

KINGSWAY REGIONAL SCHOOL DISTRICT

Woolwich Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019



Prepared by: Jason Schimpf
School Business Administrator/
Board Secretary

OUTLINE OF CAFR

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	9
Roster of Officials	11
Consultants and Advisors	13
FINANCIAL SECTION	
Independent Auditors' Report	17
REQUIRED SUPPLEMENTARY INFORMATION - PART I	
Management's Discussion & Analysis	23
BASIC FINANCIAL STATEMENTS	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	35
A-2 Statement of Activities	36
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	43
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	44
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	45
Proprietary Funds:	
B-4 Statement of Net Position	49
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	51
B-6 Statement of Cash Flows	53
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	57
B-8 Statement of Changes in Fiduciary Net Position	58
Notes to Financial Statements	61
REQUIRED SUPPLEMENTARY INFORMATION - PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	103
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	109
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	113
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	119
L-2 Schedule of District Contributions - PERS	120
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	121
L-4 Schedule of School District Contributions	122
M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75):	
M-1 Schedule of the Change in the Net OPEB Liability and Related Ratios - OPEB	125
Notes to the Required Supplementary Information - Part III	126

	PAGE
D. School Based Budget Schedules (if applicable):	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	133
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	137
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	138
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	N/A
F-2b Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	139
F-2c Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	140
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	145
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	146
G-3 Combining Statement of Cash Flows	147
Internal Service Funds:	
G-4 Combining Statement of Net Position	151
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	152
G-6 Combining Statement of Cash Flows	153
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	157
H-2 Combining Statement of Changes in Fiduciary Net Position	158
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	159
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	159
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	163
I-2 Schedule of Obligations Under Capital Leases	164
I-3 Debt Service Fund Budgetary Comparison Schedule	165

STATISTICAL SECTION (unaudited)

Financial Trends:	
J-1 Net Position by Component	169
J-2 Changes in Net Position	170
J-3 Fund Balances - Governmental Funds	172
J-4 Changes in Fund Balance - Governmental Funds	173
J-5 Other Local Revenue by Source - General Fund	175
Revenue Capacity:	
J-6 Assessed Value & Estimated Actual Value of Taxable Property	176
J-7 Direct & Overlapping Property Tax Rates	177
J-8 Principal Property Taxpayers	178
J-9 Property Tax Levies & Collections	180
Debt Capacity:	
J-10 Ratios of Outstanding Debt by Type	181
J-11 Ratios of General Bonded Debt Outstanding	182
J-12 Direct & Overlapping Governmental Activities Debt	183
J-13 Legal Debt Margin Information	184

	PAGE
Demographic & Economic Information:	
J-14 Demographic & Economic Statistics	185
J-15 Principal Employers	186
Operating Information:	
J-16 Full-Time Equivalent District Employees by Function/Program	187
J-17 Operating Statistics	188
J-18 School Building Information	189
J-19 Schedule of Required Maintenance	190
J-20 Insurance Schedule	191

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	195
K-2 Independent Auditors' 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	197
K-3 Schedule of Expenditures of Federal Awards, Schedule A	199
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	200
K-5 Notes to Schedules of Awards and Financial Assistance	201
K-6 Schedule of Findings & Questioned Costs	203
K-7 Summary Schedule of Prior Audit Findings	205
K-8 Summary Schedule of Prior Audit Findings and Questioned Costs as Prepared by Management	207

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INTRODUCTORY SECTION

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KINGSWAY REGIONAL SCHOOL DISTRICT

Committed to Excellence

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

*Mr. Jason Schimpf, ext. 4203
School Business Administrator*

December 12, 2019

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, 2019, 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, 2019. 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, findings, and recommendations, are included in the single audit section of this report.

Reporting Entity

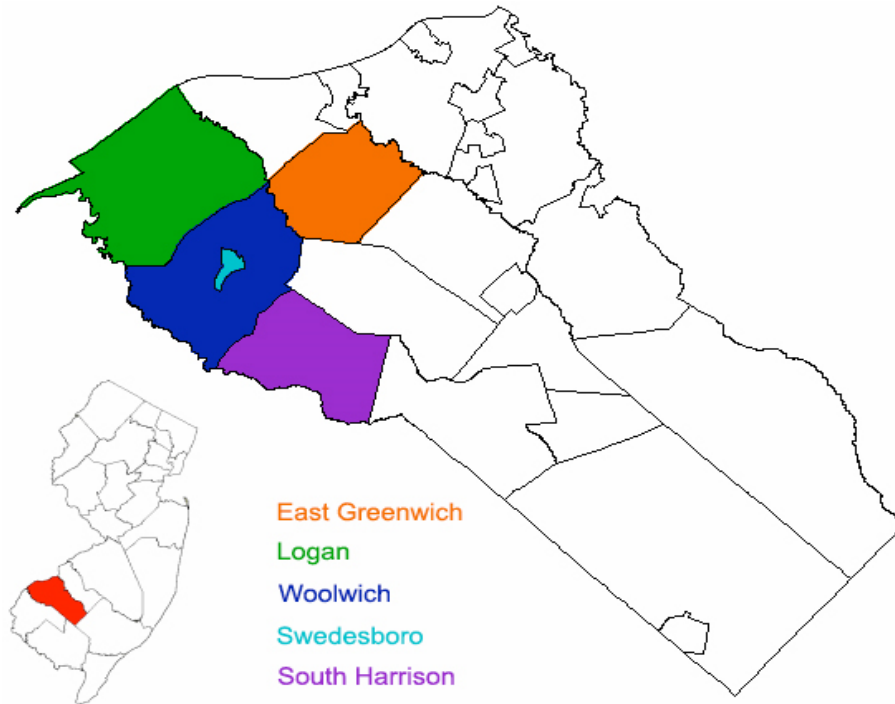
The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are

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 29,000 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 2018-2019 fiscal year with an Average Daily Enrollment (“ADE”) of 2,706.4 students. 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>
2018-19	2,706.4	+ <1%
2017-18	2,706.2	+1.6%
2016-17	2,663.7	+4.2%
2015-16	2,556.0	+1.0%
2014-15	2,534.0	+4.0%

Economic Condition and Outlook

Fiscal Year 2019 (FY19) was the first step of Kingsway Regional’s journey towards full and equitable state funding. The District was fortunate to have a core group of passionate community members that worked tirelessly to ensure that Kingsway received its fair share of state aid. The passage of bill S2 in July of 2018 modified the school funding law by eliminating adjustment aid and the state aid growth limit, thereby allowing for a fair redistribution of state aid that will bring all New Jersey school districts to 100% of SFRA funding over the course of seven years. By FY25, Kingsway should receive its full share of uncapped state aid, an increase of more than \$8.8 over the next six years.

In FY19, Kingsway received an additional \$2.129 million in state aid. This additional aid allowed the district to add 21.5 additional positions including 18.5 teachers, 2 educational support professionals, and 1 instructional supervisor.

In FY20, Kingsway Regional will receive an additional \$1.152 million in state aid. This additional state aid continues to pave our financial path towards full funding, allowing our district to fully implement the measures necessary to provide our students with the best possible educational opportunities to ensure they are equipped with the knowledge, skills and experience to succeed in an evolving global society.

With the passage of S2 and the Governor’s pledge for the state of NJ to fully fund the state aid formula, the district can more accurately predict future revenues and dedicate funds to priority initiatives. FY19 laid the groundwork for the districts seven-year path towards full funding while finally restoring long-term fiscal sustainability.



Overview of Instructional Program

Math (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous and relevant experience in math and work to close identified achievement gaps, teachers will continue to work within their PLTs to revise and align the curricula and related local assessments to ensure alignment to NJSLs. Next year, the use of data to make informed instructional decisions in math for individual students will be a large PD focus (LinkIT!). The district will also expand its purchase of Big Ideas to support Algebra I, II, and Geometry 7-12 and continue to use iXL to support individual student through targeted practice. The middle school will be expanding its advanced math offerings by implementing a geometry course at the 8th grade level and BSI needs will be facilitated through iReady diagnostic and program in grades 7&8.

Science (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous and relevant experience in science and work to close identified achievement gaps, teachers will continue to work within their PLTs to revise and align the curricula and related local assessments to ensure alignment to NJSLs. Next year, the use of data to make informed instructional decisions in science for individual students will be a large PD focus (LinkIT!). The district will continue to enhance instruction through the purchase of Gizmos, Project Lead the Way's Engineering curriculum, and related lab supplies & materials. The middle school will also be piloting a science program in grades 7 and 8 in 2019-2020 with the goal of implementation in Sept. 2020.

Language Arts Literacy - (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous and relevant experience in ELA and work to close identified achievement gaps, teachers will continue to work within their PLTs to revise and align the curricula and related local assessments to ensure alignment to NJSLs. Next year, the use of data to make informed instructional decisions in ELA for individual students will be a large PD focus (LinkIT!). The district will also expand its purchase of novels that reflect diversity to allow student choice in an effort to increase student engagement and get them excited about literacy through connection. We will also continue to use TurnItIn throughout all high school English classes as well as MyAccess & iXL in ELA BSI courses.

Social Studies - (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous and relevant experience in Social Studies and work to close identified achievement gaps, teachers will continue to work within their PLTs to revise and align the curricula and related local assessments to ensure alignment to NJSLs. Next year, the use of data to make informed instructional decisions in ELA for individual students will be a large PD focus (LinkIT!). The district will also work to support social studies teachers to ensure diverse perspectives within the conversations had in the history classroom, which will be supported through Hard History professional development 7-12. Additional subscription-based supplemental materials will also be purchased to supplement classroom



instruction at the middle school and two AP history teachers will attend AP training this summer to support instruction of these courses in the classroom.

21st Century Life and Careers - (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous, relevant, and tailored educational experience teachers will continue to work within their PLTs to revise and align the 21st Century Life & Careers curricula to ensure alignment to NJSLs. In continued support for this work, teachers will engage in professional learning related to differentiated instruction, assessment literacy, and student-centered instruction. The district will bring on an *Honors Capstone Course* for all senior Academy students as well as an *Exploring the Digital World* course at the middle school. We continue to offer college & career focused academies and programs, including the *STEM Academy*, *Business Leadership Academy*, *Animal Science partnership with St. Francis*, and the *Allied Health program with Rothman*. Kingsway also continues to include a *Career Explorations* course as a graduation requirement for all its high school students. Additionally, this budget continues to support DECA participation of all BLA student at the high school.

World Language - (New Jersey Student Learning Standards)

As we continue to work to provide our students with a rigorous and relevant educational experience and work to close identified achievement gaps, this summer, the world language department at the high school will revise all curricula 9-12 to ensure alignment to the NJSLs. This revision will include a resequencing of the courses that contains a new Advanced Level II, Honors Level III, and Honors Level IV for all offered languages. Because of this work, textbooks and online resources will be purchased to support the new curricula as we work to prepare students for graduation. The middle school will continue to evaluate their current curricula and resources as they work to prepare students for this new sequencing next year.

Visual and Performing Arts - (New Jersey Student Learning Standards)

To ensure we are offering a well-rounded educational experience for the students for which the V&P Arts are a component, the district continues to implement a variety of course offerings aligned to the NJSLs. Funds will support the effective implementation of these, including the purchase of Smart Music Software Subscription, typical consumables needed to run the arts courses, typical supplies needed to instruct the music courses, related PD, and a music synthesizer.

Comprehensive Health & P.E. - (New Jersey Student Learning Standards)

As we continue to work to provide our students with a PE & Health curricula that not only enhances physical but also the social and emotional, this summer the PE & Health departments at the middle school and high school will revise all curricula 9-12 to ensure alignment to the NJSLs. This revision will include an emphasis on the integration of social/emotional supports for students (i.e. understanding and coping with stress, anxiety, mental health issues, etc.). As a result of this work, supplemental materials to deliver this new curriculum will be purchased in addition to replacement of old equipment.



Technology- (New Jersey Student Learning Standards)

As we continue to work to integrate technology effectively and through a blended approach there continues to be a focus on technology integration into all curricula and instruction through the use of the SAMR method. We believe this helps to reinforce the NJSLS technology standards effectively and in a responsible manner. Additionally, the district will allocate funds to the revision of the Video Game Design course this summer. Funds will also be allocated to necessary resources to support this course as well as other technology courses throughout the district. Funds will also be dedicated to PD related to computer science as we work to build our future technology course offerings as well as related equipment updates needed for our TV Production Program.

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 appropriation 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

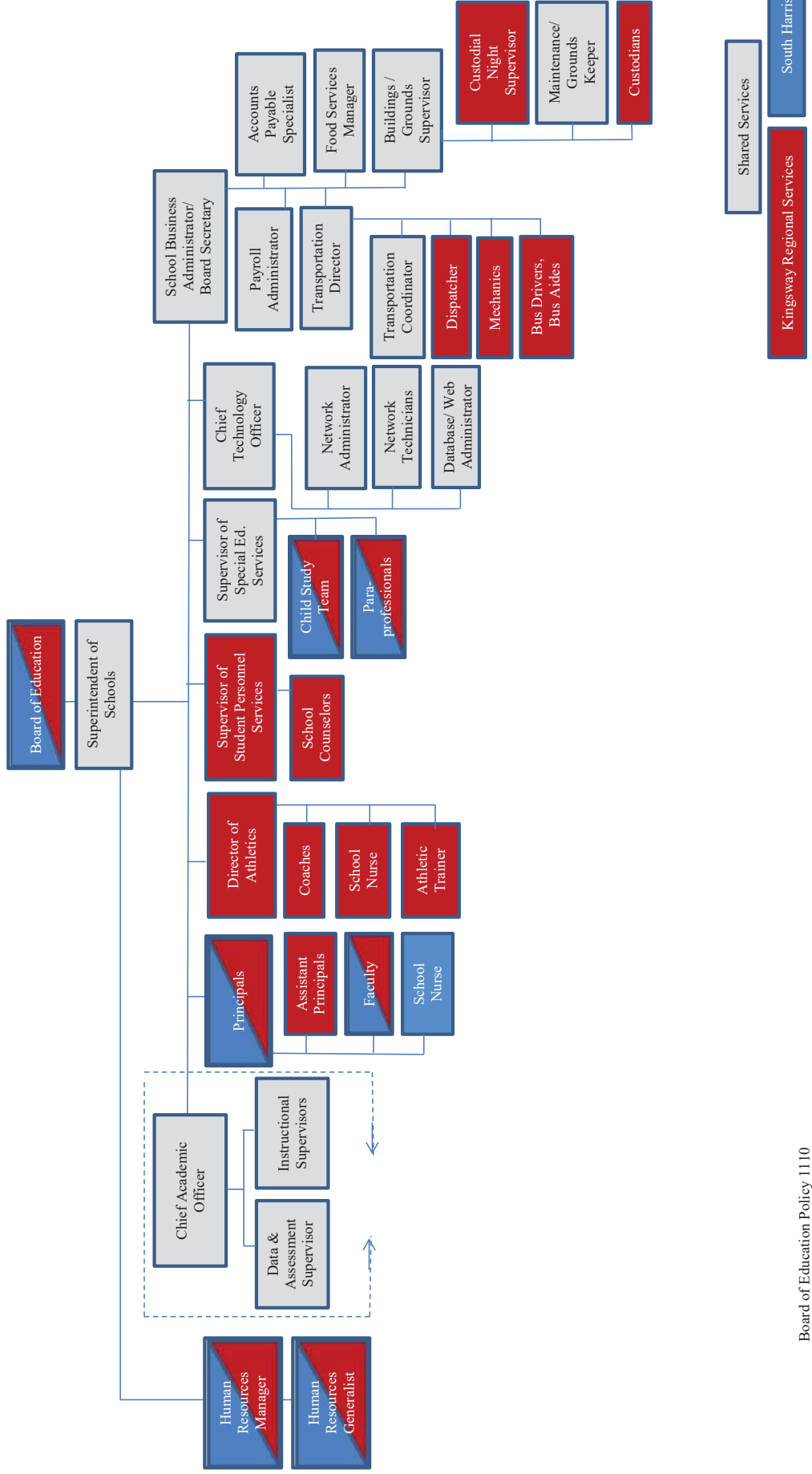


Jason Schimpf
School Business Administrator/
Board Secretary





KINGSWAY REGIONAL AND SOUTH HARRISON SCHOOL DISTRICTS



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KINGSWAY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2019

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Mueller, President	2021
Jennifer Cavallaro-Fromm, Vice President	2021
Christie Callahan Comerford	2019
Dr. Michele Blair	2021
Lisa Mordecai-Daniel	2020
Pamela Roney	2020
Lauren Boerlin	2019
Deborah Cunningham	2019
Marilyn O'Rourke-Young	2021
Frank Donnelly, Logan Township Representative	2019

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

Comegno Law Group PC
521 Pleasant Valley Avenue
Moorestown, New Jersey 08057

Architect

Garrison Architects
713 Creek Road
Bellmawr, New Jersey 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 08085

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, 2019, 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, 2019, 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 and other post-employment benefits, 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing

procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements 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 December 12, 2019 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
December 12, 2019

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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, 2019
(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, 2019. 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, 2019
(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, 2019
(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 year 2019 compared to fiscal year 2018.

