172,012	906,043	65,078,055
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	7,206,215	-	7,206,215
Related to Loss on Debt Refunding	1,104,390	-	1,104,390
	<hr/>		
Total Deferred Outflow of Resources	8,310,605	-	8,310,605
	<hr/>		
Total Assets and Deferred Outflow of Resources	72,482,617	906,043	73,388,660
LIABILITIES:			
Accounts Payable	456,479	277	456,756
Internal Balances	11,048	-	11,048
Unearned Revenue	18,554	16,173	34,727
Accrued Interest	523,852	-	523,852
Due to Other Governments	594,373	-	594,373
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,325,197	-	2,325,197
Due Beyond One Year	57,904,897	64,620	57,969,517
	<hr/>		
Total Liabilities	61,834,400	81,070	61,915,470
NET POSITION:			
Net Investment in Capital Assets	18,802,587	144,418	18,947,005
Restricted For:			
Capital Projects	3,046,217	-	3,046,217
Debt Service	105,163	-	105,163
Excess Surplus	2,464,136	-	2,464,136
Unrestricted	(13,769,886)	680,555	(13,089,331)
	<hr/>		
Total Net Position	\$ 10,648,217	\$ 824,973	\$ 11,473,190
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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, 2017**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 12,432,875	\$ -	\$ -	\$ (12,432,875)	\$ -	\$ (12,432,875)
Special Education	3,222,178	-	148,090	(3,074,088)	-	(3,074,088)
Other Instructional	881	-	-	(881)	-	(881)
School Sponsored	1,220,283	-	-	(1,220,283)	-	(1,220,283)
Support Services & Undistributed Costs:						
Tuition	2,325,214	-	428,663	(1,896,551)	-	(1,896,551)
Student & Instruction Related Services	3,117,989	-	19,157	(3,098,832)	-	(3,098,832)
Health Services	302,807	-	-	(302,807)	-	(302,807)
Educational Media Services/School Library	593,425	-	-	(593,425)	-	(593,425)
School Administrative Services	1,596,549	-	-	(1,596,549)	-	(1,596,549)
General Administration	866,354	187,523	-	(678,831)	-	(678,831)
Central Services	495,402	-	-	(495,402)	-	(495,402)
Administrative Information Technology	498,556	181,905	-	(316,651)	-	(316,651)
Plant Operations & Maintenance	3,359,078	63,939	-	(3,295,139)	-	(3,295,139)
Pupil Transportation	4,457,203	1,847,855	-	(2,609,348)	-	(2,609,348)
On Behalf TPAF Pension and Social Security Contributions	3,653,748	-	3,653,748	-	-	-
Interest on Long-Term Debt and Other Charges	1,539,394	-	-	(1,539,394)	-	(1,539,394)
Transfer to Charter School	8,833	-	-	(8,833)	-	(8,833)
Unallocated Depreciation	3,247,950	-	-	(3,247,950)	-	(3,247,950)
Unallocated Benefits	1,677,538	-	-	(1,677,538)	-	(1,677,538)
Total Governmental Activities	44,616,257	2,281,222	4,249,658	(38,085,377)	-	(38,085,377)
Business-Type Activities:						
Food Service	1,336,916	1,117,524	304,514	-	85,122	85,122
Community Education Program	167,069	273,410	-	-	106,341	106,341
Total Business-Type Activities	1,503,985	1,390,934	304,514	-	191,463	191,463
Total Primary Government	\$ 46,120,242	\$ 3,672,156	\$ 4,554,172	(38,085,377)	191,463	(37,893,914)

**KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	BUSINESS- TYPE GOVERNMENTAL ACTIVITIES ACTIVITIES
			TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes			20,226,031
Taxes Levied for Debt Service			2,993,976
Federal & State Aid Not Restricted			9,072,380
Federal & State Aid Restricted			430,348
Tuition Charges			2,652,264
Rents and Royalties			76,564
Investment Earnings			5,726
Miscellaneous Income			1,392
			367,717
			-
Total General Revenues, Special Items, Extraordinary Items & Transfers			35,825,006
Change In Net Position			(2,260,371)
Net Position - Beginning			12,908,588
Net Position - Ending			13,540,706
			\$ 10,648,217 \$ 824,973 \$ 11,473,190

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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, 2017**

						<u>TOTALS</u>
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2017	
ASSETS & OTHER DEBITS						
Cash & Cash Equivalents	\$ 556,404	\$ -	\$ 2,274,967	\$ 13,921	\$ 2,845,292	\$ 2,845,292
Receivables from Other Governments	1,107,369	12,230	204,390	87,439	1,411,428	1,411,428
Due from Other Funds	829,921	-	-	3,803	833,724	833,724
Receivables, Net	105,507	38,156	-	-	143,663	143,663
Restricted Cash & Cash Equivalents	1,013,600	-	-	-	1,013,600	1,013,600
	<u>\$ 3,612,801</u>	<u>\$ 50,386</u>	<u>\$ 2,479,357</u>	<u>\$ 105,163</u>	<u>\$ 6,247,707</u>	<u>\$ 6,247,707</u>
Total Assets						
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit	\$ -	\$ 7,463	\$ -	\$ -	\$ 7,463	\$ 7,463
Unearned Revenue	-	18,554	-	-	18,554	18,554
Accounts Payable	66,399	20,381	-	-	86,780	86,780
Due to Other Funds	22,365	3,988	77,091	-	103,444	103,444
Construction Contract Payable - Retainage	-	-	369,649	-	369,649	369,649
	<u>88,764</u>	<u>50,386</u>	<u>446,740</u>	<u>-</u>	<u>585,890</u>	<u>585,890</u>
Total Liabilities						
Fund Balances:						
Restricted for:						
Capital Reserve	1,013,600	-	-	-	1,013,600	1,013,600
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,252,375	-	-	-	1,252,375	1,252,375
Excess Surplus - Current year	1,211,761	-	-	-	1,211,761	1,211,761
Capital Projects	-	-	2,032,617	-	2,032,617	2,032,617
Debt Service	-	-	-	105,163	105,163	105,163
Committed to:						
Other Purposes	43,073	-	-	-	43,073	43,073
Assigned to:						
Designated for Subsequent Year's Expenditure	3,228	-	-	-	3,228	3,228
	<u>3,524,037</u>	<u>-</u>	<u>2,032,617</u>	<u>105,163</u>	<u>5,661,817</u>	<u>5,661,817</u>
Total Fund Balances						
Total Liabilities & Fund Balances	<u>\$ 3,612,801</u>	<u>\$ 50,386</u>	<u>\$ 2,479,357</u>	<u>\$ 105,163</u>	<u>\$ 6,247,707</u>	<u>\$ 6,247,707</u>
Amounts reported for <i>governmental activities</i> 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 \$91,951,892 and the accumulated depreciation is \$33,927,778.						58,024,114
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.						
Deferred Outflows related to pensions						7,206,215
Deferred Inflows related to pensions						-
Deferred Outflow related to the loss on bond refunding of debt						1,104,390
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.						(523,852)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.						(594,373)
Long-term liabilities, including net pension liability on bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.						<u>(60,230,094)</u>
Net Position of Governmental Activities						<u>\$ 10,648,217</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2017
Revenues:					
Local Sources:					
Local Tax Levy	\$ 20,226,031	\$ -	\$ -	\$ 2,993,976	\$ 23,220,007
Tuition	2,652,264	-	-	-	2,652,264
Rents and Royalties	76,564	-	-	-	76,564
Miscellaneous	312,511	44,109	-	11,416	368,036
Total Local Sources	23,267,370	44,109	-	3,005,392	26,316,871
State Sources	12,711,324	-	-	430,348	13,141,672
Federal Sources	14,804	555,755	-	-	570,559
Total Revenues	35,993,498	599,864	-	3,435,740	40,029,102
Expenditures:					
Current Expense:					
Regular Instruction	9,553,432	-	-	-	9,553,432
Special Education Instruction	2,387,677	148,090	-	-	2,535,767
Other Instruction	881	-	-	-	881
School Sponsored	1,136,029	-	-	-	1,136,029
Support Services:					
Tuition	1,896,551	428,663	-	-	2,325,214
Attendance Services	70,556	-	-	-	70,556
Health Services	256,928	-	-	-	256,928
Student & Instruction Related Services	2,346,788	19,157	-	-	2,365,945
Educational Media Services/School Library	250,957	-	-	-	250,957
Instructional Staff Training	89,645	-	-	-	89,645
General Administration	594,294	-	-	-	594,294
School Administration	1,497,752	-	-	-	1,497,752
Central Services	495,402	-	-	-	495,402
Administrative Information Technology	314,145	-	-	-	314,145
Plant Operations & Maintenance	2,723,811	-	-	-	2,723,811
Pupil Transportation	2,498,207	-	-	-	2,498,207
Allocated Employee Benefits	5,436,775	-	-	-	5,436,775
Unallocated Employee Benefits	63,285	3,954	-	-	67,239
On Behalf TPAF Pension and Social Security Contributions	3,653,748	-	-	-	3,653,748
Debt Service:					
Principal	-	-	-	2,135,000	2,135,000
Interest & Other Charges	116,737	-	-	1,409,616	1,526,353
Capital Outlay	38,585	-	7,602	-	46,187
Total Expenditures	35,422,185	599,864	7,602	3,544,616	39,574,267
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	571,313	-	(7,602)	(108,876)	454,835
Other Financing Sources/(Uses)					
Proceeds of Refunding Bonds	-	-	-	8,999,744	8,999,744
Deposit to Refunding Escrow	-	-	-	(8,898,626)	(8,898,626)
Transfers In	5,407	-	-	-	5,407
Transfers to Charter School	(8,833)	-	-	-	(8,833)
Total Other Financing Sources/(Uses)	(3,426)	-	-	101,118	97,692
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	567,887	-	(7,602)	(7,758)	552,527
Fund Balances July 1	\$ 2,956,150	\$ -	\$ 2,040,219	\$ 112,921	\$ 5,109,290
Fund Balances June 30	\$ 3,524,037	\$ -	\$ 2,032,617	\$ 105,163	\$ 5,661,817

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, 2017**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 552,527

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	\$ (3,247,950)	
	Capital Outlay	<u>46,187</u>	(3,201,763)

Repayment of long-term debt principal and obligation of lease purchase agreements are 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		2,135,000
--	----------------	--	-----------

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

	Bond Proceeds	(8,190,000)	
	Bonds Refunded	<u>8,725,000</u>	535,000

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Prior Year	(105,318)	
	Current Year	<u>(487,527)</u>	(592,845)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.

(1,647,451)

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

(10,752)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(30,087)

Change in Net Position of Governmental Activities

\$ (2,260,371)

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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, 2017**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 389,775	\$ 330,563	\$ 406,095	\$ 71,838
Interfund Receivable	11,048	-	-	-
Accounts Receivable	20,910	-	258,937	3
Other Receivable			359	-
Inventories	9,329	-	-	-
Total Current Assets	431,062	330,563	665,391	71,841
Noncurrent Assets:				
Equipment	778,460	-	-	-
Accumulated Depreciation	(634,042)	-	-	-
Total Capital Assets	144,418	-	-	-
Total Assets	575,480	330,563	665,391	71,841
LIABILITIES:				
Current Liabilities:				
Accounts Payable	-	277	50	-
Interfund Payable	-	-	665,341	71,841
Unearned Revenue	16,173	-	-	-
Total Current Liabilities	16,173	277	665,391	71,841
Noncurrent Liabilities:				
Compensated Absences	64,620	-	-	-
Total Noncurrent Liabilities	64,620	-	-	-
Total Liabilities	80,793	277	665,391	71,841
NET POSITION				
Investment in Capital Assets	144,418	-	-	-
Unrestricted Net Position	350,269	330,286	-	-
Total Net Position	\$ 494,687	\$ 330,286	\$ -	\$ -

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, 2017**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Current Assets:			
Cash & Cash Equivalents	\$ 15,324	\$ -	\$ 1,213,595
Interfund Receivable	-	11,317	22,365
Accounts Receivable	-	43,781	323,631
Other Receivables	-	-	359
Inventories	-	-	9,329
Total Current Assets	15,324	55,098	1,569,279
Noncurrent Assets:			
Equipment	-	-	778,460
Accumulated Depreciation	-	-	(634,042)
Total Capital Assets	-	-	144,418
Total Assets	15,324	55,098	1,713,697
LIABILITIES:			
Current Liabilities:			
Cash Deficit	-	55,098	55,098
Accounts Payable	-	-	327
Interfund Payable	15,324	-	752,506
Unearned Revenue	-	-	16,173
Total Current Liabilities	15,324	55,098	824,104
Noncurrent Liabilities:			
Compensated Absences	-	-	64,620
Total Noncurrent Liabilities	-	-	64,620
Total Liabilities	15,324	55,098	888,724
NET POSITION			
Net Investment in Capital Assets	-	-	144,418
Unrestricted Net Position	-	-	680,555
Total Net Position	\$ -	\$ -	\$ 824,973

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, 2017**

	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	\$ -	\$ -	\$ 1,710,508	\$ -
Sale of Gasoline			41,748	-
Daily Sales - Reimbursable Programs	525,835	-	-	-
Daily Sales - Nonreimbursable Programs	519,859	-	-	-
Vending Machine Sales	9,229	-	-	-
Special Function	62,601	-	-	-
Program Fees	-	273,410	-	-
Service Fees	-	-	95,599	63,939
Miscellaneous	-	-	-	-
Total Operating Revenue	1,117,524	273,410	1,847,855	63,939
Operating Expenses:				
Salaries & Employee Benefits	740,570	116,371	976,098	60,000
Supplies and Materials	20,967	30,656	107,091	-
Repairs & Other Expenses	11,408	-	7,055	2,833
Other Purchased Services-Contracted	-	20,042	149,396	-
Miscellaneous Purchased Services	-	-	602,812	-
Depreciation	20,949	-	-	-
Miscellaneous Expense	-	-	296	-
Cost of Sales - Reimbursable	344,702	-	-	-
Cost of Sales - Non-Reimbursable	198,320	-	-	-
Total Operating Expenses	1,336,916	167,069	1,842,748	62,833
Operating (Loss)/Gain	(219,392)	106,341	5,107	1,106
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	8,715	-	-	-
Federal Sources:				
National School Lunch Program	199,184	-	-	-
Healthy Hunger-Free Kids Act	11,955	-	-	-
Food Distribution Program	84,660	-	-	-
Interest & Dividends	1,392	-	-	-
Total Nonoperating Revenues	305,906	-	-	-
Net Income/(Loss)	86,514	106,341	5,107	1,106
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Transfer to General Fund	-	-	(5,107)	(1,106)
Total Other Financing Sources/(Uses)	-	-	(5,107)	(1,106)
Change in Net Position	86,514	106,341	-	-
Total Net Position - Beginning	408,173	223,945	-	-
Total Net Position - Ending	494,687	330,286	-	-