Table 1
Summary of Net Position

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 7,480,220	\$ 8,316,619	\$ (836,399)	-10.1%
Capital Assets, Net	<u>56,312,966</u>	<u>56,874,219</u>	<u>(561,253)</u>	-1.0%
Total Assets	<u>63,793,186</u>	<u>65,190,838</u>	<u>(1,397,652)</u>	-2.1%
Deferred Outflow of Resources	<u>4,629,242</u>	<u>6,392,277</u>	<u>(1,763,035)</u>	-27.6%
Current and other Liabilities	1,928,517	2,567,335	(638,818)	-24.9%
Noncurrent Liabilities	<u>49,667,293</u>	<u>54,133,863</u>	<u>(4,466,570)</u>	-8.3%
Total Liabilities	<u>51,595,810</u>	<u>56,701,198</u>	<u>(5,105,388)</u>	-9.0%
Deferred Inflow of Resources	<u>4,273,314</u>	<u>2,997,937</u>	<u>1,275,377</u>	42.5%
Net Position:				
Net Investment in Capital Assets	21,300,192	19,959,780	1,340,412	6.7%
Restricted	5,390,046	5,788,430	(398,384)	-6.9%
Unrestricted (Deficit)	<u>(14,136,934)</u>	<u>(13,864,230)</u>	<u>(272,704)</u>	2.0%
Total Net Position	<u>\$ 12,553,304</u>	<u>\$ 11,883,980</u>	<u>\$ 669,324</u>	5.6%

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2019 compared to fiscal year 2018.

Table 2
Summary of Changes in Net Position

	June 30, <u>2019</u>	June 30, <u>2018</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 3,590,151	\$ 3,607,673	\$ (17,522)	-0.5%
Operating Grants & Contributions	10,215,043	13,053,222	(2,838,179)	-21.7%
General Revenues:				
Property Taxes	24,437,215	23,526,606	910,609	3.9%
Federal & State Aid	12,304,745	10,293,094	2,011,651	19.5%
Other General Revenues	3,041,819	3,093,160	(51,341)	-1.7%
Total Revenues	53,588,973	53,573,755	15,218	0.0%
Function/Program Expenditures:				
Regular Instruction	14,265,494	12,871,811	1,393,683	10.8%
Special Education Instruction	3,553,738	3,186,610	367,128	11.5%
Other Instruction	49,609	45,609	4,000	8.8%
School Sponsored	1,163,490	1,076,456	87,034	8.1%
Tuition	2,788,805	2,665,297	123,508	4.6%
Student & Instruction Related Services	3,422,427	2,975,097	447,330	15.0%
General Administrative	830,930	756,642	74,288	9.8%
School Administrative Services	2,612,885	2,591,389	21,496	0.8%
Central Services	457,177	403,914	53,263	13.2%
Administrative Info. Technology	637,046	598,420	38,626	6.5%
Plant Operations & Maintenance	3,638,924	3,474,201	164,723	4.7%
Pupil Transportation	4,965,163	4,602,728	362,435	7.9%
Unallocated Benefits	9,855,809	13,142,094	(3,286,285)	-25.0%
Transfer to Charter Schools	-	3,720	(3,720)	100.0%
Interest & Other Charges	1,257,464	1,317,904	(60,440)	-4.6%
Unallocated Depreciation	1,912,414	1,980,299	(67,885)	-3.4%
Food Service	1,307,707	1,301,292	6,415	0.5%
Community Education Program	200,567	169,482	31,085	18.3%
Total Expenditures	52,919,649	53,162,965	(243,316)	-0.5%
Change In Net Position	669,324	410,790	258,534	62.9%
Net Position - Beginning	11,883,980	11,473,190	410,790	3.6%
Net Position - Ending	\$ 12,553,304	\$ 11,883,980	\$ 669,324	5.6%

Governmental Activities

During the fiscal year 2019, the net position of governmental activities increased by \$560,939 or 5.2%. The primary reason for the increase was through the normal operations of the District.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$11,443,367, with an unrestricted deficit balance of \$(15,114,769). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)**

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)	\$	(15,114,769)
Add back: PERS Pension Liability		12,549,849
Less: Deferred Outflows related to pensions		(3,784,513)
Add back: Deferred Inflows related to pensions		<u>4,273,314</u>
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	<u>(2,076,119)</u>

Business-type Activities

During the fiscal year 2019, the net position of business-type activities increased by \$108,385 or 10.8%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$1,109,937.

General Fund Budgeting Highlights

Final budgeted revenues were \$36,204,048, which was an increase of \$1,650,013 from the original budget. The increase was due to an increase in state aid received during the 18/19 school year. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$395,423.

Final budgeted appropriations were \$37,616,691, which was an increase of \$1,835,406 from the original budget. The increase is due to prior year reserve for encumbrances and an increase in state aid, 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 \$647,024.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,620,831 at June 30, 2019, a decrease of \$17,020 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 \$5,578,997, a decrease of \$341,694 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$240,733 to \$3,542,177 at June 30, 2019, compared to an increase of \$258,873 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:

- Increase in Capital Outlay expenditures in 18/19 compared to 17/18

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

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Capital projects fund – There was no change in the fund balance for the capital projects fund.

Debt service fund - During the current fiscal year, the fund balance of the School District's debt service fund decreased by \$100,961 to \$4,203 at June 30, 2019, compared to an increase of \$105,164 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 \$14,297 to \$588,180 at June 30, 2019, compared to an increase of \$79,196 in fund balance in the prior fiscal year.

Community Education Fund - During the current fiscal year, the net position of the School District's community education fund increased by \$94,088 to \$521,757 at June 30, 2019, compared to an increase of \$97,383 in fund balance in the prior fiscal year.

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

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2019, totaled \$56,312,966 (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 \$(561,253). This decrease is primarily due to the current year depreciation of capital assets. Table 4 shows fiscal 2019 balances compared to 2018.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2019</u>	<u>June 30,</u> <u>2018</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	170,463	7,602	162,861	2142.3%
Land Improvements	1,042,532	1,112,235	(69,703)	-6.3%
Building and Improvements	47,798,808	49,574,002	(1,775,194)	-3.6%
Equipment	4,819,885	3,699,102	1,120,783	30.3%
	<u>\$ 56,312,966</u>	<u>\$ 56,874,219</u>	<u>\$ (561,253)</u>	<u>-1.0%</u>

Depreciation expense for the year was \$1,912,414. 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 \$34,359,000, which is a decrease of \$2,230,000 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.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2019
(Unaudited) (Continued)

Factors on the School District's Future

Fiscal Year 2019 (FY19) was the first step of Kingsway Regional's journey towards full and equitable state funding. The District was fortunate to have a core group of passionate community members that worked tirelessly to ensure that Kingsway received its fair share of state aid. The passage of bill S2 in July of 2018 modified the school funding law by eliminating adjustment aid and the state aid growth limit, thereby allowing for a fair redistribution of state aid that will bring all New Jersey school districts to 100% of SFRA funding over the course of seven years. By FY25, Kingsway should receive its full share of uncapped state aid, an increase of more than \$8.8 over the next six years.

In FY19, Kingsway received an additional \$2.129 million in state aid. This additional aid allowed the district to add 21.5 additional positions including 18.5 teachers, 2 educational support professionals, and 1 instructional supervisor.

In FY20, Kingsway Regional will receive an additional \$1.152 million in state aid. This additional state aid continues to pave our financial path towards full funding, allowing our district to fully implement the measures necessary to provide our students with the best possible educational opportunities to ensure they are equipped with the knowledge, skills and experience to succeed in an evolving global society.

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, 2019

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,907,816	\$ 1,013,328	\$ 3,921,144
Receivables, Net (Note 4)	1,561,313	20,605	1,581,918
Internal Balances	-	-	-
Inventory	-	11,109	11,109
Restricted Cash & Cash Equivalents	1,966,049	-	1,966,049
Capital Assets, Non-Depreciable (Note 5)	2,651,741	-	2,651,741
Capital Assets, Depreciable, Net (Note 5)	53,529,123	132,102	53,661,225
Total Assets	62,616,042	1,177,144	63,793,186
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,784,513	-	3,784,513
Related to Loss on Debt Refunding	844,729	-	844,729
Total Deferred Outflow of Resources	4,629,242	-	4,629,242
Total Assets and Deferred Outflow of Resources	67,245,284	1,177,144	68,422,428
LIABILITIES:			
Accounts Payable	838,908	361	839,269
Internal Balances	296	-	296
Unearned Revenue	16,977	23,646	40,623
Accrued Interest	479,237	-	479,237
Due to Other Governments	569,092	-	569,092
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,491,343	-	2,491,343
Due Beyond One Year	47,132,750	43,200	47,175,950
Total Liabilities	51,528,603	67,207	51,595,810
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	4,273,314	-	4,273,314
Total Deferred Inflows of Resources	4,273,314	-	4,273,314
Total Liabilities and Deferred Inflows of Resources	55,801,917	67,207	55,869,124
NET POSITION:			
Net Investment in Capital Assets	21,168,090	132,102	21,300,192
Restricted For:			
Capital Projects	3,998,666	-	3,998,666
Debt Service	4,203	-	4,203
Excess Surplus	1,387,177	-	1,387,177
Unrestricted	(15,114,769)	977,835	(14,136,934)
Total Net Position	\$ 11,443,367	\$ 1,109,937	\$ 12,553,304

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, 2019**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	14,265,494	\$ -	\$ -	\$ (14,265,494)	\$ -	(14,265,494)
Special Education	3,553,738	-	171,679	(3,382,059)	-	(3,382,059)
Other Instructional	49,609	-	-	(49,609)	-	(49,609)
School Sponsored	1,163,490	-	-	(1,163,490)	-	(1,163,490)
Support Services & Undistributed Costs:						
Tuition	2,788,805	-	387,874	(2,400,931)	-	(2,400,931)
Student & Instruction Related Services	3,422,427	-	75,907	(3,346,520)	-	(3,346,520)
Health Services	329,104	-	-	(329,104)	-	(329,104)
Educational Media Services/School Library	636,727	-	-	(636,727)	-	(636,727)
School Administrative Services	1,647,054	-	-	(1,647,054)	-	(1,647,054)
General Administration	830,930	173,586	-	(657,344)	-	(657,344)
Central Services	457,177	-	-	(457,177)	-	(457,177)
Administrative Information Technology	637,046	148,815	-	(488,231)	-	(488,231)
Plant Operations & Maintenance	3,638,924	61,163	-	(3,577,761)	-	(3,577,761)
Pupil Transportation	4,965,163	1,874,897	-	(3,090,266)	-	(3,090,266)
Interest on Long-Term Debt and Other Charges	1,257,464	-	-	(1,257,464)	-	(1,257,464)
Unallocated Depreciation	1,912,414	-	-	(1,912,414)	-	(1,912,414)
Unallocated Benefits	9,855,809	-	9,294,614	(561,195)	-	(561,195)
Total Governmental Activities	51,411,375	2,258,461	9,930,074	(39,222,840)	-	(39,222,840)
Business-Type Activities:						
Food Service	1,307,707	1,037,035	284,969	-	14,297	14,297
Community Education Program	200,567	294,655	-	-	94,088	94,088
Total Business-Type Activities	1,508,274	1,331,690	284,969	-	108,385	108,385
Total Primary Government	\$ 52,919,649	\$ 3,590,151	\$ 10,215,043	(39,222,840)	108,385	(39,114,455)

**KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		BUSINESS- TYPE ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				21,597,640	21,597,640
Taxes Levied for Debt Service				2,839,575	2,839,575
Federal & State Aid Not Restricted				11,804,253	11,804,253
Federal & State Aid Restricted				500,492	500,492
Transportation Fees				1,983	1,983
Tuition Charges				2,476,547	2,476,547
Rents and Royalties				79,120	79,120
Investment Earnings				23,011	23,011
Miscellaneous Income				461,158	461,158
				39,783,779	39,783,779
Total General Revenues, Special Items, Extraordinary Items & Transfers					
Change In Net Position				108,385	669,324
Net Position - Beginning				10,882,428	11,883,980
Net Position - Ending				\$ 11,443,367	\$ 12,553,304

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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, 2019**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ -	\$ -	\$ 2,481,654	\$ -	\$ 2,481,654
Receivables from Other Governments	983,198	176,486	-	83,288	1,242,972
Due from Other Funds	938,598	-	-	6,101	944,699
Receivables, Net	123,734	43,276	-	-	167,010
Restricted Cash & Cash Equivalents	1,966,049	-	-	-	1,966,049
	<hr/>				
Total Assets	<u>\$ 4,011,579</u>	<u>\$ 219,762</u>	<u>\$ 2,481,654</u>	<u>\$ 89,389</u>	<u>\$ 6,802,384</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 198,644	\$ -	\$ 85,186	\$ 283,830
Unearned Revenue	-	16,977	-	-	16,977
Accounts Payable	469,106	153	-	-	469,259
Due to Other Funds	296	3,988	79,388	-	83,672
Construction Contract Payable - Retainage	-	-	369,649	-	369,649
	<hr/>				
Total Liabilities	469,402	219,762	449,037	85,186	1,223,387
Fund Balances:					
Restricted for:					
Capital Reserve	1,966,049	-	-	-	1,966,049
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	644,003	-	-	-	644,003
Excess Surplus - Current year	743,174	-	-	-	743,174
Capital Projects	-	-	2,032,617	-	2,032,617
Debt Service	-	-	-	4,203	4,203
Committed to:					
Other Purposes	254,820	-	-	-	254,820
Unassigned	(65,869)	-	-	-	(65,869)
	<hr/>				
Total Fund Balances	3,542,177	-	2,032,617	4,203	5,578,997
	<hr/>				
Total Liabilities & Fund Balances	<u>\$ 4,011,579</u>	<u>\$ 219,762</u>	<u>\$ 2,481,654</u>	<u>\$ 89,389</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$94,001,354 and the accumulated depreciation is \$37,820,490.	56,180,864
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	3,784,513
Deferred Inflows related to pensions	(4,273,314)
Deferred Outflow related to the loss on bond refunding of debt	844,729
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.	(479,237)
Accrued pension contributions for the June 30, 2019 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.	(569,092)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(49,624,093)</u>
Net Position of Governmental Activities	<u>\$ 11,443,367</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS JUNE 30, 2019
Revenues:					
Local Sources:					
Local Tax Levy	\$ 21,597,640	\$ -	\$ -	\$ 2,839,575	\$ 24,437,215
Tuition	2,476,547	-	-	-	2,476,547
Transportation	1,983	-	-	-	1,983
Rents and Royalties	79,120	-	-	-	79,120
Miscellaneous	416,215	67,561	-	393	484,169
Total Local Sources	24,571,505	67,561	-	2,839,968	27,479,034
State Sources	16,631,676	-	-	500,492	17,132,168
Federal Sources	12,775	635,460	-	-	648,235
Total Revenues	41,215,956	703,021	-	3,340,460	45,259,437
Expenditures:					
Current Expense:					
Regular Instruction	11,033,587	-	-	-	11,033,587
Special Education Instruction	2,611,627	171,679	-	-	2,783,306
Other Instruction	49,609	-	-	-	49,609
School Sponsored	1,068,922	-	-	-	1,068,922
Support Services:					
Tuition	2,333,370	455,435	-	-	2,788,805
Attendance Services	114,630	-	-	-	114,630
Health Services	277,610	-	-	-	277,610
Student & Instruction Related Services	2,470,336	75,907	-	-	2,546,243
Educational Media Services/School Library	252,339	-	-	-	252,339
Instructional Staff Training	97,266	-	-	-	97,266
General Administration	563,954	-	-	-	563,954
School Administration	1,536,163	-	-	-	1,536,163
Central Services	457,177	-	-	-	457,177
Administrative Information Technology	498,736	-	-	-	498,736
Plant Operations & Maintenance	2,936,420	-	-	-	2,936,420
Pupil Transportation	3,030,913	-	-	-	3,030,913
Unallocated Employee Benefits	6,177,743	-	-	-	6,177,743
On Behalf TPAF Pension and Social Security Contributions	4,840,198	-	-	-	4,840,198
Debt Service:					
Principal	-	-	-	2,230,000	2,230,000
Interest & Other Charges	116,737	-	-	1,211,421	1,328,158
Capital Outlay	1,342,528	-	-	-	1,342,528
Total Expenditures	41,809,865	703,021	-	3,441,421	45,954,307
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(593,909)	-	-	(100,961)	(694,870)
Other Financing Sources/(Uses)					
Capital Lease Proceeds	266,980	-	-	-	266,980
Transfers In	86,196	-	-	-	86,196
Total Other Financing Sources/(Uses)	353,176	-	-	-	353,176
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	(240,733)	-	-	(100,961)	(341,694)
Fund Balances July 1	\$ 3,782,910	\$ -	\$ 2,032,617	\$ 105,164	\$ 5,920,691
Fund Balances June 30	\$ 3,542,177	\$ -	\$ 2,032,617	\$ 4,203	\$ 5,578,997

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, 2019**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (341,694)

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

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

	Depreciation Expense	\$ (1,912,414)	
	Capital Outlay	<u>1,342,528</u>	(569,886)

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		2,230,000
--	----------------	--	-----------

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	-	
	Capital Lease Proceeds	<u>(266,980)</u>	(266,980)

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	437,160	
	Current Year	<u>(386,794)</u>	50,366

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.

(486,955)

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 (+).

20,328

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 (+).