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,710,508
Sale of Gasoline	-	-	41,748
Daily Sales - Reimbursable Programs	-	-	525,835
Daily Sales - Nonreimbursable Programs	-	-	519,859
Vending Machine Sales	-	-	9,229
Special Function	-	-	62,601
Program Fees	-	-	273,410
Service Fees	187,523	181,905	528,966
Miscellaneous	-	-	-
Total Operating Revenue	187,523	181,905	3,672,156
Operating Expenses:			
Salaries & Employee Benefits	185,823	181,738	2,260,600
Supplies and Materials	-	2,673	161,387
Repairs & Other Expenses	-	-	21,296
Other Purchased Services-Contracted	-	-	169,438
Miscellaneous Purchased Services	-	-	602,812
Depreciation	-	-	20,949
Miscellaneous Expense	-	-	296
Cost of Sales - Reimbursable	-	-	344,702
Cost of Sales - Non-Reimbursable	-	-	198,320
Total Operating Expenses	185,823	184,411	3,581,480
Operating (Loss)/Gain	1,700	(2,506)	90,676
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	-	8,715
Federal Sources:			
National School Lunch Program	-	-	199,184
Healthy Hunger-Free Kids Act	-	-	11,955
Food Distribution Program	-	-	84,660
Interest & Dividends	-	-	1,392
Total Nonoperating Revenues	-	-	305,906
Net Income/(Loss)	1,700	(2,506)	198,262
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Change in Compensated Absences	-	-	-
Transfer to General Fund	(1,700)	2,506	(5,407)
Total Other Financing Sources/(Uses)	(1,700)	2,506	(5,407)
Change in Net Position	-	-	192,855
Total Net Position - Beginning	-	-	632,118
Total Net Position - Ending	\$ -	\$ -	\$ 824,973

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 1,115,649	\$ 273,410	\$ 1,959,765	\$ 64,289
Payments to Employees	(541,069)	(108,101)	(740,079)	(60,000)
Payments for Employee Benefits	(201,068)	(8,270)	(236,019)	-
Payments to Suppliers	(575,935)	(51,961)	(857,159)	(1,727)
Net Cash Provided/(Used) by Operating Activities	(202,423)	105,078	126,508	2,562
Cash Flows From Investing Activities:				
Interest & Dividends	1,392	-	-	-
Net Cash Provided by Investing Activities	(67,269)	-	-	-
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	(5,107)	(1,106)
State Sources	8,715	-	-	-
Federal Sources	295,799	-	-	-
Net Cash Provided by Noncapital Financing Activities	304,514	-	(5,107)	(1,106)
Net Increase/(Decrease) in Cash & Cash Equivalents	34,822	105,078	121,401	1,456
Cash and Cash Equivalents, July 1	354,953	225,485	284,694	70,382
Cash & Cash Equivalents, June 30	\$ 389,775	\$ 330,563	\$ 406,095	\$ 71,838

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (219,392)	\$ 106,341	\$ 5,107	\$ 1,106
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	20,949	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	(538)	-	-	-
(Increase)/Decrease in Interfund Receivable	422	-	-	-
(Increase)/Decrease in Accounts Receivable, Net	(4,183)	-	111,910	350
(Increase)/Decrease in Accounts Payable	-	(1,263)	50	-
Increase/(Decrease) in Interfund Payable	-	-	9,441	1,106
Increase/(Decrease) in Unearned Revenue	1,886	-	-	-
Increase/(Decrease) in Compensated Absences	(1,567)	-	-	-
Total Adjustments	16,969	(1,263)	121,401	1,456
Net Cash Provided/(Used) by Operating Activities	\$ (202,423)	\$ 105,078	\$ 126,508	\$ 2,562

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 187,818	\$ 169,696	\$ 3,770,627
Payments to Employees	(184,123)	(181,738)	(1,815,110)
Payments for Employee Benefits	-	-	(445,357)
Payments to Suppliers	-	(2,673)	(1,489,455)
Net Cash Provided/(Used) by Operating Activities	<u>3,695</u>	<u>(14,715)</u>	<u>20,705</u>
Cash Flows From Investing Activities:			
Interest & Dividends	-	-	1,392
Purchase of Equipment	-	-	(68,661)
Net Cash Provided by Investing Activities	<u>-</u>	<u>-</u>	<u>(67,269)</u>
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	(1,700)	2,506	(5,407)
State Sources	-	-	8,715
Federal Sources	-	-	295,799
Net Cash Provided by Noncapital Financing Activities	<u>(1,700)</u>	<u>2,506</u>	<u>299,107</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	1,995	(12,209)	252,543
Cash and Cash Equivalents, July 1	<u>13,329</u>	<u>(42,889)</u>	<u>905,954</u>
Cash & Cash Equivalents, June 30	<u>\$ 15,324</u>	<u>\$ (55,098)</u>	<u>\$ 1,158,497</u>

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 1,700	\$ (2,506)	\$ (107,644)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	-	20,949
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	-	(538)
(Increase)/Decrease in Accounts Receivable, Net	295	(9,702)	98,670
(Increase)/Decrease in Interfund Receivable	-	(2,507)	(2,085)
Increase/(Decrease) in Accounts Payable	-	-	(1,213)
Increase/(Decrease) in Interfund Payable	1,700	-	12,247
Increase/(Decrease) in Prepaid Lunches	-	-	1,886
Increase/(Decrease) in Compensated Absences	-	-	(1,567)
Total Adjustments	<u>1,995</u>	<u>(12,209)</u>	<u>128,349</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 3,695</u>	<u>\$ (14,715)</u>	<u>\$ 20,705</u>

Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017**

ASSETS	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	AGENCY FUND	
Cash & Cash Equivalents	\$ 140,439	\$ 190,375	\$ 402,109	\$ 732,923
Total Assets	140,439	190,375	402,109	732,923
LIABILITIES				
Payroll Deductions & Withholdings	-	-	207,153	207,153
Due to Student Groups	-	-	194,560	194,560
Accounts Payable	562	-	-	562
Interfund Payable	-	-	396	396
Total Liabilities	562	-	402,109	402,671
NET POSITION				
Held in Trust for:				
Unemployment	139,877	-	-	139,877
Scholarships	-	190,375	-	190,375
Total Net Position	\$ 139,877	\$ 190,375	\$ -	\$ 330,252

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, 2017**

ADDITIONS:	UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ -	\$ 1,600	\$ 1,600
Total Contributions	-	1,600	1,600
Investment Earnings:			
Interest on Investments	232	193	425
Total Investment Earnings	232	193	425
Total Additions	232	1,793	2,025
DEDUCTIONS:			
Unemployment Claims	27,289	-	27,289
Scholarship Payments	-	3,700	3,700
Total Deductions	27,289	3,700	30,989
Change in Net Position	(27,057)	(1,907)	(28,964)
Net Position - Beginning of Year	166,934	192,282	359,216
Net Position - End of Year	\$ 139,877	\$ 190,375	\$ 330,252

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

KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017

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KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Kingsway Regional School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The Kingsway Regional School District is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through twelfth at its five schools. The School District has an approximate enrollment at June 30, 2017 of 2,691 students.

The primary criterion for including activities within the School 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 School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School 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 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*. The School District had no component units as of for the year ended June 30, 2017.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School 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 School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the 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 School District are reported in three categories: 1) charges for services, 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 property taxes.

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.

B. 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. The School 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 School 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 School District, are property tax

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. 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 asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the 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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the 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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

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.

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 proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. 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 would also be presented in these statements. However, internal service funds balances and activities would be 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 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.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

Community Education Program – The community education fund accounts for the financial transactions related to the revenues and expenses of the District’s Community Education Program.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Agency and Private-Purpose Trust Funds. Private Purpose Trust and Agency Funds are used to account for and report assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Private Purpose Trust and 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.

The School District reports the following 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 School 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 School 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 (payroll and student activity funds) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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 School 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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

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 one or more June 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 Balance – Governmental Funds. Note that the School 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 School 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, Cash Equivalents and Investments

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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). 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.

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 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. 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.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

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.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in 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 market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. 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. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 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 School 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 School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

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 School 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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

Accounting 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 reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred Inflows 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.

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.

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.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. 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.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School 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 School 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.

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 into 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 – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – This component of 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

The following GASB Statements became effective for the fiscal year ended June 30, 2017:

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) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this Statement had no impact on the School District's financial statements

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

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

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. The adoption of this Statement had no impact on the School 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*. The adoption of this Statement had no impact on the School 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. The adoption of this Statement had no impact on the School District's financial statements.

Recently Issued Accounting Pronouncements

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

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

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2017 (continued)

Note 1. Summary of Significant Accounting Policies (continued)

Statement No. 83, *Certain Asset Retirement Obligations*. An asset retirement obligation is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 establishes guidance for determining the timing and pattern of recognition for liabilities and corresponding deferred outflow of resources related to such obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 85, *Omnibus 2017*. This Statement provides guidance that addresses several different accounting and financial reporting issues identified during the implementation and application of other GASB pronouncements. The guidance in Statement No. 85 is effective for periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 86, *Accounting for Certain Debt Extinguishment*. Statement No. 86 provides guidance for transactions in which cash and other monetary assets acquired with only existing resources, that is, resources other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Statement No. 86 is effective for reporting periods beginning after June 15, 2017. Management does not expect this Statement to have a material impact on the School District's financial statements.

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after December 15, 2019. Management does not expect this Statement to have a material impact on the School District's financial statements.

Note 2. Deposits and Investments

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 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 fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 2. Deposits and Investments (continued):

Uncollateralized in the schedule below. As of June 30, 2017, the School District's bank balance of \$6,701,717 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 5,717,672
Uninsured and Uncollateralized	<u>984,045</u>
	<u>\$ 6,701,717</u>

Investments

The School District had no investments at June 30, 2017.

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School 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 (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *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, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	\$ 13,600
Increased by:	
Interest Earnings	-
Deposits approved by Board	<u>1,000,000</u>
	1,013,600
Decreased by:	
Budget Withdrawals	<u>-</u>
Ending Balance, June 30, 2017	<u>\$ 1,013,600</u>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2017 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2017, consisted of the following:

Description	Governmental Funds					Total Governmental Activities	Proprietary Funds	Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Internal Service Fund		Food Service Fund	Business-Type Activities
Federal Awards	\$ 3,908	\$ 12,230	\$ -	\$ -	\$ -	\$ 16,138	\$ 19,408	\$ 19,408
State Awards	224,533	-	204,390	-	-	428,923	795	795
Tuition	286,545	-	-	-	-	286,545	-	-
Other	697,890	38,156	-	87,439	303,080	1,126,565	707	707
Total	\$ 1,212,876	\$ 50,386	\$ 204,390	\$ 87,439	\$ 303,080	\$ 1,858,171	\$ 20,910	\$ 20,910

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,481,278	\$ -	\$ -	\$ 2,481,278
Construction in Progress	29,089,533	7,602	(29,089,533)	7,602
Total Capital Assets not being depreciated	31,570,811	7,602	(29,089,533)	2,488,880
Capital Assets being depreciated:				
Land Improvements	6,185,718	-	-	6,185,718
Buildings and Improvements	47,353,591	-	29,089,533	76,443,124
Equipment	6,795,585	38,585	-	6,834,170
Total Capital Assets being depreciated	60,334,894	38,585	29,089,533	89,463,012
Less: Accumulated Depreciation:				
Land Improvements	(4,565,825)	(212,946)	-	(4,778,771)
Buildings and Improvements	(22,636,964)	(2,872,839)	-	(25,509,803)
Equipment	(3,477,039)	(162,165)	-	(3,639,204)
Total Accumulated Depreciation	(30,679,828)	(3,247,950)	-	(33,927,778)
Total Capital Assets being depreciated, net	29,655,066	(3,209,365)	29,089,533	55,535,234
Total Governmental Activities Capital Assets, net	\$ 61,225,877	\$ (3,201,763)	\$ -	\$ 58,024,114

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2016</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2017</u>
Business-Type Activities:				
Equipment	\$ 709,799	\$ 68,661	\$ -	\$ 778,460
	<u>709,799</u>	<u>68,661</u>	<u>-</u>	<u>778,460</u>
Less: Accumulated Depreciation:				
Equipment	(613,093)	(20,949)	-	(634,042)
	<u>(613,093)</u>	<u>(20,949)</u>	<u>-</u>	<u>(634,042)</u>
Total Business-Type Activities Capital Assets, net	\$ 96,706	\$ 47,712	\$ -	\$ 144,418

Depreciation expense was not allocated among the various functions/programs of the School District.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2017 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 829,921	\$ 22,365
Special Revenue Fund	-	3,988
Capital Projects Fund	-	77,091
Debt Service Fund	3,804	-
Food Service Fund	11,048	-
Internal Service Fund	11,317	752,506
Payroll Fund	-	140
	<u>\$ 856,090</u>	<u>\$ 856,090</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.

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,407	\$ -
Internal Service Fund	-	5,407
	<u>\$ 5,407</u>	<u>\$ 5,407</u>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 6. Interfund Receivables, Payables and Transfers (continued):

The purpose of the interfund transfer was for payments made on behalf of other funds.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2017 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2017</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 41,404,000	\$ 8,190,000	\$ 10,860,000	\$ 38,734,000	\$ 2,145,000
Unamortized Bond Premiums	943,429	809,743	161,255	1,591,917	180,197
Compensated Absences	1,066,476	30,087	-	1,096,563	-
Net Pension Liability	13,329,366	5,478,248	-	18,807,614	-
	<u>\$ 56,743,271</u>	<u>\$ 14,508,078</u>	<u>\$ 11,021,255</u>	<u>\$ 60,230,094</u>	<u>\$ 2,325,197</u>
Business-Type Activities:					
Compensated Absences	\$ 66,187	\$ -	\$ 1,567	\$ 64,620	\$ -
	<u>\$ 66,187</u>	<u>\$ -</u>	<u>\$ 1,567</u>	<u>\$ 64,620</u>	<u>\$ -</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, unamortized bond premiums and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

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
YEAR ENDED JUNE 30, 2017 (continued)**

Note 7. Long-Term Obligations (continued):

On October 20, 2016, the School District issued \$8,190,000 of Refunding Bonds to refund the callable portion of the outstanding 2006 Bond Issue. The Refunding Bonds generated \$535,000 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,295,530, or a net annual present value savings of 14.848%. The Refunding Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on January 15, 2031.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 2,145,000	\$ 1,275,821	\$ 3,420,821
2019	2,230,000	1,211,421	3,441,421
2020	2,225,000	1,136,721	3,361,721
2021	2,390,000	1,058,596	3,448,596
2022	2,490,000	980,259	3,470,259
2023-2027	11,295,000	3,709,069	15,004,069
2028-2032	9,960,000	1,867,769	11,827,769
2033-2037	5,999,000	640,225	6,639,225
	<u>\$ 38,734,000</u>	<u>\$ 11,879,881</u>	<u>\$ 50,613,881</u>

Bonds Authorized but not Issued

As of June 30, 2017, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

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 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.