(74,240)

Change in Net Position of Governmental Activities \$ 560,939

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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, 2019**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 491,571	\$ 521,757	\$ 673,796	\$ 73,809
Accounts Receivable	20,605	-	99,755	211
Other Receivable	-	-	6	-
Inventories	11,109	-	-	-
Total Current Assets	523,285	521,757	773,557	74,020
Noncurrent Assets:				
Equipment	808,339	-	-	-
Accumulated Depreciation	(676,237)	-	-	-
Total Capital Assets	132,102	-	-	-
Total Assets	655,387	521,757	773,557	74,020
LIABILITIES:				
Current Liabilities:				
Accounts Payable	361	-	-	-
Interfund Payable	-	-	773,557	74,020
Unearned Revenue	23,646	-	-	-
Total Current Liabilities	24,007	-	773,557	74,020
Noncurrent Liabilities:				
Compensated Absences	43,200	-	-	-
Total Noncurrent Liabilities	43,200	-	-	-
Total Liabilities	67,207	-	773,557	74,020
NET POSITION				
Investment in Capital Assets	132,102	-	-	-
Unrestricted Net Position	456,078	521,757	-	-
Total Net Position	\$ 588,180	\$ 521,757	\$ -	\$ -

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, 2019**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Current Assets:			
Cash & Cash Equivalents	\$ 18,927	\$ -	\$ 1,779,860
Interfund Receivable	-	5,181	5,181
Accounts Receivable	-	51,359	171,930
Other Receivables	-	-	6
Inventories	-	-	11,109
Total Current Assets	18,927	56,540	1,968,086
Noncurrent Assets:			
Equipment	-	-	808,339
Accumulated Depreciation	-	-	(676,237)
Total Capital Assets	-	-	132,102
Total Assets	18,927	56,540	2,100,188
LIABILITIES:			
Current Liabilities:			
Cash Deficit	-	56,540	56,540
Accounts Payable	-	-	361
Interfund Payable	18,927	-	866,504
Unearned Revenue	-	-	23,646
Total Current Liabilities	18,927	56,540	947,051
Noncurrent Liabilities:			
Compensated Absences	-	-	43,200
Total Noncurrent Liabilities	-	-	43,200
Total Liabilities	18,927	56,540	990,251
NET POSITION			
Net Investment in Capital Assets	-	-	132,102
Unrestricted Net Position	-	-	977,835
Total Net Position	\$ -	\$ -	\$ 1,109,937

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, 2019**

	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	\$ -	\$ -	\$ 1,790,920	\$ -
Sale of Gasoline	-	-	9,682	-
Daily Sales - Reimbursable Programs	532,164	-	-	-
Daily Sales - Nonreimbursable Programs	443,606	-	-	-
Vending Machine Sales	4,279	-	-	-
Special Function	56,986	-	-	-
Program Fees	-	294,655	-	-
Service Fees	-	-	74,295	61,163
Total Operating Revenue	1,037,035	294,655	1,874,897	61,163
Operating Expenses:				
Salaries & Employee Benefits	682,619	144,127	928,321	60,000
Supplies and Materials	50,622	16,015	138,083	-
Repairs & Other Expenses	25,992	-	-	-
Other Purchased Services-Contracted	12,613	40,425	151,262	-
Miscellaneous Purchased Services	-	-	585,250	-
Depreciation	21,246	-	-	-
Miscellaneous Expense	3,677	-	856	-
Cost of Sales - Reimbursable	262,193	-	-	-
Cost of Sales - Non-Reimbursable	248,745	-	-	-
Total Operating Expenses	1,307,707	200,567	1,803,772	60,000
Operating (Loss)/Gain	(270,672)	94,088	71,125	1,163
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	9,929	-	-	-
Federal Sources:				
National School Lunch Program	196,911	-	-	-
Healthy Hunger-Free Kids Act	11,636	-	-	-
Food Distribution Program	66,493	-	-	-
Total Nonoperating Revenues	284,969	-	-	-
Net Income/(Loss)	14,297	94,088	71,125	1,163
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Transfer to General Fund	-	-	(71,125)	(1,163)
Total Other Financing Sources/(Uses)	-	-	(71,125)	(1,163)
Change in Net Position	14,297	94,088	-	-
Total Net Position - Beginning	573,883	427,669	-	-
Total Net Position - Ending	\$ 588,180	\$ 521,757	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,790,920
Sale of Gasoline	-	-	9,682
Daily Sales - Reimbursable Programs	-	-	532,164
Daily Sales - Nonreimbursable Programs	-	-	443,606
Vending Machine Sales	-	-	4,279
Special Function	-	-	56,986
Program Fees	-	-	294,655
Service Fees	173,586	148,815	457,859
Total Operating Revenue	173,586	148,815	3,590,151
Operating Expenses:			
Salaries & Employee Benefits	170,183	138,310	2,123,560
Supplies and Materials	-	-	204,720
Repairs & Other Expenses	-	-	25,992
Other Purchased Services-Contracted	-	-	204,300
Miscellaneous Purchased Services	-	-	585,250
Depreciation	-	-	21,246
Miscellaneous Expense	-	-	4,533
Cost of Sales - Reimbursable	-	-	262,193
Cost of Sales - Non-Reimbursable	-	-	248,745
Total Operating Expenses	170,183	138,310	3,431,794
Operating (Loss)/Gain	3,403	10,505	158,357
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	-	9,929
Federal Sources:			
National School Lunch Program	-	-	196,911
Healthy Hunger-Free Kids Act	-	-	11,636
Food Distribution Program	-	-	66,493
Total Nonoperating Revenues	-	-	284,969
Net Income/(Loss)	3,403	10,505	194,581
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Change in Compensated Absences	-	-	-
Transfer to General Fund	(3,403)	(10,505)	(86,196)
Total Other Financing Sources/(Uses)	(3,403)	(10,505)	(86,196)
Change in Net Position	-	-	108,385
Total Net Position - Beginning	-	-	1,001,552
Total Net Position - Ending	\$ -	\$ -	\$ 1,109,937

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 1,042,223	\$ 294,655	\$ 1,918,197	\$ 60,955
Payments to Employees	(545,009)	(133,885)	(791,745)	(60,000)
Payments for Employee Benefits	(149,652)	(10,242)	(136,576)	-
Payments to Suppliers	(603,662)	(72,160)	(804,732)	1,163
Net Cash Provided/(Used) by Operating Activities	(256,100)	78,368	185,144	2,118
Cash Flows From Investing Activities:				
Purchase of Equipment	(29,879)	-	-	-
Net Cash Provided by Investing Activities	(29,879)	-	-	-
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	(71,125)	(1,163)
State Sources	9,929	-	-	-
Federal Sources	275,040	-	-	-
Net Cash Provided by Noncapital Financing Activities	284,969	-	(71,125)	(1,163)
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,010)	78,368	114,019	955
Cash and Cash Equivalents, July 1	492,581	443,389	559,777	72,854
Cash & Cash Equivalents, June 30	<u>\$ 491,571</u>	<u>\$ 521,757</u>	<u>\$ 673,796</u>	<u>\$ 73,809</u>

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (270,672)	\$ 94,088	\$ 71,125	\$ 1,163
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	21,246	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	(181)	-	-	-
(Increase)/Decrease in Accounts Receivable, Net	3,995	-	43,300	(208)
(Increase)/Decrease in Accounts Payable	361	(15,720)	(406)	-
Increase/(Decrease) in Interfund Payable	-	-	71,125	1,163
Increase/(Decrease) in Unearned Revenue	1,193	-	-	-
Increase/(Decrease) in Compensated Absences	(12,042)	-	-	-
Total Adjustments	14,572	(15,720)	114,019	955
Net Cash Provided/(Used) by Operating Activities	<u>\$ (256,100)</u>	<u>\$ 78,368</u>	<u>\$ 185,144</u>	<u>\$ 2,118</u>

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 173,586	\$ 145,483	\$ 3,635,099
Payments to Employees	(166,780)	(138,310)	(1,835,729)
Payments for Employee Benefits	-	-	(296,470)
Payments to Suppliers	-	-	(1,479,391)
Net Cash Provided/(Used) by Operating Activities	6,806	7,173	23,509
Cash Flows From Investing Activities:			
Purchase of Equipment	-	-	(29,879)
Net Cash Provided by Investing Activities	-	-	(29,879)
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	(3,403)	(10,505)	(86,196)
State Sources	-	-	9,929
Federal Sources	-	-	275,040
Net Cash Provided by Noncapital Financing Activities	(3,403)	(10,505)	198,773
Net Increase/(Decrease) in Cash & Cash Equivalents	3,403	(3,332)	192,403
Cash and Cash Equivalents, July 1	15,524	(53,208)	1,530,917
Cash & Cash Equivalents, June 30	\$ 18,927	\$ (56,540)	\$ 1,723,320

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ 3,403	\$ 10,505	\$ (90,388)	
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	-	-	21,246	
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	-	-	(181)	
(Increase)/Decrease in Accounts Receivable, Net	-	(13,836)	33,251	
(Increase)/Decrease in Interfund Receivable	-	10,504	10,504	
Increase/(Decrease) in Accounts Payable	-	-	(15,765)	
Increase/(Decrease) in Interfund Payable	3,403	-	75,691	
Increase/(Decrease) in Prepaid Lunches	-	-	1,193	
Increase/(Decrease) in Compensated Absences	-	-	(12,042)	
Total Adjustments	3,403	(3,332)	113,897	
Net Cash Provided/(Used) by Operating Activities	\$ 6,806	\$ 7,173	\$ 23,509	

Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

ASSETS	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	AGENCY FUND	
Cash & Cash Equivalents	\$ 95,924	\$ 185,940	\$ 219,972	\$ 501,836
Interfund Receivable	-	-	296	296
Total Assets	95,924	185,940	220,268	502,132
LIABILITIES				
Payroll Deductions & Withholdings	-	-	73,899	73,899
Due to Student Groups	-	-	146,369	146,369
Total Liabilities	-	-	220,268	220,268
NET POSITION				
Held in Trust for:				
Unemployment	95,924	-	-	95,924
Scholarships	-	185,940	-	185,940
Total Net Position	\$ 95,924	\$ 185,940	\$ -	\$ 281,864

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, 2019**

ADDITIONS:	UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ 7,422	\$ 925	\$ 8,347
Total Contributions	<u>7,422</u>	<u>925</u>	<u>8,347</u>
Investment Earnings:			
Interest on Investments	-	79	79
Total Investment Earnings	<u>-</u>	<u>79</u>	<u>79</u>
Total Additions	<u>7,422</u>	<u>1,004</u>	<u>8,426</u>
DEDUCTIONS:			
Scholarship Payments	-	3,700	3,700
Total Deductions	<u>-</u>	<u>3,700</u>	<u>3,700</u>
Change in Net Position	7,422	(2,696)	4,726
Net Position - Beginning of Year	<u>88,502</u>	<u>188,636</u>	<u>277,138</u>
Net Position - End of Year	<u>\$ 95,924</u>	<u>\$ 185,940</u>	<u>\$ 281,864</u>

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

KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 1. Summary of Significant Accounting Policies

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

Reporting Entity

The Kingsway Regional School District is a Type II 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, 2019 of 2,727 students.

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

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

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

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. and GASB 80, Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14. The School District had no component units as of for the year ended June 30, 2019.

Government-Wide Financial Statements

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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

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

Governmental Fund Financial Statements

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

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

Proprietary Fund Financial Statements

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

Fiduciary Fund Financial Statements

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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

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

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

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

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

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

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

Internal Service Funds – The internal service funds are used in order to account for various shared services provided to other local school districts.

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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

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

Budgets/Budgetary Control

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

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

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

Cash and Cash Equivalents

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A.17:9-41 et. Seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2019 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Inventories

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

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

Capital Assets

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

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

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

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

Compensated Absences

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

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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

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.

Fund Balance

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

- **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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

- 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. The School Board did not have any committed resources as of June 30, 2019.
- 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.
- 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 District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2019:

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. This statement had no material impact on the School District's financial statements.

Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The Governmental Accounting Standards Board (GASB) has issued a new standard with guidance the GASB believes will enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. The new standard clarifies which liabilities governments should include in their note disclosures related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. This statement had no material 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. 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 has not yet determined the potential 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 has not yet determined the potential impact on the School District's financial statements.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2018. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for reporting periods beginning after December 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

Bond Premiums, Discounts and Issuance Costs

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

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

Deferred Loss on Refunding Debt

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

Deferred 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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.

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 and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Cash Deposits and Investments

Cash Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2019, the District’s bank balance of \$8,199,910 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	7,714,882
Uninsured and Uncollateralized		485,028
		\$ 8,199,910

Investments

The School District has no investments at June 30, 2019.

Note 3. Reserve Accounts

A. 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 3. Reserve Accounts (continued):

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$	1,794,885
Increased by:		
Deposits approved by Board		171,164
Ending Balance, June 30, 2019	\$	1,966,049

The June 30, 2019 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2019 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds				Total Governmental Activities	Proprietary Funds		Total Business-Type Activities
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund		Food Service Fund		
Federal Awards	\$ -	\$ 176,486	\$ -	\$ -	\$ 176,486	\$ 11,024		\$ 11,024
State Awards	349,722	-	-	-	349,722	515		515
Other	757,210	43,276	83,288	151,331	1,035,105	9,066		9,066
Total	\$ 1,106,932	\$ 219,762	\$ 83,288	\$ 151,331	\$ 1,561,313	\$ 20,605		\$ 20,605

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2019 was as follows:

	Balance July 1, <u>2018</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2019</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,481,278	\$ -	\$ -	\$ 2,481,278
Construction in Progress	7,602	162,861	-	170,463
Total Capital Assets not being depreciated	<u>2,488,880</u>	<u>162,861</u>	-	<u>2,651,741</u>
Capital Assets being depreciated:				
Land Improvements	6,185,718	16,950	-	6,202,668
Buildings and Improvements	76,544,949	4,325	-	76,549,274
Equipment	7,439,270	1,158,391	-	8,597,661
Total Capital Assets being depreciated	<u>90,169,937</u>	<u>1,179,666</u>	-	<u>91,349,603</u>
Less: Accumulated Depreciation:				
Land Improvements	(5,073,483)	(86,653)	-	(5,160,136)
Buildings and Improvements	(26,970,957)	(1,759,769)	-	(28,730,726)
Equipment	(3,863,637)	(65,991)	-	(3,929,628)
Total Accumulated Depreciation	<u>(35,908,077)</u>	<u>(1,912,413)</u>	-	<u>(37,820,490)</u>
Total Capital Assets being depreciated, net	<u>54,261,860</u>	<u>(732,747)</u>	-	<u>53,529,113</u>
Total Governmental Activities Capital Assets, net	<u>\$ 56,750,740</u>	<u>\$ (569,886)</u>	\$ -	<u>\$ 56,180,854</u>

	Balance July 1, <u>2018</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2019</u>
Business-Type Activities:				
Equipment	\$ 778,460	\$ 29,879	\$ -	\$ 808,339
	<u>778,460</u>	<u>29,879</u>	-	<u>808,339</u>
Less: Accumulated Depreciation:				
Equipment	(654,991)	(21,246)	-	(676,237)
	<u>(654,991)</u>	<u>(21,246)</u>	-	<u>(676,237)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 123,469</u>	<u>\$ 8,633</u>	\$ -	<u>\$ 132,102</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2019 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 938,598	\$ 296
Special Revenue Fund	-	3,988
Capital Projects Fund	-	79,388
Debt Service Fund	6,101	-
Internal Service Fund	5,181	866,504
Payroll Fund	296	-
	<u>\$ 950,176</u>	<u>\$ 950,176</u>

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

The summary of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 86,196	\$ -
Internal Service Fund	-	86,196
	<u>\$ 86,196</u>	<u>\$ 86,196</u>

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

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2019 the following changes occurred in long-term obligations:

	Balance <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 36,589,000	\$ -	\$ 2,230,000	\$ 34,359,000	\$ 2,225,000
Unamortized Bond Premiums	1,411,720	-	180,197	1,231,523	180,197
Capital Leases	-	266,980	-	266,980	86,146
Compensated Absences	1,142,501	74,240	-	1,216,741	-
Net Pension Liability	14,935,400	-	2,385,551	12,549,849	-
	<u>\$ 54,078,621</u>	<u>\$ 341,220</u>	<u>\$ 4,795,748</u>	<u>\$ 49,624,093</u>	<u>\$ 2,491,343</u>
Business-Type Activities:					
Compensated Absences	\$ 55,242	\$ -	\$ 12,042	\$ 43,200	\$ -
	<u>\$ 55,242</u>	<u>\$ -</u>	<u>\$ 12,042</u>	<u>\$ 43,200</u>	<u>\$ -</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 7. Long-Term Obligations (continued):

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

A. 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.

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>
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	2,475,000		912,434	3,387,434
2024	2,510,000		831,284	3,341,284
2025-2029	10,650,000		2,909,813	13,559,813
2030-2034	8,020,000		1,292,881	9,312,881
2035-2037	3,599,000		250,695	3,849,695
	<u>\$ 34,359,000</u>	<u>\$</u>	<u>9,372,683</u>	<u>\$ 43,731,683</u>

Bonds Authorized But Not Issued:

As of June 30, 2019, the District had no authorized but not issued bonds.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 7. Long-Term Obligations (continued):

B. Capital Leases

During the year ended June 30, 2019, one new capital leases were approved totaling \$178,729, which were for Dell Chromebooks and related software and equipment. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2019:

Fiscal Year Ending <u>June 30,</u>		
2020	\$	94,876
2021		94,876
2022		94,876
Total Minimum Lease Payments		284,628
Less: Amount Representing Interest		(17,648)
Present Value of Minimum Lease Payments		\$ 266,980

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/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

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 2018, 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, 2019, the School District reported a liability of \$12,549,849 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018. 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, 2017, to the measurement date of June 30, 2018. 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 ended June 30, 2018. The School District's proportion measured as of June 30, 2018, was .06374%, which was a decrease of .00042% from its proportion measured as of June 30, 2017.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

For the year ended June 30, 2019, the School District recognized full accrual pension expense of \$1,120,951 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2018 measurement date. At June 30, 2019 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	\$ 239,328	\$ 64,711
Changes of Assumptions	2,068,007	4,012,774
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	117,718
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	908,086	78,111
School District Contributions Subsequent to Measurement Date	569,092	-
	\$ 3,784,513	\$ 4,273,314

\$569,092 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2018-2019 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2020 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:

Year Ending <u>Dec 31,</u>	<u>Amount</u>
2019	\$ 811,776
2020	95,151.00
2021	(385,567.00)
2022	(777,126.00)
2023	(233,040.00)
	\$ (488,806)

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

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	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
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	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2018, 2017, 2016, 2015, and 2014 amounts, respectively.

Actuarial Assumptions – The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following assumptions:

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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, 2017 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 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 40% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

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, 2018, calculated using the discount rate of 5.66% 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:

	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the Net Pension Liability	\$ 15,779,990	\$ 12,549,850	\$ 9,839,969

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018

Balances at June 30, 2019 and June 30, 2018

	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarial valuation date (including roll forward)	June 30, 2018	June 30, 2017
Deferred Outflows of Resources	\$ 4,684,852,302	\$ 5,396,431,901
Deferred Inflows of Resources	7,646,736,226	4,672,602,040
Net Pension Liability	19,689,501,539	23,278,401,588
District's portion of the Plan's total net pension Liability	0.06374%	0.06416%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th 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 7.5% in State fiscal year 2018. 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 2018, 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 non-employer 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, 2018 was \$82,851,403. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2018, the State proportionate share of the TPAF net pension liability attributable to the School District was .13023%, which was an increase of .00302% from its proportion measured as of June 30, 2017.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

For the fiscal year ended June 30, 2019, the School District recognized \$4,829,947 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2018 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Investment Rate of Return	7.00%

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, 2017 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 (7.00% at June 30, 2018) 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, 2018 are summarized in the following table:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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 4.86% 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 FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

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

	1% Decrease <u>(3.86%)</u>	Current Discount Rate <u>(4.86%)</u>	1% Increase <u>(5.86%)</u>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>97,928,785</u>	<u>82,851,403</u>	<u>70,352,621</u>
	<u>\$ 97,928,785</u>	<u>\$ 82,851,403</u>	<u>\$ 70,352,621</u>

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.

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2019 and 2018:

	<u>6/30/2019</u>	<u>6/30/2018</u>
Collective Deferred Outflows of Resources	12,675,037,111	14,353,461,035
Collective Deferred Inflows of Resources	16,381,811,884	11,992,821,439
Collective Net Pension Liability	63,806,350,446	67,670,209,171
School District's Portion	0.13023%	0.12721%

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;

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 8. Pension Plans (continued):

C. Defined Contribution Plan (DCRP) (continued)

- 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.
- 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, 2019, employee contributions totaled \$40,727 and the District recognized pension expense of \$29,989.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Other Post-Retirement Benefits (continued):

years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Other Post-Retirement Benefits (continued):

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2018 was \$59,033,855. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2018, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State proportionate share of the OPEB Obligation attributable to the School District was 0.12803%, which was a decrease of 0.00174% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$3,357,296 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.8% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 69,790,033.89	\$ 59,033,855.00	\$ 50,483,803.54
State of New Jersey's Total Nonemployer OPEB Liability	\$54,512,391,175.00	\$46,110,832,982.00	\$39,432,461,816.00

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 48,794,919.41	\$ 59,033,855.00	\$ 72,575,239.29
State of New Jersey's Total Nonemployer OPEB Liability	\$38,113,289,045.00	\$46,110,832,982.00	\$56,687,891,003.00

* See Healthcare Cost Trend Assumptions for details of rates.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Other Post-Retirement Benefits (continued):

Additional Information

Collective balances of the Local Group at June 30, 2018 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ 1,377,313,892.00	\$(1,377,313,892.00)
Differences between Expected & Actual Experience	-	(4,476,086,167.00)
Change in Assumptions	-	(10,335,978,867.00)
Contributions Made in Fiscal Year Year Ending 2019 After June 30, 2018 Measurement Date **	TBD	-
	\$ 1,377,313,892	\$ (16,189,378,926)

** Employer Contributions made after June 30, 2018 are reported as a deferred outflow of resources, but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2019	(1,825,218,593)
2020	(1,825,218,593)
2021	(1,825,218,593)
2022	(1,825,218,593)
2023	(1,825,218,593)
Thereafter	(5,685,972,069)
	(14,812,065,034)

Plan Membership

At June 30, 2017, the Program membership consisted of the following:

At June 30, 2017, the Program membership consisted of the following:

	June 30, 2017
Active Plan Members	217,131.00
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050.00
	362,181.00

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 9. Other Post-Retirement Benefits (continued):

Total OPEB Liability

Service Cost	\$ 1,984,642,729
Interest Cost	1,970,236,232
Difference Between Expected & Actual Experience	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Contributions: Member	42,614,005
Gross Benefit Payments	<u>(1,232,987,247)</u>
Net Change in Total OPEB Liability	(7,529,008,876)
Total OPEB Liability (Beginning)	<u>53,639,841,858</u>
Total OPEB Liability (Ending)	<u>\$ 46,110,832,982</u>
Total Covered Employee Payroll	\$ 13,640,275,833
Net OPEB Liability as a Percentage of Payroll	338%

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, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,567,991, \$1,103,492, \$1,164,836 and \$3,879, respectively.

Note 11. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 11. Risk Management (continued):

<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>
2018-2019	\$ 7,422	\$ -	\$ -	-	\$ 95,924
2017-2018	20,000	-	-	71,375	88,502
2016-2017	-	-	232	27,289	139,877

Note 12. Contingencies

State and Federal Grantor Agencies - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

Note 13. Economic Dependency

The 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 District’s programs and activities.

Note 14. 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, Inc. Syracusa Befits Program	The Equitable Life Assurance Society of the US 403(b) ASP
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Note 15. Compensated Absences

The 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 15. Compensated Absences (continued):

District employees are granted varying amount of vacation and sick leave in accordance with the District's personnel policies. The 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 District for the unused sick leave in accordance with 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 under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2019 is \$1,216,741.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019 the liability for compensated absences in the proprietary fund types is \$43,200.

Note 16. 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 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 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, 2019 was \$743,174.

Note 18. Fund Balance

General Fund – Of the \$3,542,177 General Fund fund balance at June 30, 2019, \$1,966,049 has been reserved in the Capital Reserve Account; \$743,174 is restricted for current year excess surplus; \$644,003 is restricted for excess surplus – designated for subsequent year's expenditures; \$254,820 has been reserved for encumbrances;; and \$(65,869) is unassigned.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Note 18. Fund Balance (continued):

Capital Projects Fund – Of the \$2,032,617 Capital Projects Fund fund balance at June 30, 2019, \$2,032,617 is restricted for capital projects.

Debt Service Fund – Of the \$4,203 Debt Service Fund fund balance at June 30, 2019, \$4,203 is restricted for future debt service payments.

Note 19. Deficit in Net Position

Unrestricted Net Position – The School District had a deficit in unrestricted net position in the amount of \$(15,114,769) at June 30, 2019. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2019.

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and December 12, 2019, the date that the financial statements were available for issuance, for a possible disclosure and recognition in the financial statements, and the following items were noted:

Lease Purchase Agreement

During July 2019, the District entered into a five year Lease Purchase Agreement in the amount of \$1,600,000 for the financing of a new turf field, five (5) buses, a forklift, two (2) vehicles, three (3) servers and one storage array. Lease payments will begin on July 1, 2020 and commence on July 1, 2024.

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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, 2019**

ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Tax Levy	10-1210	\$ 21,597,639	\$ -	\$ 21,597,639	\$ 21,597,640	\$ 1
Tuition From Other LEAs Within the Stat	10-1320	2,436,982	-	2,436,982	2,476,547	39,565
Transportation Fees from Other LEAs:	10-1420	-	-	-	1,983	1,983
Rents and Royalties	10-1910	50,000	-	50,000	79,120	29,120
Interest Earned on Capital Reservc		1,000	-	1,000	-	(1,000)
Miscellaneous Revenues	10-1XXX	207,000	-	207,000	416,215	209,215
Total Local Sources		24,292,621	-	24,292,621	24,571,505	278,884
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	42,314	-	42,314	12,775	(29,539)
Total Federal Sources		42,314	-	42,314	12,775	(29,539)
State Sources:						
Equalization Aid	10-3176	6,867,815	961,860	7,829,675	7,829,675	-
Categorical Special Education Aid	10-3132	1,460,211	688,153	2,148,364	2,148,364	-
Categorical Security Aid	10-3177	232,812	-	232,812	232,812	-
Categorical Transportation Aid	10-3121	1,518,262	-	1,518,262	1,518,262	-
Extraordinary Aid	10-3131	120,000	-	120,000	223,888	103,888
Other State Aid	10-3XXX	20,000	-	20,000	62,190	42,190
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,567,991	2,567,991
On-Behalf Post Retirement Medical Contribution		-	-	-	1,164,836	1,164,836
On-Behalf Long-Term Disability Insurance		-	-	-	3,879	3,879
Reimbursed TPAF Social Security Contribution		-	-	-	1,103,492	1,103,492
Total State Sources		10,219,100	1,650,013	11,869,113	16,855,389	4,986,276
Total Revenues		34,554,035	1,650,013	36,204,048	41,439,669	5,235,621
Expenditures:						
Current Expense:						
Instruction - Regular Programs						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	3,186,300	(128,200)	3,058,100	3,048,264	9,836
Grades 9 - 12	11-140-100-101	6,348,935	423,390	6,772,325	6,761,316	11,009
Home Instruction:						
Salaries of Teachers	11-150-100-101	41,064	9,000	50,064	47,256	2,808
Purchased Professional - Educational Services:						
Other Purchased Services	11-150-100-320	40,000	5,000	45,000	41,856	3,144
Other Purchased Services	11-150-100-500	1,500	322	1,822	1,732	90
Regular Programs - Undistributed Instruction						
Purchased Professional - Educational Services:						
Purchased Technical Services	11-190-100-320	149	266,200	266,349	266,287	62
Other Purchased Services	11-190-100-340	31,200	-	31,200	28,645	2,555
Other Purchased Services	11-190-100-500	99,871	-	99,871	86,370	13,501
General Supplies	11-190-100-610	577,402	24,920	602,322	532,260	70,062
Textbooks	11-190-100-640	306,120	(97,391)	208,729	193,026	15,703
Other Objects	11-190-100-890	29,977	230	30,207	26,575	3,632
Total Regular Programs		10,662,518	503,471	11,165,989	11,033,587	132,402
Multiple Disabilities						
Salaries of Teachers	11-212-100-101	228,400	87,080	315,480	309,044	6,436
Other Salaries for Instructor	11-212-100-106	74,550	64,550	139,100	133,404	5,696
Other Purchased Services	11-212-100-500	2,000	(200)	1,800	1,788	12
General Supplies	11-212-100-610	14,852	(2,190)	12,662	12,073	589
Total Multiple Disabilities:		319,802	149,240	469,042	456,309	12,733
Resource Room:						
Salaries of Teachers	11-213-100-101	1,798,050	148,000	1,946,050	1,924,881	21,169
Other Salaries for Instructor	11-213-100-106	266,650	(58,550)	208,100	188,893	19,207
Other Purchased Services	11-213-100-500	2,000	(1,551)	449	449	-
General Supplies	11-213-100-610	11,900	(1,800)	10,100	10,002	98
Total Resource Room		2,078,600	86,099	2,164,699	2,124,225	40,474
Special Education - Home Instruction						
Salaries of Teachers	11-219-100-101	6,000	-	6,000	-	6,000
Purchased Professional Educational Service	11-219-100-320	10,000	21,054	31,054	31,053	1
Other Purchased Services	11-219-100-500	400	-	400	40	360
Total Special Education - Home Instruction		16,400	21,054	37,454	31,093	6,361
Total Special Education		2,414,802	256,393	2,671,195	2,611,627	59,568

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Basic Skills/Remedial						
Salaries of Teachers	11-230-100-101	100,000	(99,456)	544	-	544
General Supplies	11-230-100-610	5,625	(338)	5,287	1,286	4,001
Total Basic Skills/Remedia		105,625	(99,794)	5,831	1,286	4,545
Bilingual Educator						
Salaries of Teachers	11-240-100-101	53,400	-	53,400	48,323	5,077
Total Bilingual Education		53,400	-	53,400	48,323	5,077
School Sponsored Cocurricular Activities						
Salaries	11-401-100-100	164,040	3,019	167,059	133,864	33,195
Other Purchased Services	11-401-100-500	28,450	(11,125)	17,325	16,700	625
Supplies and Materials	11-401-100-600	32,700	8,863	41,563	38,109	3,454
Other Objects	11-401-216-800	3,010	1,546	4,556	3,755	801
Total School Sponsored Cocurricular Activitie		228,200	2,303	230,503	192,428	38,075
School Sponsored Athletics - Instruction						
Salaries	11-402-100-100	549,724	17,401	567,125	559,730	7,395
Other Purchased Services	11-402-100-500	156,639	(15,747)	140,892	135,790	5,102
General Supplies	11-402-100-610	126,950	23,077	150,027	129,387	20,640
Other Objects	11-402-216-800	50,478	(3,715)	46,763	46,064	699
Total School Sponsored Athletics Instructio		883,791	21,016	904,807	870,971	33,836
Before/After School Programs						
Salaries	11-421-100-101	15,000	(4,000)	11,000	5,523	5,477
Total Before/Afterschool Program:		15,000	(4,000)	11,000	5,523	5,477
Total Instruction		14,363,336	679,389	15,042,725	14,763,745	278,980
Undistributed Expenditures						
Instruction :						
Tuition to Other LEAs Within the State - Regula	11-000-100-561	31,000	(20,980)	10,020	9,990	30
Tuition to Other LEAs Within the State - Specia	11-000-100-562	55,000	(16,586)	38,414	30,328	8,086
Tuition to County Vocational School District - Specia	11-000-100-564	361,645	53,863	415,508	414,854	654
Tuition to County Vocational School District - Regul	11-000-100-563	38,700	46,338	85,038	80,557	4,481
Tuition to CSSD & Regional Day School	11-000-100-565	807,962	112,500	920,462	920,453	9
Tuition to Private School for the Handicapped - Stat	11-000-100-566	859,611	(35,505)	824,106	822,281	1,825
Tuition to Private School for the Disabled & Other L	11-000-100-567	35,000	(15,900)	19,100	18,660	440
Tuition - Other	11-000-100-569	36,247	180	36,427	36,247	180
Total Undistributed Expenditures - Instruction		2,225,165	123,910	2,349,075	2,333,370	15,705
Attendance & Social Work Services						
Salaries	11-000-211-100	75,500	43,087	118,587	113,432	5,155
Purchased Professional & Technical Service	11-000-211-300	1,600	-	1,600	1,198	402
Other Purchased Services	11-000-211-500	500	-	500	-	500
Supplies and Materials	11-000-211-600	1,800	-	1,800	-	1,800
Total Attendance & Social Work Service		79,400	43,087	122,487	114,630	7,857
Health Services:						
Salaries	11-000-213-100	247,300	480	247,780	235,656	12,124
Purchased Professional & Technical Service	11-000-213-300	32,495	9,490	41,985	31,654	10,331
Other Purchased Services	11-000-213-500	1,050	113	1,163	1,163	-
Supplies and Materials	11-000-213-600	12,135	(2,716)	9,419	8,875	544
Other Objects	11-000-213-800	720	-	720	262	458
Total Health Services:		293,700	7,367	301,067	277,610	23,457
Other Support Services - Students - Related Services						
Salaries	11-000-216-100	56,250	-	56,250	54,905	1,345
Purchased Professional Educational Service	11-000-216-320	161,600	59,225	220,825	179,836	40,989
Supplies and Materials	11-000-216-600	1,000	-	1,000	932	68
Total Other Support Services-Students-Related Service:		218,850	59,225	278,075	235,673	42,402
Other Support Services - Students - Extra Services						
Salaries	11-000-217-100	332,350	54,650	387,000	370,873	16,127
Purchased Professional Educational Service	11-000-217-320	-	12,160	12,160	6,210	5,950
Supplies and Materials	11-000-217-600	18,800	-	18,800	18,768	32
Other Objects	11-000-217-800	400	-	400	400	-
Total Other Support Services - Students - Extra Service:		351,550	66,810	418,360	396,251	22,109