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 2016, 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.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2017, the School District reported a liability of \$18,807,614 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016. 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 July 1, 2015, to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

ended June 30, 2016. The School District's proportion measured as of June 30, 2016, was 0.0635%, which was an increase of 0.0041% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized full accrual pension expense of \$2,211,567 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date. At June 30, 2017 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 349,765	\$ -
Changes of Assumptions	3,895,933	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	717,151	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	1,648,993	-
School District contributions subsequent to measurement date	594,373	-
	\$ 7,206,215	\$ -

\$594,373 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is due April 1, 2018 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

Year Ending June 30,	
2018	\$ 1,513,546
2019	1,513,546
2020	1,663,815
2021	1,374,983
2022	<u>545,953</u>
	<u>\$ 6,611,843</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
 Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	-
June 30, 2015	5.00	-
June 30, 2016	5.00	-

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.57, 5.72 and 6.44 years for the 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rate were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on the mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scales. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

asset class included in PERS's target asset allocation as of June 30, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment grade credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate - The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2016, calculated using the discount rate of 3.98% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

	At 1% Decrease <u>(2.98%)</u>	At Current Discount Rate <u>(3.98%)</u>	At 1% Increase <u>(4.98%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 23,046,536</u>	<u>\$ 18,807,614</u>	<u>\$ 15,308,017</u>

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2017 and 2016:

Collective Deferred Outflows of Resources	\$ 7,815,204,785	\$ 2,946,265,815
Collective Deferred Inflows of Resources	\$ -	\$ 360,920,604
Collective Net Pension Liability	\$ 29,617,131,759	\$ 22,447,996,119
 School District's portion	 0.06350%	 0.05938%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

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
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.2% in State fiscal year 2017. 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 2016, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is 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 School District does 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.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2016 was \$96,997,063. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.1233%, which was an increase of 0.0091% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the State of New Jersey recognized a pension expense in the amount of \$7,287,980 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2016 measurement date.

KINGSWAY REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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, 2016 are summarized in the following table:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (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>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate - The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 3.22% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

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

	At 1% Decrease <u>(2.22%)</u>	At Current Discount Rate <u>(3.22%)</u>	At 1% Increase <u>(4.22%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 115,836,170	\$ 96,997,063	\$ 81,612,501
	\$ 115,836,170	\$ 96,997,063	\$ 81,612,501

Pension Plan Fiduciary Net Position - 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.

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2017 is \$8,300 and is subject to adjustment in future years.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued):

- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% 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% contribution from the School District.

For the year ended June 30, 2017, employee contributions totaled \$30,880, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$16,815.

Note 9. State Post-Retirement Medical 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2017, the on-behalf payments for normal costs, post-retirement medical costs, and long-term disability were \$1,430,915, \$1,192,277 and \$5,824, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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 School 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 trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016-2017	\$ -	\$ -	\$ 232	\$ 27,289	\$ 139,877
2015-2016	31,209	-	240	12,179	166,934
2014-2015	36,399	-	286	93,814	147,664

Property and Liability Insurance – The School 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.

Note 12. Contingencies

State and Federal Grantor Agencies - The School 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 School 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, 2017 may be impaired. In the opinion of the School 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 financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 12. Contingencies (continued):

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. 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
The Equitable Life Assurance Society of the US
Siracusa Benefits Program
403(b) ASP

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2017, the liability for compensated absences reported on the government-wide and on the proprietary fund Statement of Net Position was \$1,096,563 and \$64,620, respectively.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 15. Tax Abatements (continued):

agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

Note 16. Commitments

The School District has contractual commitments at June 30, 2017 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$43,073.

There was \$369,649 of contractual commitments at June 30, 2017 to vendors related to the ongoing construction projects in the capital projects fund that is reported as part of the fund balance restricted for capital projects.

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. 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, 2017 was \$1,211,761.

Note 18. Fund Balances

General Fund – Of the \$3,524,037 General Fund fund balance at June 30, 2017, \$1,013,600 has been restricted for the Capital Reserve Account; \$1,211,761 has been restricted for current year excess surplus; \$1,252,375 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$43,073 has been committed for other purposes; and \$3,228 has been unassigned.

Capital Projects Fund – Of the \$2,032,617 Capital Projects Fund fund balance at June 30, 2017, \$2,032,617 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$105,163 Debt Service Fund fund balance at June 30, 2017, \$105,163 is restricted for future debt service payments.

KINGSWAY REGIONAL SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017 (continued)**

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$(13,769,886) at June 30, 2017. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2017. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Tax Levy	10-1210	\$ 20,226,031	\$ -	\$ 20,226,031	\$ 20,226,031	\$ -
Tuition From Other LEAs Within the State	10-1320	2,618,876	-	2,618,876	2,652,264	33,388
Rents and Royalties	10-1910	50,000	-	50,000	76,564	26,564
Miscellaneous Revenues	10-1XXX	185,100	-	185,100	312,511	127,411
Total Local Sources		23,080,007	-	23,080,007	23,267,370	187,363
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	37,329	-	37,329	14,804	(22,525)
Total Federal Sources		37,329	-	37,329	14,804	(22,525)
State Sources:						
Equalization Aid	10-3176	6,135,572	-	6,135,572	6,135,572	-
Categorical Special Education Aid	10-3132	1,152,423	-	1,152,423	1,152,423	-
Categorical Security Aid	10-3177	160,339	-	160,339	160,339	-
Categorical Transportation Aid	10-3121	293,272	-	293,272	293,272	-
Extraordinary Aid	10-3131	100,000	-	100,000	144,531	44,531
Non-Public Transportation Aid	10-3XXX	-	-	-	29,928	29,928
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	-
Professional Learning Community Aid	10-3183	24,530	-	24,530	24,530	-
Host District Support Aid		277	-	277	277	-
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,430,915	1,430,915
On-Behalf Post Retirement Medical Contribution		-	-	-	1,192,277	1,192,277
On-Behalf Long-Term Disability Insurance		-	-	-	5,824	5,824
Reimbursed TPAF Social Security Contribution		-	-	-	1,024,732	1,024,732
Total State Sources		8,966,900	-	8,966,900	12,695,107	3,728,207
Total Revenues		32,084,236	-	32,084,236	35,977,281	3,893,045
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	3,072,737	(30,450)	3,042,287	3,024,213	18,074
Grades 9 - 12	11-140-100-101	6,053,281	34,200	6,087,481	6,012,231	75,250
Home Instruction:						
Salaries of Teachers	11-150-100-101	25,000	21,050	46,050	41,442	4,608
Purchased Professional - Educational Services						
Other Purchased Services	11-150-100-320	44,000	(2,100)	41,900	31,122	10,778
Other Purchased Services	11-150-100-500	1,500	50	1,550	1,460	90
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction						
Purchased Professional - Educational Services	11-190-100-106	45,695	2,000	47,695	35,960	11,735
Purchased Professional - Educational Services						
Purchased Technical Services	11-190-100-320	8,839	(7,700)	1,139	507	632
Purchased Technical Services	11-190-100-340	5,910	(2,000)	3,910	2,923	987
Other Purchased Services	11-190-100-500	69,200	19,863	89,063	87,430	1,633
General Supplies	11-190-100-610	286,594	31,793	318,387	298,228	20,159
Textbooks	11-190-100-640	6,580	19,462	26,042	13,402	12,640
Other Objects	11-190-100-890	7,550	1,050	8,600	4,514	4,086
Total Regular Programs		9,626,886	87,218	9,714,104	9,553,432	160,672
Special Education:						
Behavioral Disabilities:						
Salaries of Teachers	11-209-100-101	53,205	500	53,705	52,526	1,179
Other Salaries for Instruction	11-209-100-106	22,767	(500)	22,267	20,883	1,384
Other Purchased Services	11-209-100-500	500	-	500	-	500
Supplies and Materials	11-209-100-610	1,110	800	1,910	1,118	792
Other Objects	11-209-100-890	1,300	(800)	500	500	-
Total Behavioral Disabilities		78,882	-	78,882	75,027	3,855

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	219,217	(1,000)	218,217	215,414	2,803
Other Salaries for Instruction	11-212-100-106	158,230	(53,200)	105,030	100,052	4,978
Other Purchased Services	11-212-100-500	1,450	-	1,450	252	1,198
General Supplies	11-212-100-610	14,358	400	14,758	12,783	1,975
Textbooks	11-212-100-640	-	350	350	319	31
Other Objects	11-212-100-800	2,400	(400)	2,000	678	1,322
Total Multiple Disabilities		395,655	(53,850)	341,805	329,498	12,307
Resource Room:						
Salaries of Teachers	11-213-100-101	1,739,607	16,525	1,756,132	1,749,328	6,804
Other Salaries for Instruction	11-213-100-106	140,185	71,200	211,385	209,095	2,290
Other Purchased Services	11-213-100-500	2,000	-	2,000	-	2,000
General Supplies	11-213-100-610	11,271	(350)	10,921	9,806	1,115
Textbooks	11-213-100-640	-	-	-	-	-
Total Resource Room		1,893,063	87,375	1,980,438	1,968,229	12,209
Special Education - Home Instruction:						
Salaries of Teachers	11-219-100-101	7,500	-	7,500	720	6,780
Purchased Professional - Educational Services	11-219-100-320	9,500	5,100	14,600	14,203	397
General Supplies	11-219-100-610	300	-	300	-	300
Total Special Education - Home Instruction		17,300	5,100	22,400	14,923	7,477
Total Special Education		2,384,900	38,625	2,423,525	2,387,677	35,848
Basic Skills/Remedial:						
General Supplies	11-230-100-610	1,054	-	1,054	881	173
Total Basic Skills/Remedial		1,054	-	1,054	881	173
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	148,642	-	148,642	126,007	22,635
Other Purchased Services	11-401-100-500	23,350	256	23,606	17,443	6,163
Supplies and Materials	11-401-100-600	14,966	4,724	19,690	14,656	5,034
Other Objects	11-401-216-800	2,770	(300)	2,470	1,875	595
Total School Sponsored Cocurricular Activities		189,728	4,680	194,408	159,981	34,427
School Sponsored Athletics - Instruction:						
Salaries	11-402-100-100	558,462	42,700	601,162	600,604	558
Other Purchased Services	11-402-100-500	122,701	4,626	127,327	126,694	633
General Supplies	11-402-100-610	89,625	4,554	94,179	93,154	1,025
Other Objects	11-402-216-800	40,248	667	40,915	40,031	884
Total School Sponsored Athletics Instruction		811,036	52,547	863,583	860,483	3,100
Before/After School Programs:						
Salaries	11-421-100-101	6,300	-	6,300	4,894	1,406
Total Before/Afterschool Programs		6,300	-	6,300	4,894	1,406
Alternative Education Programs - Instruction:						
Salaries	11-423-100-101	79,500	(8,100)	71,400	59,796	11,604
Other Salaries for Instruction	11-423-100-106	11,800	4,400	16,200	14,729	1,471
Purchased Professional & Technical Services	11-423-100-300	3,000	-	3,000	3,000	-
Other Purchased Services	11-423-100-500	-	-	-	-	-
Salaries - Support Services	11-423-200-100	36,175	3,700	39,875	32,656	7,219
Supplies and Materials	11-423-100-610	-	-	-	-	-
Other Objects	11-423-100-800	-	500	500	490	10
Total Alternative Education Programs		130,475	500	130,975	110,671	20,304
Total Instruction		13,150,379	183,570	13,333,949	13,078,019	255,930

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			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	30,000	10,750	40,750	40,727	23
Tuition to Other LEAs Within the State - Special	11-000-100-562	45,000	6,000	51,000	25,348	25,652
Tuition to County Vocational School District - Special	11-000-100-564	39,350	-	39,350	30,394	8,956
Tuition to County Vocational School District - Regular	11-000-100-563	270,000	(6,660)	263,340	263,340	-
Tuition to CSSD & Regional Day School	11-000-100-565	1,188,660	(65,483)	1,123,177	1,083,302	39,875
Tuition to Private School for the Handicapped - State	11-000-100-566	708,480	(143,321)	565,159	399,741	165,418
Tuition to Private School for the Disabled & Other LEAs	11-000-100-567	36,000	-	36,000	36,000	-
Tuition - Other	11-000-100-569	17,699	-	17,699	17,699	-
Total Undistributed Expenditures - Instruction		2,335,189	(198,714)	2,136,475	1,896,551	239,924
Attendance & Social Work Services:						
Salaries	11-000-211-100	78,702	(1,300)	77,402	68,155	9,247
Purchased Professional & Technical Services	11-000-211-300	1,675	-	1,675	1,198	477
Other Purchased Services	11-000-211-500	400	-	400	-	400
Supplies and Materials	11-000-211-600	1,600	-	1,600	1,203	397
Total Attendance & Social Work Services		82,377	(1,300)	81,077	70,556	10,521
Health Services:						
Salaries	11-000-213-100	246,201	544	246,745	240,632	6,113
Purchased Professional & Technical Services	11-000-213-300	26,425	(3,000)	23,425	11,374	12,051
Other Purchased Services	11-000-213-500	1,050	-	1,050	249	801
Supplies and Materials	11-000-213-600	9,357	(3,111)	6,246	4,263	1,983
Other Objects	11-000-213-800	675	(202)	473	410	63
Total Health Services		283,708	(5,769)	277,939	256,928	21,011
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	52,294	-	52,294	52,294	-
Purchased Professional - Educational Services	11-000-216-320	88,200	(4,120)	84,080	57,443	26,637
Supplies and Materials	11-000-216-600	2,000	-	2,000	815	1,185
Other Objects	11-000-216-800	1,000	-	1,000	192	808
Total Other Support Services-Students-Related Services		143,494	(4,120)	139,374	110,744	28,630
Other Support Services - Students - Extra Services:						
Salaries	11-000-217-100	374,325	-	374,325	333,404	40,921
Purchased Professional - Educational Services	11-000-217-320	111,000	(2,000)	109,000	7,816	101,184
Supplies and Materials	11-000-217-600	12,000	500	12,500	11,346	1,154
Total Other Support Services - Students - Extra Services		497,325	(1,500)	495,825	352,566	143,259
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	612,897	(1,320)	611,577	611,307	270
Salaries of Secretarial & Clerical Assistants	11-000-218-105	111,053	2,500	113,553	112,725	828
Purchased Professional - Educational Services	11-000-218-320	8,050	15,270	23,320	14,009	9,311
Other Purchased Professional & Technical Services	11-000-218-390	31,500	(800)	30,700	25,900	4,800
Other Purchased Services	11-000-218-500	13,700	-	13,700	11,229	2,471
Supplies and Materials	11-000-218-600	8,225	800	9,025	8,196	829
Other Objects	11-000-218-800	2,820	-	2,820	2,100	720
Total Other Support Services - Students - Regular		788,245	16,450	804,695	785,466	19,229

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				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	437,388	4,486	441,874	431,037	10,837
Salaries of Secretarial & Clerical Assistants	11-000-219-105	65,027	(2,000)	63,027	56,747	6,280
Purchased Professional - Educational Services	11-000-219-320	10,000	(2,764)	7,236	5,271	1,965
Other Purchased Professional & Technical Services	11-000-219-390	21,000	500	21,500	19,669	1,831
Other Purchased Services	11-000-219-500	7,090	(7,090)	-	-	-
Miscellaneous Purchased Services	11-000-219-592	-	8,769	8,769	7,116	1,653
Supplies and Materials	11-000-219-600	7,000	-	7,000	4,665	2,335
Other Objects	11-000-219-800	850	-	850	311	539
Total Other Support Services-Students-Special Services		548,355	1,901	550,256	524,816	25,440
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisor of Instruction	11-000-221-102	458,866	12,870	471,736	465,264	6,472
Salaries of Other Professional Staff	11-000-221-104	44,388	3,000	47,388	40,681	6,707
Salaries of Secretarial & Clerical Assistants	11-000-221-105	25,948	-	25,948	19,099	6,849
Other Salaries	11-000-221-110	-	-	-	-	-
Purchased Professional - Educational Services	11-000-221-320	17,750	15,000	32,750	31,761	989
Other Purchased Professional & Technical Services	11-000-221-390	-	-	-	-	-
Other Purchased Services	11-000-221-500	14,800	(675)	14,125	12,017	2,108
Supplies and Materials	11-000-221-600	5,000	-	5,000	2,588	2,412
Other Objects	11-000-221-800	6,300	(3,615)	2,685	1,786	899
Total Improvement of Instruction Services/Other Support Services Instructional Staff		573,052	26,580	599,632	573,196	26,436
Educational Media Services/School Library:						
Salaries	11-000-222-100	210,191	2,000	212,191	210,724	1,467
Purchased Professional & Technical Services	11-000-222-300	20,775	4,200	24,975	19,589	5,386
Other Purchased Services	11-000-222-500	2,175	240	2,415	1,934	481
Supplies and Materials	11-000-222-600	19,612	-	19,612	18,515	1,097
Other Objects	11-000-222-800	275	(20)	255	195	60
Total Educational Media Services/School Library		253,028	6,420	259,448	250,957	8,491
Support Services Instructional Staff Training Service:						
Salaries of Supervisors of Instruction	11-000-223-102	64,636	2,870	67,506	67,500	6
Salaries of Other Professional Staff	11-000-223-104	1,756	72	1,828	720	1,108
Salaries of Secretarial & Clerical Assistants	11-000-223-105	25,098	(2,870)	22,228	19,099	3,129
Other Purchased Services	11-000-223-500	11,000	853	11,853	2,326	9,527
Supplies and Materials	11-000-223-600	-	-	-	-	-
Total Support Services Instructional Staff Training		102,490	925	103,415	89,645	13,770

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Support Services General Administration:						
Salaries	11-000-230-100	194,243	(2,000)	192,243	190,917	1,326
Legal Services	11-000-230-331	74,978	30,000	104,978	100,509	4,469
Audit Services	11-000-230-332	34,000	500	34,500	34,284	216
Architectural/Engineering Services	11-000-230-334	-	13,000	13,000	10,272	2,728
Purchased Technical Services	11-000-230-340	14,000	(1,660)	12,340	11,859	481
Communications/Telephone	11-000-230-530	98,148	3,675	101,823	91,497	10,326
BOE Other Purchased Services	11-000-230-585	18,500	-	18,500	16,197	2,303
Other Purchased Services	11-000-230-590	110,000	13,468	123,468	120,314	3,154
Supplies and Materials	11-000-230-600	5,000	(1,000)	4,000	3,137	863
BOE In-House Training Supplies	11-000-230-630	500	-	500	114	386
Miscellaneous Expenditures	11-000-230-890	4,850	-	4,850	3,004	1,846
BOE Membership Dues & Fees	11-000-230-895	12,500	-	12,500	12,190	310
Total Support Services General Administration		566,719	55,983	622,702	594,294	28,408
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	780,573	7,315	787,888	760,808	27,080
Salaries of Other Professional Staff	11-000-240-104	327,794	-	327,794	322,791	5,003
Salaries of Secretarial & Clerical Assistants	11-000-240-105	299,851	-	299,851	276,567	23,284
Other Salaries	11-000-240-110	64,745	-	64,745	57,689	7,056
Purchased Professional & Technical Services	11-000-240-300	6,670	5,540	12,210	10,170	2,040
Other Purchased Services	11-000-240-500	34,800	2,004	36,804	32,058	4,746
Supplies and Materials	11-000-240-600	32,810	(11,203)	21,607	16,896	4,711
Other Objects	11-000-240-800	27,748	(2,161)	25,587	20,773	4,814
Total Support Services School Administration		1,574,991	1,495	1,576,486	1,497,752	78,734
Central Services:						
Salaries	11-000-251-100	406,468	8,934	415,402	414,468	934
Purchased Professional Services	11-000-251-330	4,350	(500)	3,850	3,695	155
Purchased Technical Services	11-000-251-340	52,800	5,150	57,950	57,623	327
Miscellaneous Purchased Services	11-000-251-592	18,070	(1,250)	16,820	13,788	3,032
Supplies & Materials	11-000-251-600	4,000	1,000	5,000	4,703	297
Miscellaneous Expenditures	11-000-251-890	2,320	(1,085)	1,235	1,125	110
Total Central Services		488,008	12,249	500,257	495,402	4,855
Administrative Information Technology:						
Salaries	11-000-252-100	220,688	2,000	222,688	216,033	6,655
Purchased Technical Services	11-000-252-340	71,250	6,731	77,981	77,644	337
Other Purchased Services	11-000-252-500	4,000	-	4,000	1,437	2,563
Supplies and Materials	11-000-252-600	10,000	8,520	18,520	18,252	268
Other Objects	11-000-252-800	850	-	850	779	71
Total Administrative Information Technology		306,788	17,251	324,039	314,145	9,894
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	137,148	43,870	181,018	178,778	2,240
Maintenance Services	11-000-261-420	103,067	36,190	139,257	128,766	10,491
General Supplies	11-000-261-610	81,362	(668)	80,694	73,976	6,718
Total Allowance Maintenance for School Facilities		321,577	79,392	400,969	381,520	19,449

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	1,056,875	(44,580)	1,012,295	987,014	25,281
Purchased Professional & Technical Services	11-000-262-300	58,287	(8,865)	49,422	42,743	6,679
Cleaning, Repair & Maintenance Services	11-000-262-420	3,090	(300)	2,790	668	2,122
Other Purchased Property Services	11-000-262-490	37,080	(6,326)	30,754	19,833	10,921
Insurance	11-000-262-520	155,500	-	155,500	155,000	500
Miscellaneous Purchased Services	11-000-262-590	3,313	-	3,313	1,710	1,603
General Supplies	11-000-262-610	96,590	5,198	101,788	99,382	2,406
Energy (Natural Gas)	11-000-262-621	200,000	(58,700)	141,300	114,518	26,782
Energy (Electricity)	11-000-262-622	668,000	58,700	726,700	565,201	161,499
Energy (Gasoline)	11-000-262-626	9,270	(5,611)	3,659	-	3,659
Other Objects	11-000-262-800	773	-	773	555	218
Total Other Operation&Maintenance of Plant Services		2,288,778	(60,484)	2,228,294	1,986,624	241,670
Care & Upkeep of Grounds						
Salaries	11-000-263-100	199,210	710	199,920	187,597	12,323
Purchased Professional & Technical Services	11-000-263-300	32,360	3,556	35,916	35,885	31
Cleaning, Repair & Maintenance Services	11-000-263-420	5,562	4,500	10,062	7,429	2,633
General Supplies	11-000-263-610	57,683	-	57,683	52,978	4,705
Total Care & Upkeep of Grounds		294,815	8,766	303,581	283,889	19,692
Security						
Purchased Professional & Technical Services	11-000-266-300	80,000	-	80,000	71,778	8,222
Total Security		80,000	-	80,000	71,778	8,222
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	39,845	-	39,845	27,891	11,954
Salaries for Pupil Transportation (Between Home & School)-Reg	11-000-270-160	637,186	(38,000)	599,186	576,076	23,110
Salaries for Pupil Transportation (Between Home & School)-Sp.	11-000-270-161	89,500	(62,000)	27,500	22,150	5,350
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	25,000	43,215	68,215	66,115	2,100
Other Purchased Professional & Technical Services	11-000-270-390	6,000	1,000	7,000	6,731	269
Cleaning, Repair&Maintenance	11-000-270-420	5,750	5,000	10,750	6,807	3,943
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	175,000	(6,651)	168,349	166,260	2,089
Contracted Services (Other Than Between School) - Vendors	11-000-270-511	576,000	126,150	702,150	693,423	8,727
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	143,600	(75,115)	68,485	12,374	56,111
Contracted Services (Special Education) - Vendors	11-000-270-514	49,000	8,300	57,300	57,261	39
Contracted Services (Special Education) - Joint Agreements	11-000-270-515	13,000	2,600	15,600	6,195	9,405
Contracted Services (Regular Education Students) - ESC	11-000-270-517	200,500	20,000	220,500	220,236	264
Contracted Services (Special Education Students) - ESC	11-000-270-518	747,000	(25,000)	722,000	351,955	370,045
Miscellaneous Purchased Services - Transportation	11-000-270-593	40,300	137	40,437	10,175	30,262
Supplies and Materials	11-000-270-610	3,500	-	3,500	2,717	783
Transportation Supplies	11-000-270-615	180,000	-	180,000	124,930	55,070
Other Objects	11-000-270-800	750	-	750	286	464
Total Student Transportation Services		3,078,557	(364)	3,078,193	2,498,207	579,986

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Allocated Benefits:						
Regular Programs - Instructional:						
Social Security Contributions	11-1xx-100-220	37,600	16,750	54,350	49,469	4,881
Other Retirement Contributions - PERS	11-1xx-100-241	5,940	-	5,940	5,940	-
Workmen's Compensation	11-1xx-100-260	75,500	-	75,500	72,637	2,863
Health Benefits	11-1xx-100-270	2,037,216	(57,920)	1,979,296	1,922,703	56,593
Tuition Reimbursement	11-1xx-100-280	-	-	-	-	-
Other Employee Benefits	11-1xx-100-290	155,000	15,000	170,000	145,463	24,537
Total Regular Programs - Instructional		2,311,256	(26,170)	2,285,086	2,196,212	88,874
Special Programs - Instructional:						
Social Security Contributions	11-2xx-100-220	28,085	5,000	33,085	30,790	2,295
Other Retirement Contributions - PERS	11-2xx-100-241	40,206	-	40,206	40,206	-
Workmen's Compensation	11-2xx-100-260	20,200	-	20,200	19,115	1,085
Health Benefits	11-2xx-100-270	534,302	(43,290)	491,012	470,571	20,441
Other Employee Benefits	11-2xx-100-290	40,000	-	40,000	30,768	9,232
Total Special Programs		662,793	(38,290)	624,503	591,450	33,053
Other Instructional Programs - Instruction:						
Social Security Contributions	11-4xx-100-220	58,857	200	59,057	53,729	5,328
Other Retirement Contributions - PERS	11-4xx-100-241	4,856	-	4,856	4,856	-
Workmen's Compensation	11-4xx-100-260	1,500	-	1,500	1,317	183
Health Benefits	11-4xx-100-270	16,669	200	16,869	16,395	474
Other Employee Benefits	11-4xx-100-290	5,200	-	5,200	5,200	-
Total Other Instructional Programs		87,082	400	87,482	81,497	5,985
Attendance & Social Work Services:						
Social Security Contributions	11-000-211-220	6,177	-	6,177	5,185	992
Other Retirement Contributions - PERS	11-000-211-241	10,231	-	10,231	10,231	-
Workmen's Compensation	11-000-211-260	700	-	700	642	58
Health Benefits	11-000-211-270	50,082	-	50,082	49,382	700
Other Employee Benefits	11-000-211-290	400	-	400	200	200
Total Attendance & Social Work Services		67,590	-	67,590	65,640	1,950
Health Services:						
Social Security Contributions	11-000-213-220	3,957	315	4,272	4,271	1
Other Retirement Contributions - PERS	11-000-213-241	4,856	-	4,856	4,856	-
Workmen's Compensation	11-000-213-260	2,000	-	2,000	1,916	84
Health Benefits	11-000-213-270	45,119	(3,141)	41,978	40,890	1,088
Other Employee Benefits	11-000-213-290	10,200	-	10,200	9,030	1,170
Total Health Services		66,132	(2,826)	63,306	60,963	2,343
Speech/Occupational/Physical Therapy:						
Social Security Contributions	11-000-216-220	160	432	592	-	592
Workmen's Compensation	11-000-216-260	500	-	500	472	28
Health Benefits	11-000-216-270	23,568	156	23,724	23,404	320
Total Speech/Occupational/Physical Therapy		24,228	588	24,816	23,876	940
Extraordinary Services:						
Social Security Contributions	11-000-217-220	28,682	-	28,682	25,505	3,177
Other Retirement Contributions - PERS	11-000-217-241	42,453	-	42,453	42,453	-
Workmen's Compensation	11-000-217-260	3,000	-	3,000	2,665	335
Health Benefits	11-000-217-270	87,937	(53,410)	34,527	34,339	188
Total Extraordinary Services		162,072	(53,410)	108,662	104,962	3,700
Other Support Services - Students - Regular:						
Social Security Contributions	11-000-218-220	13,554	-	13,554	12,740	814
Other Retirement Contributions - PERS	11-000-218-241	17,255	-	17,255	16,944	311
Workmen's Compensation	11-000-218-260	6,050	-	6,050	5,831	219
Health Benefits	11-000-218-270	130,322	(1,000)	129,322	125,671	3,651
Other Employee Benefits	11-000-218-290	25,600	-	25,600	25,223	377
Total Other Support Services - Students - Regular		192,781	(1,000)	191,781	186,409	5,372