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Regular						
Salaries of Other Professional Staff	11-000-218-104	628,210	(5,763)	622,447	620,115	2,332
Salaries of Secretarial & Clerical Assistant	11-000-218-105	122,085	(1,500)	120,585	118,106	2,479
Purchased Professional Educational Service	11-000-218-320	7,725	27,490	35,215	29,258	5,957
Other Purchased Professional & Technical Service	11-000-218-390	32,350	(2,774)	29,576	28,494	1,082
Other Purchased Services	11-000-218-500	14,480	330	14,810	11,377	3,433
Supplies and Materials	11-000-218-600	7,326	(600)	6,726	4,109	2,617
Other Objects	11-000-218-800	7,845	(400)	7,445	3,365	4,080
Total Other Support Services - Students - Regular		820,021	16,783	836,804	814,824	21,980
Other Support Services - Students - Special Services						
Salaries of Other Professional Staff	11-000-219-104	471,800	23,020	494,820	490,027	4,793
Salaries of Secretarial & Clerical Assistant	11-000-219-105	64,410	-	64,410	62,551	1,859
Purchased Professional Educational Service	11-000-219-320	7,500	14,000	21,500	21,328	172
Other Purchased Professional & Technical Service	11-000-219-390	22,500	3,594	26,094	26,094	-
Other Purchased Services	11-000-219-500	8,960	(4,520)	4,440	3,913	527
Supplies and Materials	11-000-219-600	17,325	(4,000)	13,325	13,255	70
Other Objects	11-000-219-800	-	820	820	820	-
Total Other Support Services-Students-Special Services		592,495	32,914	625,409	617,988	7,421
Improvement of Instruction Services/Other Support Services - Instruction Staff						
Salaries of Supervisor of Instruction	11-000-221-102	299,450	(16,490)	282,960	281,741	1,219
Salaries of Other Professional Staff	11-000-221-104	34,289	16,008	50,297	49,647	650
Salaries of Secretarial & Clerical Assistant	11-000-221-105	26,250	12,500	38,750	37,646	1,104
Unused Vacation Payment to Term/Retired Staff	11-000-221-199	-	8,790	8,790	8,787	3
Purchased Professional - Educational Service	11-000-221-320	20,500	(500)	20,000	18,294	1,706
Other Purchased Services	11-000-221-500	16,267	(3,000)	13,267	7,704	5,563
Supplies and Materials	11-000-221-600	4,000	-	4,000	1,721	2,279
Other Objects	11-000-221-800	7,000	(6,000)	1,000	60	940
Total Improvement of Instruction Services/Other Support Services Instructional Staff		407,756	11,308	419,064	405,600	13,464
Educational Media Services/School Library						
Salaries	11-000-222-100	137,950	68,557	206,507	203,737	2,770
Purchased Professional & Technical Service	11-000-222-300	19,274	(2,361)	16,913	16,201	712
Other Purchased Services	11-000-222-500	700	388	1,088	780	308
Supplies and Materials	11-000-222-600	30,865	772	31,637	31,357	280
Other Objects	11-000-222-800	264	-	264	264	-
Total Educational Media Services/School Librar		189,053	67,356	256,409	252,339	4,070
Support Services Instructional Staff Training Service						
Salaries of Supervisors of Instruction	11-000-223-102	69,750	1,890	71,640	71,636	4
Salaries of Other Professional Staff	11-000-223-104	2,480	-	2,480	500	1,980
Salaries of Secretarial & Clerical Assistant	11-000-223-105	25,050	(11,450)	13,600	12,547	1,053
Purchased Professional & Technical Service	11-000-223-390	500	-	500	-	500
Other Purchased Services	11-000-223-500	22,650	2,012	24,662	12,583	12,079
Total Support Services Instructional Staff Trainin		120,430	(7,548)	112,882	97,266	15,616
Support Services General Administration						
Salaries	11-000-230-100	182,550	14,600	197,150	196,733	417
Legal Services	11-000-230-331	75,000	(7,548)	67,452	59,414	8,038
Audit Services	11-000-230-332	38,000	(2,500)	35,500	35,414	86
Architectural/Engineering Services	11-000-230-334	-	13,600	13,600	13,546	54
Purchased Technical Services	11-000-230-340	12,500	(3,000)	9,500	9,408	92
Communications/Telephone	11-000-230-530	118,700	(26,530)	92,170	91,107	1,063
BOE Other Purchased Services	11-000-230-585	16,500	12,350	28,850	28,003	847
Other Purchased Services	11-000-230-590	65,667	16,050	81,717	76,845	4,872
Supplies and Materials	11-000-230-600	3,000	590	3,590	3,228	362
BOE In-House Training Supplies	11-000-230-630	500	(90)	410	339	71
Judgements Against School District	11-000-230-820	-	35,000	35,000	35,000	-
Miscellaneous Expenditures	11-000-230-890	3,000	-	3,000	2,727	273
BOE Membership Dues & Fees	11-000-230-895	12,500	-	12,500	12,190	310
Total Support Services General Administration		527,917	52,522	580,439	563,954	16,485
Support Services School Administration						
Salaries of Principals & Assistant Principal	11-000-240-103	786,500	(22,200)	764,300	763,427	873
Salaries of Other Professional Staff	11-000-240-104	231,500	122,560	354,060	354,022	38
Salaries of Secretarial & Clerical Assistant	11-000-240-105	254,500	5,900	260,400	257,961	2,439
Other Salaries	11-000-240-110	61,980	(4,000)	57,980	53,072	4,908
Unused Vac Payment to Term/Ret Staff	11-000-240-199	-	17,968	17,968	17,967	1
Purchased Professional & Technical Service	11-000-240-300	9,675	(1,303)	8,372	7,130	1,242
Other Purchased Services	11-000-240-500	35,900	(4,467)	31,433	30,575	858
Supplies and Materials	11-000-240-600	35,775	(10,195)	25,580	22,511	3,069
Other Objects	11-000-240-800	29,850	1,802	31,652	29,498	2,154
Total Support Services School Administration		1,445,680	106,065	1,551,745	1,536,163	15,582

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Central Services:						
Salaries	11-000-251-100	335,417	41,000	376,417	375,244	1,173
Purchased Professional Services	11-000-251-330	4,000	-	4,000	3,230	770
Purchased Technical Services	11-000-251-340	54,500	400	54,900	54,826	74
Miscellaneous Purchased Services	11-000-251-592	15,916	2,000	17,916	14,027	3,889
Supplies & Materials	11-000-251-600	6,036	2,853	8,889	8,758	131
Miscellaneous Expenditures	11-000-251-890	1,350	-	1,350	1,092	258
Total Central Services		417,219	46,253	463,472	457,177	6,295
Administrative Information Technology						
Salaries	11-000-252-100	295,600	-	295,600	293,665	1,935
Purchased Technical Services	11-000-252-340	164,200	9,195	173,395	152,339	21,056
Other Purchased Services	11-000-252-500	5,000	-	5,000	3,923	1,077
Supplies and Materials	11-000-252-600	62,000	(10,000)	52,000	48,078	3,922
Other Objects	11-000-252-800	900	-	900	731	169
Total Administrative Information Technolog		527,700	(805)	526,895	498,736	28,159
Allowance Maintenance for School Facilities:						
Salaries	11-000-261-100	145,100	8,000	153,100	152,280	820
Maintenance Services	11-000-261-420	113,950	101,644	215,594	191,921	23,673
Lead Testing of Drinking Wate:	11-000-261-421	-	440	440	-	440
General Supplies	11-000-261-610	117,250	(39,508)	77,742	74,244	3,498
Total Allowance Maintenance for School Facilitie		376,300	70,576	446,876	418,445	28,431
Other Operation & Maintenance of Plant Services						
Salaries	11-000-262-100	997,400	8,450	1,005,850	998,782	7,068
Purchased Professional & Technical Service	11-000-262-300	65,545	(11,149)	54,396	45,175	9,221
Cleaning, Repair & Maintenance Service	11-000-262-420	3,400	-	3,400	214	3,186
Other Purchased Property Services:	11-000-262-490	39,500	(19,000)	20,500	18,769	1,731
Insurance	11-000-262-520	160,000	-	160,000	154,767	5,233
Miscellaneous Purchased Services:	11-000-262-590	3,615	-	3,615	2,714	901
General Supplies	11-000-262-610	122,170	(23,135)	99,035	95,287	3,748
Energy (Natural Gas)	11-000-262-621	125,000	51,101	176,101	174,494	1,607
Energy (Electricity)	11-000-262-622	645,000	(53,000)	592,000	590,985	1,015
Energy (Gasoline)	11-000-262-626	10,200	(10,000)	200	-	200
Other Objects	11-000-262-800	800	-	800	-	800
Total Other Operation & Maintenance of Plant Service		2,172,630	(56,733)	2,115,897	2,081,187	34,710
Care & Upkeep of Grounds						
Salaries	11-000-263-100	216,000	(119)	215,881	214,191	1,690
Purchased Professional & Technical Service	11-000-263-300	55,100	(13,331)	41,769	37,725	4,044
Cleaning, Repair & Maintenance Service:	11-000-263-420	-	2,750	2,750	2,750	-
General Supplies	11-000-263-610	72,500	(36,586)	35,914	34,909	1,005
Total Care & Upkeep of Grounds		343,600	(47,286)	296,314	289,575	6,739
Security						
Salaries	11-000-266-100	49,400	1,300	50,700	50,677	23
Purchased Professional & Technical Service	11-000-266-300	60,000	79,070	139,070	95,802	43,268
Cleaning, Repair & Maintenance Service:	11-000-266-420	3,000	(3,000)	-	-	-
Supplies and Materials	11-000-266-610	-	734	734	734	-
Total Security		112,400	78,104	190,504	147,213	43,291
Student Transportation Services						
Salaries of Non-Instructional Aide	11-000-270-107	37,600	(11,000)	26,600	24,394	2,206
Salaries for Pupil Transportator (Between Home & School) - Regular	11-000-270-160	726,460	(110,100)	616,360	598,557	17,803
Salaries for Pupil Transportator (Between Home & School) - Specia	11-000-270-161	25,000	6,600	31,600	30,405	1,195
Salaries for Pupil Transportation (Othe Than Between Home & School	11-000-270-162	70,000	8,500	78,500	76,228	2,272
Other Purchased Professional & Technical Services	11-000-270-390	6,250	-	6,250	6,057	193
Cleaning, Repair & Maintenanca	11-000-270-420	5,750	1,000	6,750	6,159	591
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	180,000	26,500	206,500	204,335	2,165
Contracted Services (Between Home & School) - Ven Contracted Services (Other Than Between	11-000-270-511	761,500	-	761,500	748,677	12,823
School) - Vendors	11-000-270-512	39,900	(28,020)	11,880	8,912	2,968
Contracted Services (Between Home & School) - Join	11-000-270-513	-	2,000	2,000	1,425	575
Contracted Services (Special Education) - Vendor:	11-000-270-514	49,500	9,020	58,520	57,223	1,297
Contracted Services (Special Education) - Joint Agree:	11-000-270-515	15,000	-	15,000	13,100	1,900
Contracted Services (Regular Educator Students) - ESC	11-000-270-517	83,500	75,000	158,500	158,396	104
Contracted Services (Special Education Students) - ES	11-000-270-518	635,600	140,000	775,600	775,356	244
Miscellaneous Purchased Services - Transportation	11-000-270-593	43,800	-	43,800	37,998	5,802
Supplies and Materials	11-000-270-610	5,250	(1,250)	4,000	488	3,512
Transportation Supplies:	11-000-270-615	221,575	(71,796)	149,779	136,578	13,201
Other Objects	11-000-270-800	1,000	-	1,000	-	1,000
Total Student Transportation Service:		3,054,311	46,454	3,100,765	3,030,913	69,852

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allocated Benefits						
Other Instructional Programs - Instruction Other Employee Benefits:	11-4xx-100-290	200	(200)	-	-	-
Total Other Instructional Program:		200	(200)	-	-	-
Attendance & Social Work Services Other Employee Benefits:	11-000-211-290	400	(400)	-	-	-
Total Attendance & Social Work Service		400	(400)	-	-	-
Other Support Services - Students - Regular Other Employee Benefits:	11-000-218-290	600	(600)	-	-	-
Total Other Support Services - Students - Regular		600	(600)	-	-	-
Other Support Services - Students - Special Other Employee Benefits:	11-000-219-290	400	(400)	-	-	-
Total Other Support Services - Students - Special		400	(400)	-	-	-
Operation & Maintenance of Plant Services Other Employee Benefits:	11-000-261-290	3,575	(3,575)	-	-	-
Total Operation & Maintenance of Plant Service		3,575	(3,575)	-	-	-
Custodial Services Other Employee Benefits:	11-000-262-290	6,225	(6,225)	-	-	-
Total Custodial Services:		6,225	(6,225)	-	-	-
Student Transportation Services Other Employee Benefits:	11-000-270-290	7,050	(7,050)	-	-	-
Total Student Transportation Service:		7,050	(7,050)	-	-	-
Total Allocated Benefit:		18,450	(18,450)	-	-	-
Unallocated Benefits - Employee Benefits						
Social Security	11-000-291-220	475,000	2,000	477,000	451,175	25,825
Other Retirement Contributions - PERS	11-000-291-241	535,000	(15,000)	520,000	519,876	124
Unemployment Compensation	11-000-291-250	50,000	(42,430)	7,570	7,500	70
Workmen's Compensation	11-000-291-260	277,000	-	277,000	275,000	2,000
Health Benefits	11-000-291-270	4,473,050	219,713	4,692,763	4,576,973	115,790
Tuition Reimbursement	11-000-291-280	50,000	-	50,000	30,018	19,982
Other Employee Benefits	11-000-291-290	302,985	15,060	318,045	279,821	38,224
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	30,000	7,380	37,380	37,380	-
Total Unallocated Benefits - Employee Benefit		6,193,035	186,723	6,379,758	6,177,743	202,015
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,567,991	(2,567,991)
On-Behalf Post Retirement Medical Contribution		-	-	-	1,164,836	(1,164,836)
On-Behalf Long-Term Disability Insurance		-	-	-	3,879	(3,879)
Reimbursed TPAF Social Security Contribution		-	-	-	1,103,492	(1,103,492)
Total Undistributed Expenditures:		20,487,662	884,635	21,372,297	25,586,855	(4,214,558)
Total Expenditures - Current Expense		34,850,998	1,564,024	36,415,022	40,350,600	(3,935,578)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction						
Grades 6 - 8	12-130-100-730	8,300	(2,388)	5,912	5,862	50
Grades 9 - 12	12-140-100-730	26,300	(24,900)	1,400	790	610
School-Sponsored & Other						
Instructional Programs	12-4xx-100-730	8,700	86,970	95,670	94,850	820
Support Services - Related & Extra	12-000-210-730	3,000	-	3,000	2,950	50
Administrative Information Technology	12-000-252-730	9,000	26,100	35,100	35,100	-
Required Maintenance of School Facilities	12-000-261-730	-	16,950	16,950	16,950	-
Custodial Services	12-000-262-730	15,250	-	15,250	15,201	49
Care and Upkeep of Grounds	12-000-263-730	17,000	(100)	16,900	16,796	104
Security	12-000-266-730	250,000	25	250,025	250,025	-
Student Transportation						
School Buses regular	12-000-270-733	475,000	(22,025)	452,975	452,226	749
Total Equipment		812,550	80,632	893,182	890,750	2,432
Facilities Acquisition & Construction Services						
Architectural/Engineering Service:	12-000-400-334	-	165,600	165,600	162,861	2,739
Construction Services	12-000-400-450	-	25,150	25,150	21,937	3,213
Assessment for Debt Service on SDA Funding	12-000-400-896	116,737	-	116,737	116,737	-
Total Facilities Acquisition & Construction Service		116,737	190,750	307,487	301,535	5,952
Interest Deposit to Capital Reserve	10-604	1,000	-	1,000	-	1,000
Total Capital Outlay		930,287	271,382	1,201,669	1,192,285	9,384

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

ACCOUNT NUMBERS	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Assets Acquired Under Capital Lease (Nonbudgeted) Technology Equipmen	-	-	-	266,980	(266,980)
Total Assets Acquired Under Capital Lease (Nonbudgeted)	-	-	-	266,980	(266,980)
Total Expenditures	35,781,285	1,835,406	37,616,691	41,809,865	(4,193,174)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(1,227,250)	(185,393)	(1,412,643)	(370,196)	1,042,447
Other Financing Sources/(Uses) Operating Transfers In/(Out) Capital Lease Proceeds	-	-	-	86,196	86,196
Total Other Financing Sources/(Uses)	-	-	-	353,176	353,176
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditure: & Other Financing Sources/(Uses)	(1,227,250)	(185,393)	(1,412,643)	(17,020)	1,395,623
Fund Balances, July 1	4,637,851	-	4,637,851	4,637,851	-
Fund Balances, June 30	3,410,601	(185,393)	3,225,208	4,620,831	1,395,623

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 185,393
Total	<u>\$ 185,393</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	1,966,049
Excess Surplus	743,174
Excess Surplus Designated for Subsequent Year's Expenditures	644,003
Committed to:	
Year-End Encumbrances	254,820
Assigned to:	
Designated for Subsequent Year's Expenditures	132,653
Unassigned Fund Balance	<u>880,132</u>
Subtotal	4,620,831
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,078,654)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,542,177</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	JUNE 30, 2019				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS/ ADJUSTMENTS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 654,169	\$ 22,617	\$ 676,786	\$ 638,984	\$ (37,802)
Local Sources	81,577	(3,812)	77,765	67,561	(10,204)
Total Revenues	<u>735,746</u>	<u>18,805</u>	<u>754,551</u>	<u>706,545</u>	<u>(48,006)</u>
Expenditures:					
Instruction:					
Salaries	134,000	(29,380)	104,620	96,529	8,091
Tuition	440,000	15,435	455,435	455,435	-
Purchased Educational Services	70,169	(55,719)	14,450	7,610	6,840
Supplies & Materials	81,577	2,143	83,720	71,064	12,656
Total Instruction	<u>725,746</u>	<u>(67,521)</u>	<u>658,225</u>	<u>630,638</u>	<u>27,587</u>
Support Services:					
Benefits	-	22,295	22,295	21,767	528
Purchased Professional Services	10,000	26,210	36,210	31,865	4,345
Other Purchased Service	-	18,421	18,421	8,375	10,046
Supplies	-	19,400	19,400	13,900	5,500
Total Support Services	<u>10,000</u>	<u>86,326</u>	<u>96,326</u>	<u>75,907</u>	<u>20,419</u>
Total Expenditures	<u>735,746</u>	<u>18,805</u>	<u>754,551</u>	<u>706,545</u>	<u>48,006</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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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, 2019**

**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)	\$ 41,439,669	\$ 706,545
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	-	16,285
Current Year	-	(19,809)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	854,941	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,078,654)	-
	<u>854,941</u>	<u>-</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 41,215,956</u>	<u>\$ 703,021</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 41,809,865	\$ 706,545
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	-	(3,524)
	<u>-</u>	<u>(3,524)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 41,809,865</u>	<u>\$ 703,021</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.06416%	0.06416%	0.06350%	0.05938%	0.05387%	0.05106%
District's proportionate share of the net pension liability (asset)	\$ 14,935,400	\$ 14,935,400	\$ 18,807,614	\$13,329,366	\$10,085,971	\$ 9,757,726
District's covered-employee payroll	\$ 4,310,620	\$ 4,044,855	\$ 4,428,385	\$ 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	346.48%	369.24%	424.71%	307.99%	242.72%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	48.10%	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 SIX FISCAL YEARS**

	2018	2017	2016	2015	2014	2013
School District's contractually required contribution	\$ 633,995	\$ 594,373	\$ 564,147	\$ 510,499	\$ 444,098	384,693
Contributions in relation to the contractually required contribution	<u>(633,995)</u>	<u>(594,373)</u>	<u>(564,147)</u>	<u>(510,499)</u>	<u>(444,098)</u>	<u>(384,693)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 4,310,620	\$ 4,044,855	\$ 4,428,385	\$ 4,327,819	\$ 4,155,381	N/A
Contributions as a percentage of covered payroll	14.71%	14.69%	12.74%	11.80%	10.69%	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 FIVE FISCAL YEARS*

	2018	2017	2016	2015	2014	2013
School District's proportion of the net pension liability	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	82,851,403	85,772,712	96,997,063	72,207,218	59,999,348	57,910,947
	<u>\$ 82,851,403</u>	<u>\$ 85,772,712</u>	<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	\$ 14,752,919	\$ 13,866,926	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	22.33%	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.