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Special:						
Social Security Contributions	11-000-219-220	6,216	1,080	7,296	7,296	-
Other Retirement Contributions - PERS	11-000-219-241	5,636	-	5,636	5,344	292
Workmen's Compensation	11-000-219-260	4,000	-	4,000	3,637	363
Health Benefits	11-000-219-270	101,976	-	101,976	99,093	2,883
Other Employee Benefits	11-000-219-290	10,200	-	10,200	9,857	343
Total Other Support Services - Students - Special		128,028	1,080	129,108	125,227	3,881
Improvement of Instruction Services:						
Social Security Contributions	11-000-221-220	5,540	50	5,590	5,585	5
Other Retirement Contributions - PERS	11-000-221-241	6,525	-	6,525	6,525	-
Workmen's Compensation	11-000-221-260	5,500	-	5,500	5,171	329
Health Benefits	11-000-221-270	95,009	4,195	99,204	96,453	2,751
Other Employee Benefits	11-000-221-290	10,000	-	10,000	9,787	213
Total Improvement of Instruction Services		122,574	4,245	126,819	123,521	3,298
Educational Media Services:						
Social Security Contributions	11-000-222-220	600	1,000	1,600	1,299	301
Workmen's Compensation	11-000-222-260	1,800	-	1,800	1,680	120
Health Benefits	11-000-222-270	50,443	1,010	51,453	50,155	1,298
Total Educational Media Services		52,843	2,010	54,853	53,134	1,719
Instructional Staff Training Services:						
Social Security Contributions	11-000-223-220	1,400	110	1,510	1,509	1
Total Instructional Staff Training Services		1,400	110	1,510	1,509	1
Support Services - General Administration:						
Social Security Contributions	11-000-230-220	3,940	185	4,125	4,121	4
Other Retirement Contributions - PERS	11-000-230-241	6,525	-	6,525	6,525	-
Workmen's Compensation	11-000-230-260	2,000	-	2,000	1,776	224
Health Benefits	11-000-230-270	23,568	1,965	25,533	25,333	200
Tuition Reimbursement	11-000-230-280	-	6,900	6,900	4,849	2,051
Other Employee Benefits	11-000-230-290	6,800	3,000	9,800	4,322	5,478
Total Support Services - General Administration		42,833	12,050	54,883	46,926	7,957
Support Services - School Administration:						
Social Security Contributions	11-000-240-220	32,483	(900)	31,583	29,881	1,702
Other Retirement Contributions - PERS	11-000-240-241	38,207	(5,000)	33,207	33,207	-
Workmen's Compensation	11-000-240-260	12,000	-	12,000	11,433	567
Health Benefits	11-000-240-270	238,311	(2,000)	236,311	223,420	12,891
Tuition Reimbursement	11-000-240-280	-	6,870	6,870	4,140	2,730
Other Employee Benefits	11-000-240-290	26,400	3,000	29,400	28,075	1,325
Total Support Services - School Administration		347,401	1,970	349,371	330,156	19,215
Support Services - Central Services:						
Social Security Contributions	11-000-251-220	22,325	500	22,825	22,825	-
Other Retirement Contributions - PERS	11-000-251-241	40,458	(4,500)	35,958	35,958	-
Workmen's Compensation	11-000-251-260	4,000	-	4,000	3,792	208
Health Benefits	11-000-251-270	96,095	(2,000)	94,095	92,331	1,764
Other Employee Benefits	11-000-251-290	5,000	-	5,000	5,000	-
Total Support Services - Central Services		167,878	(6,000)	161,878	159,906	1,972

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services - Administrative Information						
Technology:						
Social Security Contributions	11-000-252-220	30,948	-	30,948	29,519	1,429
Other Retirement Contributions - PERS	11-000-252-241	50,892	(5,000)	45,892	45,892	-
Workmen's Compensation	11-000-252-260	3,500	-	3,500	3,195	305
Health Benefits	11-000-252-270	115,655	1,250	116,905	114,889	2,016
Tuition Reimbursement	11-000-252-280	-	5,000	5,000	2,000	3,000
Total Support Services - Administrative Information		200,995	1,250	202,245	195,495	6,750
Operation & Maintenance of Plant Services:						
Social Security Contributions	11-000-260-220	105,280	515	105,795	105,791	4
Other Retirement Contributions - PERS	11-000-260-241	166,618	(9,500)	157,118	142,118	15,000
Workmen's Compensation	11-000-260-260	61,166	-	61,166	60,619	547
Health Benefits	11-000-260-270	498,523	30,050	528,573	524,936	3,637
Tuition Reimbursement	11-000-260-280	2,000	-	2,000	500	1,500
Other Employee Benefits	11-000-260-290	32,925	-	32,925	21,325	11,600
Total Operation & Maintenance of Plant Services		866,512	21,065	887,577	855,289	32,288
Student Transportation Services:						
Social Security Contributions	11-000-270-220	50,695	3,000	53,695	53,692	3
Other Retirement Contributions - PERS	11-000-270-241	80,920	(3,750)	77,170	72,157	5,013
Workmen's Compensation	11-000-270-260	28,000	-	28,000	27,026	974
Health Benefits	11-000-270-270	82,649	(3,250)	79,399	78,082	1,317
Other Employee Benefits	11-000-270-290	7,060	-	7,060	3,646	3,414
Total Student Transportation Services		249,324	(4,000)	245,324	234,603	10,721
Total Allocated Benefits		5,753,722	(86,928)	5,666,794	5,436,775	230,019
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	19,590	-	19,590	4,018	15,572
Health Benefits	11-000-291-270	-	5,000	5,000	-	5,000
Other Employee Benefits	11-000-291-290	1,500	15,000	16,500	12,107	4,393
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	45,000	2,160	47,160	47,160	-
Total Unallocated Benefits - Employee Benefits		66,090	22,160	88,250	63,285	24,965
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	1,430,915	(1,430,915)
On-Behalf Post Retirement Medical Contribution		-	-	-	1,192,277	(1,192,277)
On-Behalf Long-Term Disability Insurance		-	-	-	5,824	(5,824)
Reimbursed TPAF Social Security Contribution		-	-	-	1,024,732	(1,024,732)
Total Undistributed Expenditures		20,427,308	(109,607)	20,317,701	22,188,844	(1,871,143)
Total Expenditures - Current Expense		33,577,687	73,963	33,651,650	35,266,863	(1,615,213)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction: Grades 9 - 12	12-140-100-730	3,750	-	3,750	3,733	17
School-Sponsored & Other Instructional Programs	12-4xx-100-730	15,250	(3,167)	12,083	11,407	676
Undistributed Expense - Administrative Information						
Technology	12-000-252-730	20,000	(1,002)	18,998	16,998	2,000
Required Maintenance for School Facilities	12-000-261-730	3,990	(3,990)	-	-	-
Custodial Services	12-000-262-730	-	6,447	6,447	6,447	-
Care and Upkeep of Grounds	12-000-263-730	2,457	(2,457)	-	-	-
Total Equipment		45,447	(4,169)	41,278	38,585	2,693

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCOUNT NUMBERS	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Facilities Acquisition & Construction Services: Assessment for Debt Service on SDA Funding	12-000-400-896	116,737	-	116,737	116,737	-
Total Facilities Acquisition & Construction Services		116,737	-	116,737	116,737	-
Interest Deposit to Capital Reserve		100	-	100	-	100
Total Capital Outlay		162,284	(4,169)	158,115	155,322	2,793
Transfer of Funds to Charter Schools	10-000-100-56x	12,588	-	12,588	8,833	3,755
Total Expenditures		33,752,559	69,794	33,822,353	35,431,018	(1,608,665)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,668,323)	(69,794)	(1,738,117)	546,263	2,284,380
Other Financing Sources/(Uses): Operating Transfers In/(Out)		-	-	-	5,407	5,407
Total Other Financing Sources/(Uses)		-	-	-	5,407	5,407
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,668,323)	(69,794)	(1,738,117)	551,670	2,289,787
Fund Balances, July 1		3,755,118	-	3,755,118	3,755,118	-
Fund Balances, June 30		2,086,795	(69,794)	2,017,001	4,306,788	2,289,787

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 69,794
Total	<u>\$ 69,794</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	1,013,600
Excess Surplus	1,211,761
Excess Surplus Designated for Subsequent Year's Expenditures	1,252,375
Committed to:	
Year-End Encumbrances	43,073
Assigned to:	
Designated for Subsequent Year's Expenditures	75,975
Unassigned Fund Balance	<u>710,004</u>
Subtotal	4,306,788
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(782,751)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,524,037</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 558,435	\$ 34,487	\$ 592,922	\$ 551,864	\$ (41,058)
Local Sources	-	51,887	51,887	44,109	(7,778)
Total Revenues	558,435	86,374	644,809	595,973	(48,836)
Expenditures:					
Instruction:					
Salaries	99,634	(38,834)	60,800	51,687	9,113
Tuition to Private Schools for the Handicapped	440,000	(11,337)	428,663	428,663	-
Purchased Educational Services	-	11,052	11,052	4,452	6,600
Supplies & Materials	-	106,156	106,156	88,060	18,096
Total Instruction	539,634	67,037	606,671	572,862	33,809
Support Services:					
Salaries of Other Professional Staff	18,801	(1,386)	17,415	10,619	6,796
Benefits	-	5,982	5,982	3,954	2,028
Other Purchased Service	-	11,741	11,741	8,538	3,203
Miscellaneous	-	3,000	3,000	-	3,000
Total Support Services	18,801	19,337	38,138	23,111	15,027
Total Expenditures	558,435	86,374	644,809	595,973	48,836
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, 2017**

**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)	\$ 35,977,281	\$ 595,973	
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	-	4,090	
Current Year	-	(199)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	798,968	-	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(782,751)	-	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 35,993,498	\$ 599,864	
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 35,431,018	\$ 595,973	
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	-	3,891	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 35,431,018	\$ 599,864	

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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	2013
District's proportion of the net pension liability (asset)	0.06350%	0.05938%	0.05387%	0.051%
District's proportionate share of the net pension liability (asset)	\$ 18,807,614	\$ 13,329,366	\$10,085,971	\$ 9,757,726
District's covered-employee payroll	\$ 4,327,819	\$ 4,327,819	\$ 4,155,381	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	434.57%	307.99%	242.72%	N/A
Plan fiduciary net position as a percentage of the total pension liability	40.14%	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 (PERS)
LAST FOUR FISCAL YEARS**

	2016	2015	2014	2013
School District's contractually required contribution	\$ 515,280	\$ 564,147	\$ 510,499	444,098
Contributions in relation to the contractually required contribution	(515,280)	564,147	510,499	444,098
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,327,819	\$ 4,327,819	\$ 4,155,381	N/A
Contributions as a percentage of covered payroll	11.91%	13.04%	12.29%	N/A

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 FOUR FISCAL YEARS*

	2017	2016	2015	2014
School District's proportion of the net pension liability	0.11424%	0.11424%	0.11226%	0.11459%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	96,997,063	72,207,218	59,999,348	57,910,947
	<u>\$ 96,997,063</u>	<u>\$ 72,207,218</u>	<u>\$ 59,999,348</u>	<u>\$ 57,910,947</u>
School District's covered payroll	\$ 13,252,305	\$ 13,020,275	\$ 12,323,419	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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 SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.13% as of June 30, 2015, to 3.22% as of

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.90 % as of June 30, 2015, to 3.98% as of

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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, 2017**

I.D.E.A.
PART B
BASIC

	TITLE I PART A	TITLE II PART A	TITLE III	REGULAR PROGRAM	OTHER LOCAL GRANTS	SAFETY GRANT	WELLNESS GRANT	KEF GRANT	TOTAL
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 1,909	\$ 4,452	\$ 5,747	\$ 32,001	\$ 44,109
Federal Sources	\$ 101,569	\$ 19,157	\$ 2,475	\$ 428,663	-	-	-	-	\$ 551,864
Total Revenues	\$ 101,569	\$ 19,157	\$ 2,475	\$ 428,663	\$ 1,909	\$ 4,452	\$ 5,747	\$ 32,001	\$ 595,973
Expenditures:									
Instruction:									
Salaries	\$ 51,687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,687
Tuition	-	-	-	428,663	-	-	-	-	428,663
Purchased Services	-	-	-	-	-	4,452	-	-	4,452
General Supplies	45,928	-	2,475	-	1,909	-	5,747	32,001	88,060
Total Instruction	97,615	-	2,475	428,663	1,909	4,452	5,747	32,001	572,862
Support Services:									
Salaries	-	10,619	-	-	-	-	-	-	10,619
Personal Services - Employee Benefits	3,954	-	-	-	-	-	-	-	3,954
Other Professional Services	-	8,538	-	-	-	-	-	-	8,538
Total Support Services	3,954	19,157	-	-	-	-	-	-	23,111
Total Expenditures	\$ 101,569	\$ 19,157	\$ 2,475	\$ 428,663	\$ 1,909	\$ 4,452	\$ 5,747	\$ 32,001	\$ 595,973

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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, 2017**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2017
			PRIOR YEAR	CURRENT YEAR	
Construction of Middle School Auxiliary Gym	01/06/12	\$ 5,350,012	\$ 4,919,588	\$ -	\$ 430,424
Additions and Renovations to Middle School	01/06/12	10,318,928	8,709,133	7,602	1,602,193
Additions and Renovations to High School	01/06/12	15,453,510	15,453,510	-	-
Total		\$ 31,122,450	\$ 29,082,231	\$ 7,602	\$ 2,032,617

**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, 2017**

Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	\$ <u>7,602</u>
Total Expenditures	<u>7,602</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(7,602)
Fund Balance - Beginning	<u>2,040,219</u>
Fund Balance - Ending	<u><u>\$ 2,032,617</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, 2017**

	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	4,420,469	-	4,420,469	4,124,994
Equipment Purchases	-	-	-	155,017
Total Expenditures	4,919,588	-	4,919,588	5,350,012
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 430,424	\$ -	\$ 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, 2017**

	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	(64,885.00)	7,452,461	7,517,346
Total Revenues	10,383,813	(64,885.00)	10,318,928	10,383,813
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	942,004	7,602	949,606	2,076,762
Construction Services	7,044,084	-	7,044,084	8,006,257
Equipment Purchases	723,045	-	723,045	300,794
Total Expenditures	8,709,133	7,602	8,716,735	10,383,813
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,674,680	\$ (72,487)	\$ 1,602,193	\$ -

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, 2017**

	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	64,885	11,077,902	11,013,017
Total Revenues	15,388,625	64,885	15,453,510	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, 2017**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2017
Current Assets:			
Cash & Cash Equivalents	\$ 389,775	\$ 330,563	\$ 720,338
Accounts Receivable:			
State	795	-	795
Federal	19,408	-	19,408
Other	707	-	707
Interfund Receivable	11,048	-	11,048
Inventories	9,329	-	9,329
	<hr/>		
Total Current Assets	431,062	330,563	761,625
Noncurrent Assets:			
Furniture, Machinery & Equipment	778,460	-	778,460
Accumulated Depreciation	(634,042)	-	(634,042)
	<hr/>		
Total Noncurrent Assets	144,418	-	144,418
	<hr/>		
Total Assets	575,480	330,563	906,043
LIABILITIES:			
Current Liabilities:			
Accounts Payable	-	277	277
Unearned Revenue	16,173	-	16,173
	<hr/>		
Total Current Liabilities	16,173	277	16,450
Noncurrent Liabilities:			
Compensated Absences	64,620	-	64,620
	<hr/>		
Total Noncurrent Liabilities	64,620	-	64,620
	<hr/>		
Total Liabilities	80,793	277	81,070
NET POSITION			
Investment in Capital Assets	144,418	-	144,418
Unrestricted Net Position	350,269	330,286	680,555
	<hr/>		
Total Net Position	\$ 494,687	\$ 330,286	\$ 824,973
	<hr/>		