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF CHANGE IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST TWO FISCAL YEARS*

	2019	2018
Total OPEB Liability Associated with the District		
Service Cost	\$ 3,261,325	\$ 3,941,593
Interest Cost	2,581,610	2,222,996
Differences Between Expected and Actual	(8,116,632)	-
Changes of Assumptions	(6,774,430)	(9,835,019)
Contributions: Member	54,557	59,366
Gross Benefit Payments	(1,578,544)	(1,612,222)
	(10,572,114)	(5,223,286)
Net Change in Total OPEB Liability Associated with the District		
Total OPEB Liability Associated with the District (Beginning)	69,605,969	74,829,255
Total OPEB Liability Associated with the District (Ending)	\$ 59,033,855	\$ 69,605,969
District's Covered Employee Payroll	\$ 20,040,580	\$ 18,643,489
Net OPEB Liability Associated with the District as a Percentage of Payroll	294.57%	373.35%

Note - 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 complied, governments should present information for those years for which information is available.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.25% as of June 30, 2017, to 4.86% as of June 30, 2018.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.00% as of June 30, 2017, to 5.66% as of June 30, 2018.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2018.

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, 2019**

	TITLE I PART A	TITLE II PART A	TITLE III	TITLE IV	REGULAR PROGRAM	SAFETY GRANT	OTHER LOCAL	KEF GRANT	TOTAL
Revenues:									
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,610	\$ 37,832	\$ 22,119	\$ 67,561
Federal Sources	126,109	44,775	3,300	9,365	455,435	-	-	-	638,984
Total Revenues	\$ 126,109	\$ 44,775	\$ 3,300	\$ 9,365	\$ 455,435	\$ 7,610	\$ 37,832	\$ 22,119	\$ 706,545
Expenditures:									
Instruction:									
Salaries	\$ 96,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,529
Tuition	-	-	-	-	455,435	-	-	-	455,435
Other Purchased Services	-	-	-	-	-	7,610	-	-	7,610
General Supplies	7,813	-	3,300	-	-	-	37,832	22,119	71,064
Total Instruction	104,342	-	3,300	-	455,435	7,610	37,832	22,119	630,638
Support Services:									
Salaries	-	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	21,767	-	-	-	-	-	-	-	21,767
Purchased Professional Services	-	22,500	-	9,365	-	-	-	-	31,865
Other Professional Services	-	8,375	-	-	-	-	-	-	8,375
Supplies	-	13,900	-	-	-	-	-	-	13,900
Total Support Services	21,767	44,775	-	9,365	-	-	-	-	75,907
Total Expenditures	\$ 126,109	\$ 44,775	\$ 3,300	\$ 9,365	\$ 455,435	\$ 7,610	\$ 37,832	\$ 22,119	\$ 706,545

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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, 2019**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2019
			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	8,716,735	-	1,602,193
Total		\$ 15,668,940	\$ 13,636,323	\$ -	\$ 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, 2019**

Expenditures and Other Financing Uses:	
Construction Services	\$ <u> -</u>
Total Expenditures	<u> -</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>2,032,617</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, 2019**

	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, 2019**

	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	7,452,461		7,452,461	7,517,346
Total Revenues	10,318,928	-	10,318,928	10,383,813
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	949,606		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	8,716,735	-	8,716,735	10,383,813
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,602,193	\$ -	\$ 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

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, 2019**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2019
Current Assets:			
Cash & Cash Equivalents	\$ 491,571	\$ 521,757	\$ 1,013,328
Accounts Receivable:			
State	515	-	515
Federal	11,024	-	11,024
Other	9,066	-	9,066
Inventories	<u>11,109</u>	<u>-</u>	<u>11,109</u>
Total Current Assets	<u>523,285</u>	<u>521,757</u>	<u>1,045,042</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	808,339	-	808,339
Accumulated Depreciation	<u>(676,237)</u>	<u>-</u>	<u>(676,237)</u>
Total Noncurrent Assets	<u>132,102</u>	<u>-</u>	<u>132,102</u>
Total Assets	<u>655,387</u>	<u>521,757</u>	<u>1,177,144</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	361	-	361
Unearned Revenue	<u>23,646</u>	<u>-</u>	<u>23,646</u>
Total Current Liabilities	<u>24,007</u>	<u>-</u>	<u>24,007</u>
Noncurrent Liabilities:			
Compensated Absences	<u>43,200</u>	<u>-</u>	<u>43,200</u>
Total Noncurrent Liabilities	<u>43,200</u>	<u>-</u>	<u>43,200</u>
Total Liabilities	<u>67,207</u>	<u>-</u>	<u>67,207</u>
NET POSITION			
Investment in Capital Assets	132,102	-	132,102
Unrestricted Net Position	<u>456,078</u>	<u>521,757</u>	<u>977,835</u>
Total Net Position	<u>\$ 588,180</u>	<u>\$ 521,757</u>	<u>\$ 1,109,937</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2019**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 532,164	\$ -	\$ 532,164
Daily Sales - Nonreimbursable Programs	443,606	-	443,606
Vending Machine Sales	4,279	-	4,279
Special Function	56,986	-	56,986
Program Fees	-	294,655	294,655
	<hr/>		
Total Operating Revenue	1,037,035	294,655	1,331,690
Operating Expenses:			
Salaries	532,967	133,885	666,852
Employee Benefits	149,652	10,242	159,894
Other Professional Services	12,613	40,425	53,038
Supplies and Materials	50,622	16,015	66,637
Cleaning, Repair & Maintenance Services	25,992	-	25,992
Miscellaneous Expenses	3,677	-	3,677
Depreciation	21,246	-	21,246
Cost of Sales - Reimbursable Programs	262,193	-	262,193
Cost of Sales - Non-Reimbursable Programs	248,745	-	248,745
	<hr/>		
Total Operating Expenses	1,307,707	200,567	1,508,274
Operating (Loss)/Gain	(270,672)	94,088	(176,584)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	9,929	-	9,929
Federal Sources:			
National School Lunch Program	196,911	-	196,911
Healthy Hunger-Free Kids Act	11,636	-	11,636
Food Distribution Program	66,493	-	66,493
	<hr/>		
Total Nonoperating Revenues	284,969	-	284,969
Net Income/(Loss)	14,297	94,088	108,385
Change in Net Position	14,297	94,088	108,385
Total Net Position - Beginning	573,883	427,669	1,001,552
	<hr/>		
Total Net Position - Ending	\$ 588,180	\$ 521,757	\$ 1,109,937

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2019**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2019
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 1,042,223	\$ 294,655	\$ 1,336,878
Payments to Employees	(545,009)	(133,885)	(678,894)
Payments for Employee Benefits	(149,652)	(10,242)	(159,894)
Payments to Suppliers	(603,662)	(72,160)	(675,822)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(256,100)	78,368	(177,732)
Cash Flows From Investing Activities:			
Purchase of Equipment	(29,879)	-	(29,879)
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Investing Activities	(29,879)	-	(29,879)
Cash Flows From Noncapital Financing Activities:			
State Sources	9,929	-	9,929
Federal Sources	275,040	-	275,040
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	284,969	-	284,969
Net Increase/(Decrease) in Cash & Cash Equivalents	(1,010)	78,368	77,358
Cash & Cash Equivalents, July 1	492,581	443,389	935,970
	<hr/>	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 491,571	\$ 521,757	\$ 1,013,328
	<hr/>	<hr/>	<hr/>

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (270,672)	\$ 94,088	\$ (176,584)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	21,246	-	21,246
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(181)	-	(181)
(Increase)/Decrease in Accounts Receivable, Net	3,995	-	3,995
Increase/(Decrease) in Accounts Payable	361	(15,720)	(15,359)
Increase/(Decrease) in Unearned Revenue	1,193	-	1,193
Increase/(Decrease) in Compensated Absences	(12,042)	-	(12,042)
	<hr/>	<hr/>	<hr/>
Total Adjustments	14,572	(15,720)	(1,148)
Net Cash Provided/(Used) by Operating Activities	\$ (256,100)	\$ 78,368	\$ (177,732)
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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, 2019**

ASSETS	GOVERNMENTAL ACTIVITIES					TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ 673,796	\$ 73,809	\$ 18,927	\$ -	\$ -	\$ 766,532
Accounts Receivable:						
Interfund Accounts Receivable	-	-	-	5,181	-	5,181
Intergovernmental - Other	99,755	211	-	51,359	-	151,325
Other Accounts Receivable	6	-	-	-	-	6
Total Assets	773,557	74,020	18,927	56,540	923,044	923,044
LIABILITIES						
Cash Deficit	-	-	-	56,540	-	56,540
Interfund Accounts Payable	773,557	74,020	18,927	-	-	866,504
Total Liabilities	773,557	74,020	18,927	56,540	923,044	923,044
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, 2019**

	GOVERNMENTAL ACTIVITIES			
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES
OPERATING REVENUES:				
Local Sources:				
Transportation Fees	\$ 1,790,920	\$ -	\$ -	\$ 1,790,920
Sale of Gasoline	9,682	-	-	9,682
Shared Service Fees	74,295	61,163	173,586	148,815
Total Operating Revenue	1,874,897	61,163	173,586	2,258,461
OPERATING EXPENSES:				
Salaries	791,745	60,000	170,183	138,310
Employee Benefits	136,576	-	-	136,576
Aid in Lieu of Transportation	151,262	-	-	151,262
Miscellaneous Purchased Services	585,250	-	-	585,250
Supplies & Materials	138,083	-	-	138,083
Miscellaneous Expenditures	856	-	-	856
Total Operating Expenses	1,803,772	60,000	170,183	2,172,265
Net Income/(Loss)	71,125	1,163	3,403	86,196
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Transfer to General Fund	(71,125)	(1,163)	(3,403)	(86,196)
Total Other Financing Sources/(Uses)	(71,125)	(1,163)	(3,403)	(86,196)
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, 2019**

	GOVERNMENTAL ACTIVITIES				TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,918,197	\$ 60,955	\$ 173,586	\$ 145,483	\$ 2,298,221
Payments to Employees	(791,745)	(60,000)	(166,780)	(138,310)	(1,156,835)
Payments for Employee Benefits	(136,576)	-	-	-	(136,576)
Payments to Suppliers	(804,732)	1,163	-	-	(803,569)
Net Cash Provided/(Used) by Operating Activities	185,144	2,118	6,806	7,173	201,241
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	(71,125)	(1,163)	(3,403)	(10,505)	(86,196)
Net Cash Provided by Noncapital Financing Activities	(71,125)	(1,163)	(3,403)	(10,505)	(86,196)
Net Increase/(Decrease) in Cash & Cash Equivalents	114,019	955	3,403	(3,332)	115,045
Cash & Cash Equivalents, July 1	559,777	72,854	15,524	(53,208)	594,947
Cash & Cash Equivalents, June 30, 2013	\$ 673,796	\$ 73,809	\$ 18,927	\$ (56,540)	\$ 709,992
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:	\$ 71,125	\$ 1,163	\$ 3,403	\$ 10,505	\$ 86,196
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:					
Change in Assets & Liabilities:					
(Increase)/Decrease in Accounts Receivable	43,300	(208)	-	(13,836)	29,256
(Increase)/Decrease in Interfund Receivable	-	-	-	10,504	10,504
Increase/(Decrease) in Interfund Payable	71,125	1,163	3,403	-	75,691
Increase/(Decrease) in Accounts Payable	(406)	-	-	-	(406)
Total Adjustments	114,019	955	3,403	(3,332)	115,045
Net Cash Provided/(Used) by Operating Activities	\$ 185,144	\$ 2,118	\$ 6,806	\$ 7,173	\$ 201,241

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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, 2019**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL FUND	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 95,924	\$ 185,940	\$ 73,603	\$ 146,369	\$ 501,836
Interfund Receivable	-	-	296	-	296
Total Assets	95,924	185,940	73,899	146,369	502,132
LIABILITIES					
Payroll Deductions & Withholdings	-	-	73,899	-	73,899
Due to Student Groups	-	-	-	146,369	146,369
Total Liabilities	-	-	73,899	146,369	220,268
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	95,924	-	-	-	95,924
Restricted for Scholarships	-	185,940	-	-	185,940
Total Net Position	\$ 95,924	\$ 185,940	\$ -	\$ -	\$ 281,864

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	<u>PRIVATE PURPOSE</u>		
	UNEMPLOYMENT COMPENSATION		
ADDITIONS:	TRUST	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ 7,422	\$ 925	\$ 8,347
Total Contributions	<u>7,422</u>	<u>925</u>	<u>8,347</u>
Investment Earnings:			
Interest on Investments	-	79	79
Total Investment Earnings	<u>-</u>	<u>79</u>	<u>79</u>
Total Additions	<u>7,422</u>	<u>1,004</u>	<u>8,426</u>
DEDUCTIONS:			
Unemployment Claims	-	-	-
Scholarship Payments	-	3,700	3,700
Total Deductions	<u>-</u>	<u>3,700</u>	<u>3,700</u>
Change in Net Position	7,422	(2,696)	4,726
Net Position - Beginning of Year	<u>88,502</u>	<u>188,636</u>	<u>277,138</u>
Net Position - End of Year	<u>\$ 95,924</u>	<u>\$ 185,940</u>	<u>\$ 281,864</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2019**

	JULY 1, 2018	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2019
Kingsway Regional High School	\$ 113,472	\$ 735,282	\$ 730,380	\$ 118,374
Kingsway Regional Middle School	36,249	118,228	126,482	27,995
Kingsway Regional Athletics	-	111,780	111,780	-
Total	\$ 226,811	\$ 965,290	\$ 968,642	\$ 146,369

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2019**

ASSETS	BALANCE JULY 1, 2018	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2019
Cash & Cash Equivalents:				
Payroll Account	\$ 2	\$ 14,639,407	\$ 14,639,705	\$ (296)
Payroll Agency Account	85,644	10,773,359	10,785,104	73,899
Total Assets	\$ 85,646	\$ 25,412,766	\$ 25,424,809	\$ 73,603
LIABILITIES				
Net Payroll	\$ -	\$ 14,639,407	\$ 14,639,407	\$ -
Net Payroll Deductions & Withholdings	85,644	10,773,359	10,785,104	73,899
Interfund Account Payable	2	-	298	(296)
Total Liabilities	\$ 85,646	\$ 25,412,766	\$ 25,424,809	\$ 73,603

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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, 2019**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2018	ISSUED	REDEEMED	BALANCE JUNE 30, 2019
Series 2012 Additions & Renovations of Existing School Buildings	1/18/2012	22,659,000	02/01/2020	2.500%	\$ 18,709,000	\$ -	\$ 710,000	\$ 17,999,000
			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	1/15/2020-21	2.250-4.000%	3,640,000	-	635,000	3,005,000
			01/15/22	2.500%				
			01/15/23	3.000%				
			01/15/24	3.831%				
Series 2014 Refunding Bonds of 05/15/05 Issue	12/4/2014	8,730,000	03/01/20	4.000%	6,070,000	-	885,000	5,185,000
			03/01/21	3.000%				
			03/01/21	5.000%				
			03/01/22	3.000%				
			03/01/23	4.000%				
Series 2016 Refunding Bonds of 11/21/06 Issue	10/20/2016	8,190,000	03/01/24	5.000%	8,170,000	-	-	8,170,000
			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					\$ 36,589,000	\$ -	\$ 2,230,000	\$ 34,359,000

**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2019**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2018	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2019
Technology Equipment	8/17/18	3 Years	3.27%	\$ 266,980	\$ -	\$ 266,980	\$ -	\$ 266,980
Total					\$ -	\$ 266,980	\$ -	\$ 266,980

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	JUNE 30, 2019				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,839,575	\$ -	\$ 2,839,575	\$ 2,839,575	\$ -
State Sources:					
Debt Service Aid Type II	500,492	-	500,492	500,492	-
Miscellaneous	-	-	-	393	393
Total Revenues	3,340,067	-	3,340,067	3,340,460	393
Expenditures:					
Regular Debt Service:					
Interest	1,211,422	-	1,211,422	1,211,421	1
Principal	2,230,000	-	2,230,000	2,230,000	-
Total Expenditures	3,441,422	-	3,441,422	3,441,421	1
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(101,355)	-	(101,355)	(100,961)	394
Fund Balance July 1	105,164	-	105,164	105,164	-
Fund Balance June 30	\$ 3,809	\$ -	\$ 3,809	\$ 4,203	\$ 394

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net Investment in Capital Assets	\$ 21,168,090	\$ 19,836,311	\$ 19,475,201	\$ 17,827,660	\$ 17,607,415	\$ 16,354,079	\$ 8,717,235	\$ 9,449,419	\$ 9,885,660	\$ 10,836,455
Restricted	5,390,046	5,788,430	3,279,005	3,406,385	4,725,703	3,584,379	2,733,713	2,908,692	3,904,704	4,584,524
Unrestricted	(15,114,769)	(14,742,313)	(9,870,037)	1,100,145	139,963	53,340	(1,031,840)	(1,236,904)	(929,075)	(1,080,626)
Total Governmental Activities	\$ 11,443,367	\$ 10,882,428	\$ 12,884,169	\$ 22,334,190	\$ 22,473,081	\$ 19,991,798	\$ 10,419,108	\$ 11,121,207	\$ 12,861,289	\$ 14,340,353
Business-Type Activities:										
Investment in Capital Assets	\$ 132,102	\$ 123,469	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667	\$ 135,707	\$ 142,253
Unrestricted	977,835	878,083	361,896	391,020	275,518	218,608	129,752	38,542	390,262	427,480
Total Business-Type Activities	\$ 1,109,937	\$ 1,001,552	\$ 462,372	\$ 401,235	\$ 286,280	\$ 259,901	\$ 204,074	\$ 145,209	\$ 525,969	\$ 569,733
District-Wide:										
Net Investment in Capital Assets	\$ 21,300,192	\$ 19,959,780	\$ 19,575,677	\$ 17,837,875	\$ 17,618,177	\$ 16,395,372	\$ 8,791,557	\$ 9,556,086	\$ 10,021,367	\$ 10,978,708
Restricted	5,390,046	5,788,430	3,279,005	3,406,385	4,725,703	3,584,379	2,733,713	2,908,692	3,904,704	4,584,524
Unrestricted	(14,136,934)	(13,864,230)	(9,508,141)	1,491,165	415,481	271,948	(902,088)	(1,198,362)	(538,813)	(653,146)
Total District Net Position	\$ 12,553,304	\$ 11,883,980	\$ 13,346,541	\$ 22,735,425	\$ 22,759,361	\$ 20,251,699	\$ 10,623,182	\$ 11,266,416	\$ 13,387,258	\$ 14,910,086