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2017**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2017
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 525,835	\$ -	\$ 525,835
Daily Sales - Nonreimbursable Programs	519,859	-	519,859
Vending Machine Sales	9,229	-	9,229
Special Function	62,601	-	62,601
Program Fees	-	273,410	273,410
Total Operating Revenue	1,117,524	273,410	1,390,934
Operating Expenses:			
Salaries	539,502	108,101	647,603
Employee Benefits	201,068	8,270	209,338
Other Professional Services	-	20,042	20,042
Supplies and Materials	20,967	30,656	51,623
Cleaning, Repair & Maintenance Services	11,408	-	11,408
Depreciation	20,949	-	20,949
Cost of Sales - Reimbursable Programs	344,702	-	344,702
Cost of Sales - Non-Reimbursable Programs	198,320	-	198,320
Total Operating Expenses	1,336,916	167,069	1,503,985
Operating (Loss)/Gain	(219,392)	106,341	(113,051)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	8,715	-	8,715
Federal Sources:			
National School Lunch Program	199,184	-	199,184
Healthy Hunger-Free Kids Act	11,955	-	11,955
Food Distribution Program	84,660	-	84,660
Interest Revenue	1,392	-	1,392
Total Nonoperating Revenues	305,906	-	305,906
Net Income/(Loss)	86,514	106,341	192,855
Change in Net Position	86,514	106,341	192,855
Total Net Position - Beginning	408,173	223,945	632,118
Total Net Position - Ending	\$ 494,687	\$ 330,286	\$ 824,973

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2017**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2017
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,115,649	\$ 273,410	\$ 1,389,059
Payments to Employees	(541,069)	(108,101)	(649,170)
Payments for Employee Benefits	(201,068)	(8,270)	(209,338)
Payments to Suppliers	(575,935)	(51,961)	(627,896)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(202,423)	105,078	(97,345)
Cash Flows From Investing Activities:			
Interest & Dividends	1,392	-	1,392
Purchase of Equipment	(68,661)	-	(68,661)
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	(67,269)	-	(67,269)
Cash Flows From Noncapital Financing Activities:			
State Sources	8,715	-	8,715
Federal Sources	295,799	-	295,799
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	304,514	-	304,514
Net Increase/(Decrease) in Cash & Cash Equivalents	34,822	105,078	139,900
Cash & Cash Equivalents, July 1	354,953	225,485	580,438
	<hr/>	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 389,775	\$ 330,563	\$ 720,338

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (219,392)	\$ 106,341	\$ (113,051)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	20,949	-	20,949
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(538)	-	(538)
(Increase)/Decrease in Accounts Receivable, Net	(4,183)	-	(4,183)
(Increase)/Decrease in Interfund Receivable	422	-	422
Increase/(Decrease) in Accounts Payable	-	(1,263)	(1,263)
Increase/(Decrease) in Unearned Revenue	1,886	-	1,886
Increase/(Decrease) in Compensated Absences	(1,567)	-	(1,567)
	<hr/>	<hr/>	<hr/>
Total Adjustments	16,969	(1,263)	15,706
Net Cash Provided/(Used) by Operating Activities	<hr/>	<hr/>	<hr/>
	\$ (202,423)	\$ 105,078	\$ (97,345)

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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, 2017**

ASSETS	GOVERNMENTAL ACTIVITIES					TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ 406,095	\$ 71,838	\$ 15,324	\$ -	\$ -	\$ 493,257
Accounts Receivable:						
Interfund Accounts Receivable	-	-	-	11,317	-	11,317
Intergovernmental - Other	258,937	3	-	43,781	-	302,721
Other Accounts Receivable	359	-	-	-	-	359
Total Assets	665,391	71,841	15,324	55,098	807,654	
LIABILITIES						
Cash Deficit	-	-	-	55,098	-	55,098
Accounts Payable	50	-	-	-	-	50
Interfund Accounts Payable	665,341	71,841	15,324	-	-	752,506
Total Liabilities	665,391	71,841	15,324	55,098	807,654	
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, 2017**

	GOVERNMENTAL ACTIVITIES				2017
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
OPERATING REVENUES:					
Local Sources:					
Transportation Fees	\$ 1,710,508	\$ -	\$ -	\$ -	\$ 1,710,508
Sale of Gasoline	41,748	-	-	-	41,748
Shared Service Fees	95,599	63,939	187,523	181,905	528,966
Total Operating Revenue	1,847,855	63,939	187,523	181,905	2,281,222
OPERATING EXPENSES:					
Salaries	740,079	60,000	185,823	181,738	1,167,640
Employee Benefits	236,019	-	-	-	236,019
Cleaning, Repair & Maintenance Services	7,055	2,833	-	-	9,888
Aid in Lieu of Transportation	149,396	-	-	-	149,396
Miscellaneous Purchased Services	602,812	-	-	-	602,812
Supplies & Materials	107,091	-	-	2,673	109,764
Miscellaneous Expenditures	296	-	-	-	296
Total Operating Expenses	1,842,748	62,833	185,823	184,411	2,275,815
Net Income/(Loss)	5,107	1,106	1,700	(2,506)	5,407
Other Financing Sources/(Uses):					
Operating Transfer In/(Out):					
Transfer to General Fund	(5,107)	(1,106)	(1,700)	2,506	(5,407)
Total Other Financing Sources/(Uses)	(5,107)	(1,106)	(1,700)	2,506	(5,407)
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, 2017**

	GOVERNMENTAL ACTIVITIES				TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,959,765	\$ 64,289	\$ 187,818	\$ 169,696	\$ 2,381,568
Payments to Employees	(740,079)	(60,000)	(184,123)	(181,738)	(1,165,940)
Payments for Employee Benefits	(236,019)	-	-	-	(236,019)
Payments to Suppliers	(857,159)	(1,727)	-	(2,673)	(861,559)
Net Cash Provided/(Used) by Operating Activities	126,508	2,562	3,695	(14,715)	118,050
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	(5,107)	(1,106)	(1,700)	2,506	(5,407)
Net Cash Provided by Noncapital Financing Activities	(5,107)	(1,106)	(1,700)	2,506	(5,407)
Net Increase/(Decrease) in Cash & Cash Equivalents	121,401	1,456	1,995	(12,209)	112,643
Cash & Cash Equivalents, July 1	284,694	70,382	13,329	(42,889)	325,516
Cash & Cash Equivalents, June 30, 2013	\$ 406,095	\$ 71,838	\$ 15,324	\$ (55,098)	\$ 438,159

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:	\$ 5,107	\$ 1,106	\$ 1,700	\$ (2,506)	\$ 5,407
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:					
Change in Assets & Liabilities:					
(Increase)/Decrease in Accounts Receivable	111,910	350	295	(9,702)	102,853
(Increase)/Decrease in Interfund Receivable	-	-	-	(2,507)	(2,507)
Increase/(Decrease) in Interfund Payable	9,441	1,106	1,700	-	12,247
Increase/(Decrease) in Accounts Payable	50	-	-	-	50
Total Adjustments	121,401	1,456	1,995	(12,209)	112,643
Net Cash Provided/(Used) by Operating Activities	\$ 126,508	\$ 2,562	\$ 3,695	\$ (14,715)	\$ 118,050

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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, 2017**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL FUND	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 140,439	\$ 190,375	\$ 207,549	\$ 194,560	\$ 732,923
Total Assets	140,439	190,375	207,549	194,560	732,923
LIABILITIES					
Payroll Deductions & Withholdings	-	-	207,153	-	207,153
Due to Student Groups	-	-	-	194,560	194,560
Accounts Payable	562	-	-	-	562
Interfund Payable	-	-	396	-	396
Total Liabilities	562	-	207,549	194,560	402,671
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	139,877	-	-	-	139,877
Restricted for Scholarships	-	190,375	-	-	190,375
Total Net Position	\$ 139,877	\$ 190,375	\$ -	\$ -	\$ 330,252

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2017**

ADDITIONS:	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ -	\$ 1,600	\$ 1,600
Total Contributions	-	1,600	1,600
Investment Earnings:			
Interest on Investments	232	193	425
Total Investment Earnings	232	193	425
Total Additions	232	1,793	2,025
DEDUCTIONS:			
Unemployment Claims	27,289	-	27,289
Scholarship Payments	-	3,700	3,700
Total Deductions	27,289	3,700	30,989
Change in Net Position	(27,057)	(1,907)	(28,964)
Net Position - Beginning of Year	166,934	192,282	359,216
Net Position - End of Year	\$ 139,877	\$ 190,375	\$ 330,252

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

	JULY 1, 2016	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2017
Kingsway Regional High School	\$ 195,798	\$ 722,455	\$ 757,635	\$ 160,618
Kingsway Regional Middle School	30,943	74,679	71,748	33,874
Kingsway Regional Athletics	70	101,283	101,285	68
Total	\$ 226,811	\$ 898,417	\$ 930,668	\$ 194,560

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2017**

ASSETS	BALANCE JULY 1, 2016	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2017
Cash & Cash Equivalents:				
Payroll Account	\$ 93	\$ 13,650,107	\$ 13,650,060	\$ 140
Payroll Agency Account	13,356	10,059,470	9,865,417	207,409
Total Assets	\$ 13,449	\$ 23,709,577	\$ 23,515,477	\$ 207,549
LIABILITIES				
Net Payroll	\$ -	\$ 13,650,060	\$ 13,650,060	\$ -
Net Payroll Deductions & Withholdings	13,100	10,059,470	9,865,417	207,153
Interfund Account Payable	349	47	-	396
Total Liabilities	\$ 13,449	\$ 23,709,577	\$ 23,515,477	\$ 207,549

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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, 2017**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2016	ISSUED	REFUNDED	REDEEMED	BALANCE JUNE 30, 2017
2006 School Refunding Bonds of 03/01/2004 Issue	11/21/2006	\$ 9,075,000			\$ 8,750,000	\$ -	\$ 8,725,000	\$ 25,000	\$ -
Series 2012 Additions & Renovations of Existing School Buildings	1/18/2012	22,659,000	02/01/2018	2.500%	20,084,000	-	-	675,000	19,409,000
			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	01/15/18	2.000%	4,740,000	-	-	555,000	4,185,000
			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	03/01/18	4.000%	7,830,000	-	-	860,000	6,970,000
			03/01/19	5.000%					
			03/01/20	4.000%					
			03/01/21	3.000%					
			03/01/21	5.000%					
			03/01/22	3.000%					
Series 2016 Refunding Bonds of 11/21/06 Issue	10/20/2016	8,190,000	03/01/23	4.000%	-	8,190,000	-	20,000	8,170,000
			03/01/24	5.000%					
			01/15/25	4.000%					
			01/15/26	4.000%					
			01/15/27	4.000%					
			01/15/28	3.000%					
		01/15/29	3.000%						
		01/15/30	3.000%						
		01/15/31	3.000%						
Total					\$ 41,404,000	\$ 8,190,000	\$ 8,725,000	\$ 2,135,000	\$ 38,734,000

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	JUNE 30, 2017				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,993,976	\$ -	\$ 2,993,976	\$ 2,993,976	\$ -
State Sources:					
Debt Service Aid Type II	430,348	-	430,348	430,348	-
Miscellaneous	-	-	-	11,416	11,416
Total Revenues	3,424,324	-	3,424,324	3,435,740	11,416
Expenditures:					
Regular Debt Service:					
Interest	1,420,341	(20,000)	1,400,341	1,308,498	91,843
Principal	2,115,000	20,000	2,135,000	2,135,000	-
Expense of Refunding Bonds	-	-	-	101,118	(101,118)
Total Expenditures	3,535,341	-	3,535,341	3,544,616	(9,275)
Other Financing Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	8,999,744	8,999,744
Deposit to Refunding Escrow	-	-	-	(8,898,626)	(8,898,626)
Total Other Financial Sources/(Uses)	-	-	-	101,118	101,118
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(111,017)	-	(111,017)	(7,758)	103,259
Fund Balance July 1	112,921	-	112,921	112,921	-
Fund Balance June 30	\$ 1,904	\$ -	\$ 1,904	\$ 105,163	\$ 103,259

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.									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net Investment in Capital Assets	\$ 18,802,587	\$ 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	5,615,516	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	(13,769,886)	(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										
Net Position	\$ 10,648,217	\$ 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:										
Investment in Capital Assets	\$ 144,418	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667	\$ 135,707	\$ 142,253	\$ 170,703
Unrestricted	680,555	361,896	391,020	275,518	218,608	129,752	38,542	390,262	427,480	401,868
Total Business-Type Activities										
Net Position	\$ 824,973	\$ 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	\$ 18,947,005	\$ 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	5,615,516	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	(13,089,331)	(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										
	\$ 11,473,190	\$ 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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 12,432,875	\$ 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	3,222,178	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	881	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690
School Sponsored	1,220,283	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	2,325,214	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	4,014,220	4,670,664	3,980,590	3,504,324	3,249,067	2,132,387	2,212,311	2,097,251	1,929,467	1,773,372
School Administrative Services	1,596,549	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	866,354	857,522	717,954	682,990	618,884	537,466	439,397	410,818	456,780	426,569
Central Office & Technology Services	993,958	856,912	748,669	825,133	584,884	569,573	624,864	615,387	563,748	624,718
Plant Operations & Maintenance	3,359,078	3,840,177	3,790,087	3,137,022	3,171,687	2,538,095	2,711,376	3,080,264	2,995,772	2,795,334
Pupil Transportation	4,457,203	4,564,605	3,702,236	3,156,947	3,112,014	2,821,829	3,080,396	2,946,272	3,384,766	3,182,135
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	1,659,606	2,179,478	2,012,548
On Behalf TPAP Pension and Social Security Contributions	3,653,748	-	-	-	-	-	-	-	-	-
Transfer to Charter School	8,833	-	-	-	-	-	-	-	-	19,470
Interest on Long-Term Debt	1,539,394	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 Depreciator	3,247,950	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	-	-	-	-
Unallocated Compensated Absence	1,677,538	231,294	417,609	(94,013)	265,957	-	-	-	-	-
Total Governmental Activities Expense:	44,616,257	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	1,67,069	42,755	13,266	16,409	13,832	2,912	-	-	-	-
Food Service	1,336,916	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:	1,503,985	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:	\$ 46,120,242	\$ 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	2,281,222	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	4,249,658	5,315,795	4,566,633	436,803	449,711	-	-	-	-	-
Total Governmental Activities Program Revenues	6,530,880	7,277,446	2,195,013	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	275,410	93,098	30,026	28,854	26,378	13,615,000	822,769	798,796	773,209	702,206
Food Service	1,117,524	965,864	962,521	842,295	837,864	872,766	-	-	-	-
Technology Services	-	-	-	-	16,522,000	-	-	-	-	-
Operating Grants & Contributions	304,514	257,626	291,482	255,493	230,539	180,597	172,749	162,759	136,379	114,453
Total Business-Type Activities Program Revenues	1,695,448	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:	\$ 8,226,328	\$ 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 - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net (Expense)/Revenue										
Governmental Activities	\$ (38,085,377)	\$ (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	191,463	65,085	115,708	64,146	54,693	60,751	46,277	(44,423)	(89,923)	(168,500)
Total District-Wide Net Expend	\$ (37,893,914)	\$ (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	\$ 20,226,031	\$ 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	2,993,976	3,024,851	3,059,318	3,108,239	1,888,351	1,803,669	1,703,432	1,688,110	1,627,323	1,683,659
Unrestricted Grants & Contributions	9,072,380	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
Federal & State Aid Restricted	430,348	-	-	-	-	-	-	-	-	-
Tuition Received	2,652,264	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	76,564	77,121	-	-	-	-	-	-	-	-
Investment Earnings	5,726	6,623	7,098	11,659	-	39,178	88,375	123,493	205,915	256,418
Miscellaneous Income	367,717	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	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	57,034	15,912	199,122	106,637	283,144	235,697
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	35,825,006	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	1,392	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	1,392	(3,948)	(753)	(21,245)	1,135	(1,887)	(427,037)	658	87,085	365,594
Total District-Wide	\$ 35,826,398	\$ 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	\$ (2,560,371)	\$ 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	192,855	61,137	114,955	42,901	55,828	58,864	(380,760)	(43,765)	(2,838)	197,094
Total District	\$ (2,067,516)	\$ 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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Fund:										
Restricted	\$ 3,477,736	\$ 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	3,228	87,149	87,149	319,627	-	-	-	-	-	-
Committed	43,073	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	759,943	552,731	659,534	530,489	226,948
Total General Fund	\$ 3,524,037	\$ 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	\$ 2,137,780	\$ 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:										
Capital Projects Fund	-	-	-	-	-	(299,600)	(449,600)	-	-	-
Debt Service Fund	-	111,017	47,162	47,162	-	-	5,204	-	-	-
Total All Other Governmental Funds	\$ 2,137,780	\$ 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)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues:										
Taxes Local	\$ 23,220,007	\$ 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 Charges	2,652,264	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
Transportation	76,564	77,121	-	-	57,034	15,912	199,122	106,637	283,144	235,697
Miscellaneous	368,036	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	13,141,672	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	570,559	547,794	454,004	431,001	729,186	717,516	1,673,401	433,448	373,095	386,510
Total Revenue	40,029,102	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	9,553,432	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	2,535,767	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	881	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677	2,690
School Sponsored	1,136,029	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335	867,217	896,704	747,467
Support Services:										
Tuition	2,325,214	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	3,034,031	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	1,497,752	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	1,403,841	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	2,723,811	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	2,498,207	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	5,436,775	5,145,365	4,891,551	4,037,238	4,489,690	4,408,279	4,716,007	4,808,105	4,391,316	3,788,563
Unallocated Benefits	67,239	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
On Behalf TPAF Pension and Social Security Contributions	3,653,748	-	-	-	-	-	-	-	-	-

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenditures (continued):										
Special Schools	-	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393	331,346	508,784	19,470
Capital outlay	46,187	-	-	-	-	-	-	-	-	2,988,071
Debt service:										
Principal	2,135,000	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	1,526,353	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	39,574,267	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	454,835	(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	(8,898,626)	(9,638,664)	14,956	15,550	-	-	-	-	-	-
Cancellation of Account Receivable	8,999,744	9,736,442	-	(16,133)	-	-	-	-	-	-
Transfers to Charter School	(8,833)	-	-	-	-	-	-	-	-	-
Transfers in	5,407	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)	97,692	192,582	162,394	270,245	22,805,000	1,650,000	425,600	-	(87,500)	(163,000)
Net Change in Fund Balances	\$ 552,527	\$ (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	9.26%	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		
2017	\$ -	\$ 5,726	\$ 26,160	\$ 19,098	\$ -	\$ 122,090	\$ 139,437	\$ 312,511
2016	-	6,623	10,573	17,317	-	92,475	69,320	196,308
2015	62,796	7,098	31,576	23,068	-	96,327	120,058	340,923
2014	43,806	11,659	16,693	17,611	-	123,000	55,399	268,168
2013	61,587	19,349	55,902	19,521	-	122,680	92,333	371,372
2012	58,476	39,178	3,747	24,849	-	-	182,349	308,599
2011	48,195	88,375	7,321	27,169	-	-	90,702	261,762
2010	17,664	123,493	3,213	17,664	-	-	176,598	338,632
2009	-	205,915	11,377	27,700	-	-	123,850	368,842
2008	-	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												
2017	\$ 17,116,700	\$ 964,291,200	\$ 19,236,700	\$ 2,586,400	\$ 45,205,600	\$ 18,189,300	\$ 1,624,400	\$ 1,068,250,300	\$ -	\$ 1,068,250,300	0.768	\$ 1,146,443,025
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	54,274,600	16,952,500	2,159,800	1,028,843,800	1,470,197	1,030,313,997	0.720	1,092,833,683
2012	23,442,400	889,149,600	26,804,000	2,753,700	55,217,900	16,965,700	2,159,800	1,016,493,100	1,619,410	1,018,112,510	0.708	1,138,046,180
2011	11,189,900	553,679,120	13,521,100	2,501,200	27,839,800	12,696,000	1,799,600	623,226,720	938,951	624,165,671	1.115	1,147,450,036
2010	15,368,950	525,325,520	14,300,100	2,533,250	28,051,700	13,029,300	1,799,600	600,408,420	1,115,561	601,523,981	1.080	1,157,758,363
2009	20,274,050	486,601,720	15,097,500	2,548,250	28,096,200	13,029,300	1,799,600	567,446,620	1,053,782	568,500,402	1.074	1,114,585,736
2008	24,720,000	-	-	-	-	-	-	24,720,000	1,830,918	26,550,918	1.158	1,029,784,496
South Harrison Township												
2017	8,491,800	307,969,300	36,090,400	3,574,900	22,841,600	-	-	378,968,000	486,625	379,454,625	0.869	395,876,647
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
Borough of Swedesboro												
2017	1,200,000	135,946,700	-	25,300	29,555,400	3,273,800	2,330,700	172,331,900	-	172,331,900	0.888	176,570,879
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
Woolwich Township												
2017	15,861,400	966,313,300	18,471,800	4,235,100	52,004,500	42,292,600	32,501,500	1,131,680,200	1,719,044	1,133,399,244	0.911	1,234,884,068
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	1,163,590,438
2014	17,421,300	923,994,400	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	55,082,500	45,953,200	22,229,800	1,073,331,400	2,303,228	1,075,634,628	0.767	1,099,949,222
2012	15,110,900	543,765,600	14,130,200	4,968,700	25,146,400	21,639,600	7,701,100	632,462,500	1,369,350	633,831,850	1.207	1,150,834,822
2011	17,200,900	534,786,500	14,280,800	4,979,500	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	8,741,400	618,916,100	1,543,335	620,459,435	1.029	1,207,715,607
2009	23,310,900	-	-	-	-	-	-	100,240,300	1,409,722	101,650,022	0.943	1,244,290,405
2008	25,487,400	-	-	-	-	-	-	25,487,400	1,276,729	26,764,129	0.903	1,188,592,291

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								
2017	1.338	0.768	2.106	0.382	0.672	0.051	0.043	3.254
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
South Harrison Township								
2017	1.012	0.869	1.881	0.231	0.661	0.050	0.042	2.865
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
Borough of Swedesboro								
2017	1.408	0.888	2.296	0.971	0.648	0.049	0.041	4.005
2016	1.384	0.919	2.303	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
Woolwich Township								
2017	1.415	0.911	2.326	0.557	0.689	0.052	0.044	3.668
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

Source: Gloucester County Abstract of Ratables

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

	2017		2008	
	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	0.49%		
Saint Gobain Performance Plastics	3,815,700	0.36%		
Columbia Gas Transmission Co.	3,598,900	0.34%		
South Shore Properties LLC	3,479,800	0.33%		
Transcontinental Gas Pipeline Co.	2,520,900	0.24%		
Storage World of NJ LLC	2,361,900	0.22%		
Summer Skye LLC	2,066,700	0.19%		
Baybridge II, LLC	1,975,400	0.18%		
WGJ Enterprises	1,557,200	0.15%		
Jemm Holdings LLC	1,500,000	0.14%		
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	\$ 28,153,000	2.64%	\$ 28,365,100	5.45%
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	0.76%		
American Tower Asset Sub LLC	2,416,900	0.64%		
Taxpayer #2	2,171,000	0.57%		
South Harrison 500 Associates LLC	2,160,000	0.57%		
Taxpayer #3	1,933,600	0.51%		
Taxpayer #4	1,296,200	0.34%		
Harrisonville Mobile Home Park	1,012,500	0.27%		
National Energy Partners LLC	929,900	0.25%		
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	\$ 22,505,400	5.93%	\$ 13,649,300	6.12%

Source: Municipal Tax Assessor

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

TAXPAYERS	2017		2008	
	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	1,466,700	0.85%		
Botto Sons, LLC	1,389,700	0.81%		
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	\$ 16,993,200	9.86%	\$ 6,648,100	8.21%
WOOLWICH TOWNSHIP				
Pond View at Westbrook, LLC	\$ 20,251,500	1.79%		
Liberty Venture	15,942,700	1.41%		
Westbrook at Weatherby LLC	12,250,000	1.08%		
Columbia Gas	7,678,100	0.68%		
USF Propco LLC	7,300,000	0.64%		
Liberty Property LTD Partnership	5,963,000	0.53%		
JMJ Warehouse Associates	5,700,000	0.50%		
Raab Family Partnership	3,665,400	0.32%		
GI Advo Propco LLC	3,196,200	0.28%		
Appleseed NJ LLC CVS	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	\$ 85,131,900	7.51%	\$ 47,063,100	8.34%

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				
2017	8,137,602	813,602	100.00%	
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%	-
South Harrison Township				
2017	3,316,426	3,316,426	100.00%	
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%	-
	2,514,391	2,514,391	100.00%	
Borough of Swedesboro				
2017	1,572,325	1,572,325	100.00%	
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%	-
Woolwich Township				
2017	10,193,654	10,193,654	100.00%	
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%	-

**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			
2017	\$ 38,734,000	\$ -	\$ -	\$ 38,734,000	N/A	N/A
2016	43,554,000	-	300,000	43,854,000	N/A	1,570
2015	46,364,000	-	600,000	46,964,000	N/A	1,720
2014	48,294,000	-	900,000	49,194,000	4.06%	1,820
2013	50,159,000	153,600	1,200,000	51,512,600	2.85%	2,014
2012	28,239,000	299,600	1,500,000	30,038,600	3.20%	1,177
2011	29,349,000	449,600	169,000	29,967,600	3.43%	1,284
2010	30,419,000	-	405,666	30,824,666	3.96%	1,384
2009	31,454,000	-	642,333	32,096,333	4.45%	1,508
2008	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		
2017	\$ 38,734,000	\$ -	\$ 38,734,000	N/A	N/A
2016	43,554,000	-	43,554,000	1.55%	1,560
2015	46,364,000	-	46,364,000	1.69%	1,698
2014	48,294,000	-	48,294,000	1.79%	1,787
2013	50,159,000	-	50,159,000	2.23%	1,961
2012	28,239,000	-	28,239,000	1.64%	1,106
2011	29,349,000	-	29,349,000	1.71%	1,257
2010	30,419,000	-	30,419,000	2.02%	1,366
2009	31,454,000	-	31,454,000	2.21%	1,478
2008	32,389,000	-	32,389,000	2.41%	1,593

**KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Greenwich Township	\$ 17,592,000	100.00%	\$ 17,592,000
South Harrison Township	-	100.00%	-
Swedesboro Borough	4,854,379	100.00%	4,854,379
Woolwich Township	10,239,183	100.00%	10,239,183
Other Debt:			
County of Gloucester	228,443,500	<u>Net County Apportioned</u>	
East Greenwich Township		1,143,492,079	4.405%
South Harrison Township		395,141,753	1.522%
Swedesboro Borough		174,354,411	0.672%
Woolwich Township		1,233,296,239	4.751%
			<u>10,852,564</u>
Subtotal, Overlapping Debt			58,611,807
Kingsway Regional School District Debt			<u>41,404,000</u>
		<u>County Total</u>	
		25,960,548,613	
Total Direct & Overlapping Debt			<u><u>\$ 100,015,807</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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	Svedesboro	Woolwich	
2016	1,135,215,693	393,943,815	174,492,614	1,221,728,601	\$ 2,925,380,723
2015	1,109,930,177	384,123,362	178,255,499	1,165,114,551	\$ 2,837,423,589
2014	1,075,987,046	384,484,810	174,717,707	1,147,155,977	\$ 2,782,345,540
					\$ 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			
2016	10,396	N/A	3.7%
2015	10,335	48,799	4.2%
2014	10,286	46,852	5.5%
2013	10,154	45,435	3.8%
2012	10,056	44,601	7.5%
2011	9,841	43,527	7.3%
2010	9,617	42,050	7.5%
2009	8,317	41,561	7.0%
2008	7,762	41,604	4.7%
2007	7,244	39,257	3.7%
South Harrison			
2016	3,186	N/A	4.5%
2015	3,193	48,799	4.9%
2014	3,197	46,852	6.1%
2013	3,202	45,435	6.0%
2012	3,211	44,601	7.4%
2011	3,217	43,527	7.2%
2010	3,219	42,050	7.5%
2009	3,190	41,561	7.0%
2008	3,138	41,604	4.7%
2007	3,070	39,257	3.6%
Swedesboro Borough			
2016	2,602	N/A	5.0%
2015	2,610	48,799	4.8%
2014	2,604	46,852	5.3%
2013	2,600	45,435	8.3%
2012	2,604	44,601	10.8%
2011	2,606	43,527	10.6%
2010	2,592	42,050	10.9%
2009	2,372	41,561	10.2%
2008	2,251	41,604	7.0%
2007	2,078	39,257	5.4%
Woolwich			
2016	12,365	N/A	3.4%
2015	12,325	48,799	3.8%
2014	12,158	46,852	4.8%
2013	11,616	45,435	4.6%
2012	11,029	44,601	7.3%
2011	10,716	43,527	7.1%
2010	10,305	42,050	7.3%
2009	9,469	41,561	6.9%
2008	9,123	41,604	4.6%
2007	8,885	39,257	3.6%

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**

	2017		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	1.28%
Kennedy Memorial Hospital	1,675	2	1.18%
Washington Township School District	1,607	3	1.13%
Rowan University	1,483	4	1.04%
County of Gloucester	1,384	5	0.97%
Missa Bay, LLC	950	6	0.67%
Monroe Township School District	804	7	0.56%
U.S. Foodservices	725	8	0.51%
ExxonMobil Research & Engineering	540	9	0.38%
LaBrea Bakery	525	10	0.37%
	<u>11,518</u>		<u>8.09%</u>