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 14,265,494	\$ 12,871,811	\$ 14,702,463	\$ 12,536,245	\$ 11,978,588	\$ 11,243,222	\$ 7,878,158	\$ 8,763,250	\$ 8,789,020	\$ 7,546,067
Special Education	3,553,738	3,186,610	3,732,321	3,317,324	2,965,920	3,058,553	2,194,808	2,149,129	1,955,353	1,756,123
Other Instruction	49,609	45,609	5,352	5,992	4,850	31,261	56,162	31,289	31,289	9,677
School Sponsored	1,163,490	1,076,456	1,237,231	1,188,826	1,155,925	1,073,294	755,011	1,095,130	1,157,586	984,296
Support Services:										
Tuition	2,788,805	2,665,297	2,355,900	2,045,704	2,097,428	1,658,412	1,862,674	1,729,187	1,566,990	1,347,856
Student & Instruction Related Services	4,388,258	3,867,681	4,670,664	3,980,590	3,504,324	3,249,067	2,132,387	2,212,311	2,097,251	1,929,467
School Administrative Services	1,647,054	1,698,804	1,715,299	1,587,333	1,392,634	1,464,383	1,272,945	1,326,729	1,254,410	1,196,511
General & Business Administrative Services	830,930	756,642	857,522	717,954	682,990	618,884	537,466	439,397	410,818	456,780
Central Office & Technology Services	1,094,223	1,002,334	856,912	748,669	825,133	584,884	569,573	626,864	615,387	563,748
Plant Operations & Maintenance	3,638,924	3,474,201	3,840,177	3,790,087	3,137,022	3,171,087	2,528,095	2,711,376	3,080,264	2,995,772
Pupil Transportation	4,965,165	4,602,728	4,364,605	3,702,236	3,156,947	3,112,014	2,821,829	3,080,396	2,946,272	3,384,766
Allocated Benefits	-	-	-	-	-	-	4,408,279	4,716,007	4,808,105	4,376,662
On Behalf TPAP Pension and Social Security Contributions	9,855,809	13,142,094	-	-	-	-	1,940,708	1,686,111	1,659,606	2,179,478
Transfer to Charter School	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,257,464	1,317,904	1,578,718	1,838,789	1,715,834	1,448,736	1,245,834	1,287,509	1,324,177	1,357,997
Unallocated Depreciation	1,912,414	1,980,299	1,670,349	1,880,234	1,679,247	1,904,135	1,439,521	676,384	675,162	1,457,201
Capital Asset Adjustment	-	-	-	72,143	-	-	-	-	-	-
Amortization of Debt Issuance Costs	-	-	-	102,268	75,192	-	-	-	-	-
Unallocated Compensated Absence	-	-	231,294	417,609	(94,013)	265,957	-	-	-	-
Total Governmental Activities Expense	51,411,375	51,692,190	42,018,809	37,757,592	34,300,648	33,003,413	31,643,450	32,531,041	32,351,690	31,542,401
Business-Type Activities										
Community Education Program	200,567	169,482	42,755	13,266	16,409	13,832	2,912	-	-	-
Food Service	1,307,707	1,301,292	1,208,748	1,155,055	1,046,087	1,042,778	1,003,315	949,241	1,005,978	999,511
Total Business-Type Activities Expense	1,508,274	1,470,774	1,251,503	1,168,321	1,062,496	1,056,610	1,006,227	949,241	1,005,978	999,511
Total District Expenses	\$ 52,919,649	\$ 53,162,964	\$ 43,270,312	\$ 38,925,913	\$ 35,363,144	\$ 34,060,023	\$ 32,649,677	\$ 33,480,282	\$ 33,357,668	\$ 32,541,912
Program Revenues:										
Governmental Activities										
Charges for Services:										
Pupil Transportation	2,258,461	2,259,712	1,961,651	1,742,380	1,165,354	1,104,912	1,134,114	1,184,917	1,055,760	1,623,513
Operating Grants & Contributions	9,930,074	12,753,880	5,315,795	456,633	436,803	449,711	-	-	1,135,868	1,075,725
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	12,188,535	15,013,592	7,277,446	2,199,013	1,602,157	1,554,623	2,077,335	2,276,250	2,191,628	2,699,238
Business-Type Activities										
Charges for Services:										
Community Education Program	294,655	266,865	93,098	30,026	28,854	26,378	13,615,000	-	-	-
Food Service	1,037,035	1,081,096	965,864	962,521	842,295	837,864	872,766	822,769	798,796	773,209
Technology Services	-	-	-	-	-	16,522,000	-	-	-	-
Operating Grants & Contributions	284,969	299,342	257,626	291,482	255,493	230,359	180,597	172,749	162,759	136,379
Total Business-Type Activities Program Revenues	1,616,659	1,647,303	1,316,588	1,284,029	1,126,642	1,111,303	1,066,978	995,518	961,555	909,588
Total District Program Revenues	\$ 13,805,194	\$ 16,660,895	\$ 8,594,034	\$ 3,483,042	\$ 2,728,799	\$ 2,665,926	\$ 3,144,313	\$ 3,271,768	\$ 3,153,183	\$ 3,608,826

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

	FISCAL YEAR ENDING JUNE 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net (Expense)/Revenue										
Governmental Activities	\$ (39,222,840)	\$ (36,678,599)	\$ (34,741,363)	\$ (35,558,579)	\$ (32,698,491)	\$ (31,448,790)	\$ (29,566,115)	\$ (30,254,791)	\$ (30,160,062)	\$ (28,843,163)
Business-Type Activities	108,385	176,529	65,085	115,708	64,146	54,693	60,751	46,277	(44,423)	(89,923)
Total District-Wide Net Expend	\$ (39,114,455)	\$ (36,502,070)	\$ (34,676,278)	\$ (35,442,871)	\$ (32,634,345)	\$ (31,394,097)	\$ (29,505,364)	\$ (30,208,514)	\$ (30,204,485)	\$ (28,933,086)
General Revenues & Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 21,597,640	\$ 20,630,552	\$ 18,400,237	\$ 17,431,770	\$ 17,089,971	\$ 16,323,659	\$ 15,536,649	\$ 14,194,655	\$ 13,248,425	\$ 13,010,690
Taxes Levied for Debt Service	2,839,575	2,896,054	3,024,851	3,039,318	3,108,239	1,888,351	1,803,669	1,703,432	1,688,110	1,627,323
Unrestricted Grants & Contributions	11,804,253	9,770,230	9,970,427	11,491,582	11,779,848	18,533,839	8,883,640	7,343,343	8,763,002	8,346,306
Federal & State Aid Restricted	500,492	522,864	-	-	-	-	-	-	-	-
Tuition Received	2,476,547	2,677,133	3,341,849	3,360,599	2,855,074	2,798,202	3,332,156	4,342,882	4,587,891	4,623,432
Rents and Royalties	79,120	81,636	77,121	-	-	-	-	-	-	-
Investment Earnings	23,011	5,726	6,623	7,098	11,659	-	39,178	88,375	123,493	205,915
Miscellaneous Income	461,158	327,081	227,960	350,533	319,044	379,629	269,421	173,387	215,139	162,927
Transportation Fees from Other LEA's Within State	1,983	1,534	-	-	-	57,034	15,912	199,122	106,637	283,144
Transfers	-	-	-	-	-	-	-	425,600	-	(87,500)
Net Proceeds of Bond Sale	-	-	-	-	-	-	-	-	-	-
Cancellation of Account Receivables	-	-	-	-	-	-	-	-	-	-
Payables	-	-	-	14,956	(583)	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	(32,419)	-	11,240	55,880	97,471
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	(984,190)	-	32,671	182,503	2,399,830
Total Governmental Activities	39,783,779	36,912,810	35,049,068	35,695,856	35,163,252	39,980,714	28,864,016	28,514,707	28,971,080	30,669,538
Business-Type Activities										
Investment Earnings	-	50	1,386	948	1,627	1,383	850	867	556	2,518
Transfers	-	-	-	-	-	-	-	(425,600)	-	87,500
Capital Assets	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	4,389	-	-	-	958	-	-
Compensated Absences	-	-	(5,334)	(6,090)	(22,872)	(248)	(2,737)	(3,262)	102	(2,933)
Total Business-Type Activities	-	50	(3,948)	(753)	(21,245)	1,135	(1,887)	(427,037)	658	87,085
Total District-Wide	\$ 39,783,779	\$ 36,912,860	\$ 35,045,120	\$ 35,695,103	\$ 35,142,007	\$ 39,981,849	\$ 28,862,129	\$ 28,087,670	\$ 28,971,738	\$ 30,756,623
Change in Net Position	\$ 560,939	\$ 234,211	\$ 307,705	\$ 137,277	\$ 2,464,761	\$ 8,531,924	\$ (702,099)	\$ (1,740,084)	\$ (1,188,982)	\$ 1,826,375
Governmental Activities	108,385	176,529	61,137	114,955	42,901	55,828	58,864	(380,760)	(43,765)	(2,838)
Business-Type Activities	669,324	410,790	368,842	252,232	2,507,662	8,587,752	(643,235)	(2,120,844)	(1,232,747)	1,823,537

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

	FISCAL YEAR ENDING JUNE 30, 2013									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund:										
Restricted	\$ 3,353,226	\$ 3,650,649	\$ 3,552,629	\$ 3,873,976	\$ 4,406,076	\$ 3,584,379	\$ 2,728,509	\$ 2,858,692	\$ 3,943,036	\$ 4,584,524
Assigned	-	-	87,149	87,149	319,627	-	-	-	-	-
Committed	254,820	185,393	-	-	-	-	-	-	-	-
Unassigned	(65,869)	(53,132)	-	-	-	-	759,943	552,731	659,534	530,489
Total General Fund	\$ 3,542,177	\$ 3,782,910	\$ 3,639,778	\$ 3,961,125	\$ 4,725,703	\$ 3,584,379	\$ 3,488,452	\$ 3,411,423	\$ 4,602,570	\$ 5,115,013
All Other Governmental Funds:										
Restricted	\$ 2,032,617	\$ 2,137,781	\$ 2,392,330	\$ 2,513,829	\$ 3,777,425	\$ 25,422,409	\$ 5,204	\$ 50,000	\$ (38,332)	\$ -
Committed	-	-	-	131,008	4,424,528	-	-	-	-	-
Unassigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	(299,600)	(449,600)	-	-
Debt Service Fund	4,203	-	111,017	47,162	47,162	-	-	5,204	-	-
Total All Other Governmental Funds	\$ 2,036,820	\$ 2,137,781	\$ 2,503,347	\$ 2,691,999	\$ 8,249,115	\$ 25,422,409	\$ (294,396)	\$ (394,396)	\$ (38,332)	\$ -

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues:										
Taxes Local	\$ 24,437,215	\$ 23,526,606	\$ 21,425,088	\$ 20,471,088	\$ 20,198,210	\$ 18,212,010	\$ 17,340,316	\$ 15,898,087	\$ 14,936,535	\$ 14,638,013
Tuition Charges	2,476,547	2,677,133	3,341,849	3,360,599	2,855,074	2,798,202	3,332,156	4,342,882	4,587,891	4,623,432
Transportation	81,103	83,170	77,121	-	57,034	15,912	15,912	199,122	106,637	283,144
Miscellaneous	484,169	332,807	234,583	357,631	330,703	379,629	308,599	261,762	338,632	368,843
Local Sources	-	-	-	-	-	9,625	9,625	8,407	17,592	17,000
State Sources	17,132,168	14,533,269	12,127,546	11,494,211	11,785,650	18,254,364	9,290,613	6,906,832	9,447,830	9,031,936
Federal Sources	648,235	602,026	547,794	454,004	431,001	729,186	717,516	1,673,401	433,448	373,095
Total Revenue	45,259,437	41,755,011	37,753,981	36,137,533	35,600,638	40,430,425	31,014,737	29,290,493	29,868,565	29,335,463
Expenditures:										
Instruction:										
Regular Instruction	11,033,587	9,860,048	9,187,438	8,764,411	8,277,245	7,735,128	7,784,180	8,221,599	8,271,054	7,470,528
Special Education Instruction	2,783,306	2,468,656	2,417,631	2,418,182	2,083,582	2,220,282	2,186,002	2,136,896	1,943,140	1,755,367
Other Instructional	49,609	45,609	5,352	5,992	401	4,850	56,162	31,261	31,289	9,677
School Sponsored	1,068,922	988,330	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335	867,217	896,704
Support Services:										
Tuition	2,788,805	2,665,297	2,355,900	2,045,704	2,097,428	1,658,412	1,862,674	1,729,187	1,566,990	1,347,856
Student & Instruction Related Services	3,288,088	282,449	2,793,298	2,696,623	2,244,352	2,054,879	2,125,940	2,114,301	1,999,922	1,920,914
School Administrative Services	1,536,163	1,595,467	1,526,072	1,457,917	1,265,636	1,344,016	1,270,985	1,307,195	1,237,037	1,184,384
General & Business Administration Services	1,519,867	1,294,450	1,375,899	1,186,763	1,282,660	1,098,703	1,056,420	1,020,532	981,075	990,699
Plant Operations & Maintenance	2,936,420	2,815,462	2,697,816	2,893,133	2,400,574	2,474,277	2,488,072	2,654,490	3,026,315	2,963,466
Pupil Transportation	3,030,913	2,689,692	2,694,444	2,269,025	2,058,100	1,865,474	1,740,212	1,755,960	1,742,691	1,612,110
Allocated Benefits	-	-	5,145,365	4,891,551	4,037,238	4,489,690	4,408,279	4,716,007	4,808,105	4,391,316
Unallocated Benefits	6,177,743	5,756,942	2,627,894	2,318,258	3,037,827	2,215,982	1,940,708	1,686,111	1,639,606	2,164,825
On Behalf TPAF Pension and Social Security Contributions	4,840,198	4,259,462	-	-	-	-	-	-	-	-

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenditures (continued):										
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,342,528	706,935	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393	331,346	508,784
Debt service:										
Principal	2,230,000	2,145,000	2,095,000	1,930,000	2,018,600	1,310,000	1,260,000	1,070,000	1,035,000	935,000
Interest & Other Charges	1,328,158	1,392,558	1,575,033	1,662,163	1,695,165	1,214,657	1,264,531	1,302,106	1,337,938	1,370,712
Total Expenditures	45,954,307	41,526,357	38,456,562	42,621,621	51,902,853	36,817,537	32,340,334	31,326,373	30,818,725	29,522,342
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(694,870)	228,654	(702,581)	(6,484,088)	(16,302,215)	3,612,888	(1,325,597)	(2,035,880)	(950,160)	(186,879)
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	266,980	-	(9,638,664)	14,956	15,550	-	-	-	-	-
Cancellation of Account Receivable	-	(3,720)	9,736,442	-	(16,133)	-	-	-	-	-
Transfers to Charter School	-	-	-	-	-	-	-	-	-	-
Transfers in	86,196	33,940	94,804	147,438	151,392	-	150,001	480,803	1	1
Transfers Out	-	-	-	-	(34,164)	-	(1)	(55,203)	(1)	(87,501)
Total Other Financing Sources/ (Uses)	353,176	30,220	192,582	162,394	270,245	22,805,000	1,650,000	425,600	-	(87,500)
Net Change in Fund Balances	\$ (341,694)	\$ 258,874	\$ (509,999)	\$ (6,321,694)	\$ (16,031,970)	\$ 26,417,888	\$ 324,403	\$ (1,610,280)	\$ (950,160)	\$ (274,379)
Debt Service as a Percentage of Noncapital Expenditures	7.98%	8.67%	9.77%	10.09%	11.07%	8.24%	7.92%	7.77%	7.58%	8.07%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	FACILITY USAGE	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	SPORTING EVENTS GATE RECEIPTS	DRIVER'S EDUCATION FEES	STUDENT PARTICIPATION FEES	MISCELLANEOUS	TOTAL
2019	\$ 79,119	\$ 23,011	\$ 89,682	\$ 16,414	\$ -	\$ 115,743	\$ 92,246	\$ 416,215
2018	-	5,726	26,160	19,098	-	122,090	93,767	266,841
2017	-	6,623	10,573	17,317	-	92,475	69,320	196,308
2016	62,796	7,098	31,576	23,068	-	96,327	120,058	340,923
2015	43,806	11,659	16,693	17,611	-	123,000	55,399	268,168
2014	61,587	19,349	55,902	19,521	-	122,680	92,333	371,372
2013	58,476	39,178	3,747	24,849	-	-	182,349	308,599
2012	48,195	88,375	7,321	27,169	-	-	90,702	261,762
2011	17,664	123,493	3,213	17,664	-	-	176,598	338,632
2010	-	205,915	11,377	27,700	-	-	123,850	368,842