2008

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	148.0	149.0	149.0	144.0	136.0	127.0	133.0	126.5	130.0	130.0
Special Education	58.0	58.0	56.0	55.0	48.0	51.0	51.0	29.0	28.0	28.0
Other Instruction	8.0	8.0	8.0	8.0	2.0	3.0	2.0	20.0	14.0	11.0
Athletics & Extra-Curricular	3.0	3.0	3.0	3.0	3.0					
Support Services:										
Student & Instruction Related Services	36.0	37.0	35.0	36.0	40.0	27.5	28.0	29.0	29.0	30.0
School Administrative Services	18.0	18.0	17.0	15.0	16.0	15.0	16.0	16.0	16.0	16.0
General Administrative Services	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.5	2.5	2.5
Plant Operations & Maintenance	36.0	36.0	36.0	36.0	30.0	27.0	30.0	37.5	38.0	38.0
Pupil Transportation	48.0	48.0	48.0	44.0	42.0	33.0	33.0	34.0	33.0	31.0
Business & Other Support Services	11.0	11.0	11.0	10.0	10.0	8.0	8.0	9.0	9.0	8.5
Food Service	28.0	28.0	28.0	24.0	24.0	24.0				
Total	396.0	398.0	393.0	378.0	353.0	317.5	303.0	303.5	299.5	295.0

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				
2017	2,691	35,266,863	13,105	-1.75%	183	1.14	1.17	2,663.7	2,530.5	4.22%	95.00%
2016	2,567	34,242,131	13,339	1.38%	184	1.13	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	2,522.0	2,407.0	3.27%	95.44%
2014	2,463	31,569,386	12,817	0.03	175	1.14	1.15	2,442.1	2,311.4	4.82%	94.65%
2013	2,365	29,468,444	12,460	0.03	167	1.22	1.23	2,329.9	2,189.9	3.03%	93.99%
2012	2,284	27,682,627	12,120	0.04	152	1.25	1.24	2,261.3	2,121.3	1.31%	93.81%
2011	2,232	25,935,406	11,620	(0.02)	159	1.20	1.22	2,232.1	2,086.1	1.10%	93.46%
2010	2,208	26,182,824	11,858	(0.03)	165	1.14	1.26	2,207.9	2,068.1	3.64%	93.67%
2009	2,130	26,143,709	12,274	0.01	162	1.11	1.14	2,130.4	2,000.0	4.18%	93.88%
2008	2,044	24,792,266	12,129	0.03	157	1.12	1.14	2,044.9	1,935.3	1.27%	94.64%

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	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High School (Grades 9-12)										
Square Feet	259,484	259,484	259,484	259,484	222,351	222,351	222,351	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	2,000	2,000	1,454	1,454	1,454	1,454	1,454	1,454
Enrollment	1,771	1,685	1,664	1,597	1,540	1,504	1,488	1,488	1,470	1,436
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	146,888	146,888	104,436	104,436	104,436	104,436	104,436	104,436
Capacity (Students)	1,000	1,000	1,000	1,000	800	800	800	800	800	800
Enrollment	920	882	870	866	825	780	743	720	660	608

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,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	TOTAL
District Facilities:											
Kingsway Regional School District	-	-	-	-	-	-	-	-	-	-	133,375
Kingsway Regional Middle School	158,313	141,328	191,300	141,108	125,202	24,650	21,655	21,738	21,428	11,358	-
Kingsway Regional High School	227,482	269,720	278,942	320,229	202,997	73,535	61,991	76,567	223,596	142,758	-
Total School Facilities	\$385,795	\$411,048	470,242	461,337	328,199	98,185	83,646	98,305	245,024	154,116	133,375

* 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, 2017**

	COVERAGE	DEDUCTIBLE
School Package Policy (1)		
Commercial Property	\$ 106,685,248	\$ 1,000
Commercial General Liability	3,000,000	-
Commercial Automotive	1,000,000	2,000
Commercial Crime	100,000	1,000
Commercial Inland Marine	3,000,000	250
Data Breach & Privacy Security Liability (2)	1,000,000	-
Student Accident Insurance (3)		
Base	25,000	500
Catastrophic	2,500,000	25,000
Umbrella Liability (4)	10,000,000	-
Surety Bonds (5)		
Business Administrator/Board Secretary	250,000	-
Workmen's Compensation (6)	2,000,000	

- (1) Utica
- (2) Hiscox Insurance Company Inc.
- (3) Berkley Life and Health Insurance Company
- (4) Utica
- (5) Liberty Mutual
- (6) 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
County of Gloucester
Woolwich, 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 activities, the 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, 2017, 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 1, 2017.

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 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 entity'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 School 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, and federal and state awarding agencies and pass-through entities, in considering the School 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 1, 2017



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
County of Gloucester
Woolwich, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Kingsway Regional School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major federal and state programs for the fiscal year ended June 30, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. 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 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 School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Kingsway Regional School District 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, 2017.

Report on Internal Control Over Compliance

Management of the Kingsway Regional School District 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 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 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 1, 2017

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2017**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	FEDERAL NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	UNEARNED REVENUE AT JUNE 30, 2017	DUE TO GRANTOR AT JUNE 30, 2017
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Enterprise Fund:													
Child Nutrition Cluster:													
Noncash Assistance:													
Food Distribution Program	10.555	171N1304N1099		Unavailable	84,660	7/1/16-6/30/17	\$ -	\$ 84,660	\$ (84,660)	\$ -	\$ -	\$ -	\$ -
Cash Assistance:													
Healthy Hunger Free Kids Act Lunch Program	10.555	16161NJ304N1099		100-010-3350-026	11,831	7/1/15-6/30/16	(879)	879	-	-	-	-	-
Healthy Hunger Free Kids Act Lunch Program	10.555	171N1304N1099		100-010-3350-026	11,955	7/1/16-6/30/17	-	10,866	(11,955)	-	(1,089)	-	-
National School Lunch Program	10.555	16161NJ304N1099		100-010-3350-026	201,377	7/1/15-6/30/16	(15,201)	15,201	-	-	-	-	-
National School Lunch Program	10.555	171N1304N1099		100-010-3350-026	199,184	7/1/16-6/30/17	-	180,865	(199,184)	-	(18,319)	-	-
Total Child Nutrition Cluster							(16,080)	292,471	(295,799)	-	(19,408)	-	-
Total Enterprise Fund							(16,080)	292,471	(295,799)	-	(19,408)	-	-
U.S. DEPARTMENT OF EDUCATION:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP		100-054-7540-211	14,804	7/1/16-6/30/17	-	10,896	(14,804)	-	(3,908)	-	-
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP		100-054-7540-211	10,182	7/1/15-6/30/16	(4,084)	4,084	-	-	-	-	-
Total General Fund							(4,084)	14,980	(14,804)	-	(3,908)	-	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:													
Special Revenue:													
Title I													
Title I	84.010	S010A160030		100-034-5064-194	114,715	7/1/16-6/30/17	-	97,012	(101,569)	-	(4,557)	-	-
Subtotal	84.010	S010A150030		100-034-5064-194	117,217	7/1/15-6/30/16	(8,240)	4,632	-	-	(3,608)	-	-
Title II	84.367	S367A160029		100-034-5063-290	19,590	7/1/16-6/30/17	-	14,894	(19,157)	-	(4,263)	-	-
Subtotal	84.367	S367A150029		100-034-5063-290	22,119	7/1/15-6/30/16	(11,089)	25,983	(19,157)	-	(4,263)	-	-
Title II	84.365	S365A160030			2,475	7/1/16-6/30/17	-	2,475	(2,475)	-	-	-	-
Subtotal							-	2,475	(2,475)	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A160100		100-034-5065-016	428,663	7/1/16-6/30/17	-	428,663	(428,663)	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A150100		100-034-5065-016	444,313	7/1/15-6/30/16	(77,335)	77,335	-	-	-	-	-
Subtotal							(77,335)	505,998	(428,663)	-	-	-	-
Total Special Revenue Fund							(96,664)	636,100	(551,864)	-	(12,428)	-	-
Total Federal Financial Assistance							\$ (116,828)	\$ 943,551	\$ (862,467)	\$ -	\$ (35,744)	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2017**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016	CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECIPIENT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2017	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:											
General Fund:											
State Aid Cluster:											
Equalization Aid	495-034-5120-078	\$ 6,135,572	7/1/16-6/30/17	\$ -	\$ 6,135,572	\$ (6,135,572)	\$ -	\$ -	\$ -	\$ (541,635)	\$ 6,135,572
Special Education Categorical Aid	495-034-5120-089	1,152,423	7/1/16-6/30/17	-	1,152,423	(1,152,423)	-	-	-	(101,733)	1,152,423
Security Aid	495-034-5120-084	160,339	7/1/16-6/30/17	-	160,339	(160,339)	-	-	-	(14,154)	160,339
Supplemental Enrollment Growth Aid	495-034-5120-094	921,670	7/1/16-6/30/17	-	921,670	(921,670)	-	-	-	(81,363)	921,670
Under Adequacy Aid	495-034-5120-096	133,057	7/1/16-6/30/17	-	133,057	(133,057)	-	-	-	(11,746)	133,057
PARCC Readiness Aid	495-034-5120-098	22,880	7/1/16-6/30/17	-	22,880	(22,880)	-	-	-	(2,020)	22,880
Per Pupil Growth Aid	495-034-5120-097	22,880	7/1/16-6/30/17	-	22,880	(22,880)	-	-	-	(2,020)	22,880
Professional Learning Community Aid	495-034-5120-101	24,530	7/1/16-6/30/17	-	24,530	(24,530)	-	-	-	(2,166)	24,530
Host District Support Aid	495-034-5120-102	277	7/1/16-6/30/17	-	277	(277)	-	-	-	(24)	277
Total State Aid Cluster				-	8,573,628	(8,573,628)	-	-	-	(756,861)	8,573,628
Transportation Aid	495-034-5120-014	293,272	7/1/16-6/30/17	-	293,272	(293,272)	-	-	-	(25,890)	293,272
Extraordinary Aid	495-034-5120-044	144,531	7/1/16-6/30/17	-	-	(144,531)	-	-	(144,531)	-	144,531
Extraordinary Aid	495-034-5120-044	160,867	7/1/15-6/30/16	(160,867)	160,867	-	-	-	-	-	-
Additional Non-Public School Transportation Aid	495-034-5120-014	29,928	7/1/16-6/30/17	-	-	(29,928)	-	-	(29,928)	-	29,928
Additional Non-Public School Transportation Aid	495-034-5120-014	37,072	7/1/15-6/30/16	(37,072)	37,072	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	495-034-5094-003	1,024,732	7/1/16-6/30/17	-	974,658	(1,024,732)	-	-	(50,074)	-	1,024,732
Reimbursed TPAF Social Security Contribution	495-034-5094-003	991,846	7/1/15-6/30/16	(48,437)	48,437	-	-	-	-	-	-
Noncash Assistance:											
TPAF - Pension Contribution	495-034-5094-002	1,430,915	7/1/16-6/30/17	-	1,430,915	(1,430,915)	-	-	-	-	1,430,915
TPAF - Post Retirement Medical Contribution	495-034-5094-001	1,192,277	7/1/16-6/30/17	-	1,192,277	(1,192,277)	-	-	-	-	1,192,277
TPAF - Long-Term Disability Insurance	495-034-5094-003	5,824	7/1/16-6/30/17	-	5,824	(5,824)	-	-	-	-	5,824
Total General Fund Assistance				(246,376)	12,716,950	(12,695,107)	-	-	(224,533)	(782,751)	12,695,107
Debt Service Fund:											
Debt Service Aid	495-034-5120-075	430,348	7/1/16-6/30/17	-	430,348	(430,348)	-	-	-	-	430,348
Total Debt Service Fund Assistance				-	430,348	(430,348)	-	-	-	-	430,348
State Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program	100-010-3350-023	8,715	7/1/16-6/30/17	-	7,920	(8,715)	-	-	(795)	-	8,715
National School Lunch Program	100-010-3350-023	8,686	7/1/15-6/30/16	(647)	647	-	-	-	-	-	-
Total Enterprise Fund Assistance				(647)	8,567	(8,715)	-	-	(795)	-	8,715
NJ SCHOOL DEVELOPMENT AUTHORITY											
Capital Projects Fund:											
KRMS - Additions/Renovations	2440-060-10-1003	2,866,467	1/6/12-6/30/14	(204,390)	-	-	-	-	(204,390)	-	2,866,467
Total Capital Projects Fund Assistance				(204,390)	-	-	-	-	(204,390)	-	2,866,467
Total State Financial Assistance				\$ (451,413)	\$ 13,155,865	\$ (13,134,170)	\$ -	\$ -	\$ (429,718)	\$ (782,751)	\$ 16,000,637

On-Behalf TPAF Pension Contributions \$ 1,430,915
On-Behalf TPAF Post-Retirement 1,192,277
On-Behalf TPAF Post-Retirement 5,824
Total State Financial Assistance Reported on Single Audit Summary \$ (10,505,154)

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Kingsway Regional School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent 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 School District for the year ended June 30, 2017. 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, 2017.

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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments 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 \$16,217 for the general fund and \$3,891 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 14,804	\$ 12,711,324	\$ 12,726,128
Special Revenue Fund	555,755	-	555,755
Debt Service Fund	-	430,348	430,348
Food Service Fund	295,799	8,715	304,514
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 866,358</u>	<u>\$ 13,150,387</u>	<u>\$ 14,016,745</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

The Kingsway Regional School District had no loan balances outstanding at June 30, 2017.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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? yes x no

2) Significant deficiency(ies) identified? yes x none reported

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

1) Material weakness(es) identified? yes x no

2) Significant deficiency(ies) identified? yes x 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 Uniform Guidance? yes x no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A160100	IDEA B - Part B, Regular
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes x no

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs _____ \$750,000.00 _____

Auditee qualified as low-risk auditee? _____ x _____ yes _____ no

Internal control over major programs:

 1) Material weakness(es) identified? _____ yes _____ x _____ no

 2) Significant deficiency(ies) identified? _____ yes _____ x _____ no

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 New Jersey OMB's Circular 15-08? _____ yes _____ x _____ no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
_____ 495-034-5120-078 _____	_____ State Aid Public: _____
_____ 495-034-5120-089 _____	_____ Equalization Aid _____
_____ 495-034-5120-084 _____	_____ Special Education Categorical Aid _____
_____ 495-034-5120-094 _____	_____ Security Aid _____
_____ 495-034-5120-096 _____	_____ Supplemental Enrollment Growth Aid _____
_____ 495-034-5120-098 _____	_____ Under Adequacy Aid _____
_____ 495-034-5120-097 _____	_____ PARCC Readiness Aid _____
_____ 495-034-5120-101 _____	_____ Per Pupil Growth Aid _____
_____ 495-034-5120-102 _____	_____ Professional Learning Community Aid _____
_____ 495-034-5120-075 _____	_____ Host District Support Aid _____
_____ 495-034-5094-003 _____	_____ Debt Service Aid _____
_____ _____	_____ Reimbursed TPAF Social Security Contributions _____
_____ _____	_____ _____

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

None.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

None.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.