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												
2019	\$ 29,782,900	\$ 1,073,090,800	\$ 21,944,700	\$ 2,361,100	\$ 34,325,600	\$ 33,010,200	\$ 1,299,000	\$ 1,195,814,300	\$ -	\$ 1,195,814,300	1.915	\$ 1,203,537,787
2018	19,078,000	971,172,300	19,125,000	2,518,100	42,848,500	17,797,000	1,613,800	1,074,152,700	-	1,074,152,700	2.118	1,180,244,291
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	2.106	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	2.068	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	1.968	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	1,038,998,200	1,266,142	1,038,264,342	1.876	1,079,797,686
2013	17,930,100	910,807,400	23,975,400	2,749,200	54,269,400	16,952,500	2,159,800	1,028,843,800	1,470,197	1,030,313,997	1.810	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	1,470,197	1,018,112,510	1.726	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	2.726	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	2.698	1,157,758,363
South Harrison Township												
2019	6,872,800	314,873,200	36,930,800	3,410,700	23,285,900	-	-	385,373,400	-	385,373,400	1.924	412,248,745
2018	8,340,500	311,210,300	37,978,900	3,488,800	22,367,200	-	-	383,385,700	-	383,385,700	1.903	400,823,012
2017	8,491,800	307,969,300	36,090,400	3,574,900	22,841,600	-	-	378,968,000	486,625	379,454,625	1.881	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	1.879	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	1.880	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	1.850	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	1.627	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	1.568	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	1.505	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	1.454	372,661,163
Borough of Swedesboro												
2019	1,251,300	136,121,800	-	14,400	30,095,400	3,273,800	2,330,700	173,087,400	-	173,087,400	2.204	177,645,685
2018	1,121,900	136,004,700	-	14,400	30,111,400	3,273,800	2,330,700	172,856,900	-	172,856,900	2.282	177,824,185
2017	1,200,000	135,946,700	-	25,300	29,555,400	3,273,800	2,330,700	172,331,900	-	172,331,900	2.296	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	3.303	178,468,138
2015	1,311,500	135,324,200	-	25,300	30,020,200	3,273,800	2,749,500	174,704,800	1,774,301	174,478,801	2.259	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	2.191	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	2.149	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	1.982	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	1.857	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	3.699	193,463,770
Woolwich Township												
2019	17,438,800	996,881,400	18,108,900	3,879,800	65,095,600	41,306,910	32,501,500	1,175,212,910	-	1,175,212,910	2.315	1,342,106,327
2018	19,193,100	981,055,700	18,242,300	4,203,200	53,839,700	41,306,910	32,501,500	1,150,342,410	-	1,150,342,410	2.355	1,276,383,568
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	2.326	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	2.306	1,193,338,935
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	2.256	1,163,596,438
2014	17,421,300	923,944,400	18,481,400	4,344,600	51,771,100	44,073,200	22,229,800	1,082,265,800	1,901,162	1,084,166,962	2.188	1,110,614,108
2013	19,999,300	905,097,600	20,677,300	4,291,500	55,082,700	45,953,200	22,229,800	1,073,331,400	2,303,228	1,075,634,628	2.092	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	3.394	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	628,553,882	1,279,782	629,833,664	3.216	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	3.146	1,207,715,607

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								
2019	1.201	0.714	1.915	0.341	0.650	0.047	0.041	2.994
2018	1.333	0.785	2.118	0.380	0.703	0.052	0.044	3.297
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
South Harrison Township								
2019	1.089	0.835	1.924	0.247	0.690	0.049	0.043	2.953
2018	1.039	0.864	1.903	0.241	0.672	0.050	0.042	2.908
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
Borough of Swedesboro								
2019	1.356	0.848	2.204	1.034	0.662	0.047	0.041	3.988
2018	1.417	0.865	2.282	0.995	0.659	0.049	0.042	4.027
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
Woolwich Township								
2019	1.364	0.951	2.315	0.605	0.737	0.053	0.046	3.756
2018	1.423	0.932	2.355	0.576	0.712	0.053	0.045	3.741
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

Source: Gloucester County Abstract of Ratable;

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

	2019		2010	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
EAST GREENWICH TOWNSHIP				
Nar Farms LLC	\$ 7,240,700	0.61%		
Travelcenters Properties LP	5,680,000	0.47%		
Columbia Gas Transmission Co	3,606,400	0.30%		
Storage World of NJ LLC	3,550,000	0.30%		
Saint Gobain Performance Plastics	3,000,000	0.25%		
South Shore Properties LLC	2,840,500	0.24%		
Legacy at East Greenwich LLC	2,505,600	0.21%		
Transcontinental Gas Pipeline Co	2,464,700	0.21%		
Kampgrounds of America Inc	2,372,900	0.20%		
Summer Skye LLC	2,100,000	0.18%		
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	\$ 35,360,800	2.96%	\$ 28,365,100	5.45%
SOUTH HARRISON TOWNSHIP				
Mullica Hill Group Companies LLC	\$ 4,544,100	1.18%		
Mullica Hill Group Co LLC	3,145,800	0.82%		
Taxpayer #1	2,895,400	0.75%		
American Tower Asset Sub LLC	2,416,900	0.63%		
Taxpayer #2	2,171,000	0.56%		
South Harrison 500 Associates LLC	2,160,000	0.56%		
Taxpayer #3	1,916,600	0.50%		
Taxpayer #4	1,296,200	0.34%		
Taxpayer #5	1,279,100	0.33%		
Harrisonville Mobile Home Park	1,012,500	0.26%		
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	\$ 22,837,600	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	2019		2010	
	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	2.19%		
D & D Properties of Swedesboro Inc.	2,823,500	1.63%		
R&R Real Estate, LLC	1,703,100	0.98%		
Taxpayer #1	1,660,000	0.96%		
Russo Rentals, LLC	1,505,600	0.87%		
Botto Sons, LLC	1,389,700	0.80%		
Swedesboro Housing LTD Partnership	1,275,000	0.74%		
Green Bucket LLC	1,207,900	0.70%		
Gi Advo Propco LLC	1,176,300	0.68%		
Bank of America	974,900	0.56%		
Del Monte Corporation			1,100,000	1.36%
Taxpayer #1			985,200	1.22%
Swedesboro Housing LTD Partnership			909,000	1.12%
D & D Properties of Swedesboro Inc.			839,300	1.04%
Bank of America			615,000	0.76%
Botto Sons, LLC			597,800	0.74%
Taxpayer #2			429,800	0.53%
CCL Container Corp.			422,600	0.52%
R&R Real Estate, LLC			398,300	0.49%
Hoerner Provision Co., Incc.			351,100	0.43%
Total	\$ 17,505,200	10.11%	\$ 6,648,100	8.21%
WOOLWICH TOWNSHIP				
Pond View at Westbrook, LLC	\$ 20,251,500	1.72%		
Liberty Venture	15,225,310	1.30%		
Westbrook at Weatherby LLC	12,250,000	1.04%		
Columbia Gas C/O Tax Dept	10,300,000	0.88%		
Columbia Gas C/O Tax Dept	7,678,100	0.65%		
USF Propco II LLC	7,300,000	0.62%		
JMJ Warehouse Associates	5,700,000	0.49%		
Liberty Property LTD Partnership	5,694,700	0.48%		
Raab Family Partnership LP	3,665,400	0.31%		
Gi Advo Propco LLC	3,196,200	0.27%		
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	\$ 91,261,210	7.77%	\$ 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				
2019	8,601,154	7,884,391	91.67%	716,763.00
2018	8,137,602	8,137,602	100.00%	
2017	8,123,897	8,123,897	100.00%	-
2016	7,666,136	7,666,136	100.00%	-
2015	7,398,551	7,398,551	100.00%	-
2014	7,449,553	7,449,553	100.00%	-
2013	6,983,548	6,983,548	100.00%	-
2012	6,940,378	6,940,378	100.00%	-
2011	6,053,317	6,053,317	100.00%	-
2010	6,158,276	6,158,276	100.00%	-
South Harrison Township				
2019	3,344,618	3,344,618	100.00%	
2018	3,316,426	3,316,426	100.00%	
2017	3,256,290	3,256,290	100.00%	-
2016	3,212,136	3,212,136	100.00%	-
2015	3,053,996	3,053,996	100.00%	-
2014	2,932,492	2,932,492	100.00%	-
2013	2,705,173	2,705,173	100.00%	-
2012	2,485,214	2,485,214	100.00%	-
2011	2,425,297	2,425,297	100.00%	-
2010	2,210,899	2,210,899	100.00%	-
Borough of Swedesboro				
2019	1,504,594	1,504,594	100.00%	
2018	1,572,325	1,572,325	100.00%	
2017	1,614,466	1,614,466	100.00%	-
2016	1,560,059	1,560,059	100.00%	-
2015	1,688,729	1,688,729	100.00%	-
2014	1,634,313	1,634,313	100.00%	-
2013	1,393,609	1,393,609	100.00%	-
2012	1,338,014	1,338,014	100.00%	-
2011	1,233,201	1,233,201	100.00%	-
2010	1,094,878	1,094,878	100.00%	-
Woolwich Township				
2019	10,986,848	10,986,848	100.00%	
2018	10,193,654	10,193,654	100.00%	
2017	9,642,185	9,642,185	100.00%	-
2016	8,986,758	8,986,758	100.00%	-
2015	8,329,812	8,329,812	100.00%	-
2014	8,181,872	7,129,680	100.00%	-
2013	7,129,680	6,576,712	100.00%	-
2012	6,576,712	6,186,272	100.00%	-
2011	6,186,272	5,472,485	100.00%	-
2010	5,472,485	5,346,707	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				
2019	\$ 34,359,000	\$ -	\$ -	\$ -	\$ 34,359,000	N/A	N/A
2018	36,589,000	-	-	-	36,589,000	N/A	1,258
2017	43,554,000	-	300,000	-	43,854,000	0.12%	1,531
2016	46,364,000	-	600,000	-	46,964,000	0.11%	1,653
2015	48,294,000	-	900,000	-	49,194,000	0.10%	1,735
2014	50,159,000	153,600	1,200,000	-	51,512,600	0.09%	1,829
2013	28,239,000	299,600	1,500,000	-	30,038,600	0.15%	1,091
2012	29,349,000	449,600	169,000	-	29,967,600	0.15%	1,115
2011	30,419,000	-	405,666	-	30,824,666	0.14%	1,169
2010	31,454,000	-	642,333	-	32,096,333	0.13%	1,247

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		
2019	\$ 34,359,000	\$ -	\$ 34,359,000	N/A	N/A
2018	36,589,000	-	36,589,000	N/A	1,258
2017	43,554,000	-	43,554,000	1.55%	1,521
2016	46,364,000	-	46,364,000	1.69%	1,632
2015	48,294,000	-	48,294,000	1.79%	1,703
2014	50,159,000	-	50,159,000	2.23%	1,781
2013	28,239,000	-	28,239,000	1.64%	1,026
2012	29,349,000	-	29,349,000	1.71%	1,092
2011	30,419,000	-	30,419,000	2.02%	1,153
2010	31,454,000	-	31,454,000	2.21%	1,222

**KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Greenwich Township	\$ 11,574,073	100.00%	\$ 11,574,073
South Harrison Township	-	100.00%	-
Swedesboro Borough	4,241,198	100.00%	4,241,198
Woolwich Township	34,993,231	100.00%	34,993,231
Other Debt:			
County of Gloucester	239,123,500	<u>Net County Apportioned</u>	
East Greenwich Township		1,192,475,369	4.429%
South Harrison Township		400,068,559	1.486%
Swedesboro Borough		175,631,884	0.652%
Woolwich Township		1,274,617,629	4.734%
			<u>11,320,696</u>
Subtotal, Overlapping Debt			77,833,500
Kingsway Regional School District Debt			<u>34,359,000</u>
		<u>County Total</u>	
		26,923,347,627	
Total Direct & Overlapping Debt			<u><u>\$ 112,192,500</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**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit	\$ 105,019,261	\$ 102,151,534	95,850,403	95,850,403	97,981,635	99,390,738	98,413,494	95,523,243	88,311,077	46,472,803
Total Net Debt Applicable to Limit	34,359,000	36,589,000	43,554,000	46,364,000	48,294,000	50,159,000	28,239,000	29,798,600	30,419,000	31,454,000
Legal Debt Margin	\$ 70,660,261	\$ 65,562,534	52,296,403	49,486,403	49,687,635	49,231,738	70,174,494	65,724,643	57,892,077	15,018,803
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	32.72%	35.82%	45.44%	48.37%	49.29%	50.47%	28.69%	31.20%	34.45%	67.68%

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized Valuation Basis				Total
	East Greenwich	South Harrison	Swedesboro	Woolwich	
2018	1,186,646,818	409,381,420	175,222,402	1,311,978,114	\$ 3,083,228,754
2017	1,166,339,448	395,945,250	175,098,456	1,255,658,324	\$ 2,993,041,478
2016	1,135,215,693	393,943,815	174,492,614	1,221,728,601	\$ 2,925,380,723
					<u>\$ 9,001,650,955</u>
Average Equalized Valuation of Taxable Property					<u>\$ 3,000,550,318</u>
Debt Limit (3.5 % of Average Equalization Value)					<u>\$ 105,019,261</u>
Net Bonded School Debt					<u>34,359,000</u>
Legal Debt Margin					<u>\$ 70,660,261</u>

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			
2019	N/A	N/A	N/A
2018	10,583	N/A	3.1%
2017	10,488	52,506	3.7%
2016	10,355	50,589	4.2%
2015	10,306	49,636	5.5%
2014	10,268	47,305	3.8%
2013	10,147	45,826	7.5%
2012	10,056	44,895	7.3%
2011	9,848	43,768	7.5%
2010	9,632	42,288	7.0%
South Harrison			
2019	N/A	N/A	N/A
2018	3,146	N/A	3.6%
2017	3,155	52,506	4.5%
2016	3,165	50,589	4.9%
2015	3,179	49,636	6.1%
2014	3,186	47,305	6.0%
2013	3,194	45,826	7.4%
2012	3,206	44,895	7.2%
2011	3,214	43,768	7.5%
2010	3,219	42,288	7.0%
Swedesboro Borough			
2019	N/A	N/A	N/A
2018	2,579	N/A	4.4%
2017	2,584	52,506	5.0%
2016	2,590	50,589	4.8%
2015	2,601	49,636	5.3%
2014	2,597	47,305	8.3%
2013	2,595	45,826	10.8%
2012	2,602	44,895	10.6%
2011	2,606	43,768	10.9%
2010	2,594	42,288	10.2%
Woolwich			
2019	N/A	N/A	N/A
2018	12,786	N/A	2.8%
2017	12,412	52,506	3.4%
2016	12,295	50,589	3.8%
2015	12,268	49,636	4.8%
2014	12,116	47,305	4.6%
2013	11,586	45,826	7.3%
2012	11,009	44,895	7.1%
2011	10,704	43,768	7.3%
2010	10,302	42,288	6.9%

Source:

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

b Personal income

c Per Capita

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

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

	2019		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	3.06%
Rowan University	3,500	2	2.38%
Inspira Health	2,051	3	1.39%
Jefferson Health	2,015	4	1.37%
Washington Township School District	1,550	5	1.05%
Shop Rite	1,300	6	0.88%
County of Gloucester	1,200	7	0.82%
US Foodservices	1,014	8	0.69%
Monrow Township School District	811	9	0.55%
Walmart - Turnersville	800	10	0.54%
	18,741		12.73%

2010

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction:										
Regular	160.5	151.5	148.0	149.0	149.0	144.0	136.0	127.0	133.0	126.5
Special Education	67.0	59.0	58.0	58.0	56.0	55.0	48.0	51.0	51.0	29.0
Other Instruction			8.0	8.0	8.0	8.0	2.0	3.0	2.0	20.0
Athletics & Extra-Curricular	3.0	2.0	3.0	3.0	3.0	3.0	3.0			
Support Services:										
Student & Instruction Related										
Services	37.0	36.5	36.0	37.0	35.0	36.0	40.0	27.5	28.0	29.0
School Administrative Services	15.0	17.0	18.0	18.0	17.0	15.0	16.0	15.0	16.0	16.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0	2.5
Plant Operations & Maintenance	33.0	33.0	36.0	36.0	36.0	36.0	30.0	27.0	30.0	37.5
Pupil Transportation	49.0	47.0	48.0	48.0	48.0	44.0	42.0	33.0	33.0	34.0
Business & Other Support Services	12.0	10.0	11.0	11.0	11.0	10.0	10.0	8.0	8.0	9.0
Food Service	26.0	27.0	28.0	28.0	28.0	24.0	24.0	24.0		
Total	404.5	385.0	396.0	398.0	393.0	378.0	353.0	317.5	303.0	303.5

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (d)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL	SCHOOL				
2019	2,727	40,350,600	14,797	9.58%	199	1.14	1.16	2,706.4	2,571.5	0.01%	95.02%	
2018	2,713	36,635,063	13,504	3.04%	186	1.14	1.17	2,706.2	2,562.5	1.60%	94.69%	
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%	

Sources: District records

(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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
High School (Grades 9-12)										
Square Feet	259,484	259,484	259,484	259,484	259,484	222,351	222,351	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	1,454	1,454	1,454	1,454	1,454
Enrollment	1,740	1,750	1,771	1,685	1,664	1,597	1,540	1,504	1,488	1,488
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	146,888	146,888	146,888	104,436	104,436	104,436	104,436	104,436
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	800	800	800	800	800
Enrollment	987	963	920	882	870	866	825	780	743	720

Number of Schools at June 30, 2019:
 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,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District Facilities:										
Kingsway Regional Middle School	\$ 161,845	\$ 128,664	\$ 158,313	\$ 141,328	\$ 191,300	\$ 141,108	\$ 125,202	\$ 24,650	\$ 21,655	\$ 21,738
Kingsway Regional High School	256,600	234,421	227,482	269,720	278,942	320,229	202,997	73,535	61,991	76,567
Total School Facilities	\$ 418,445	\$ 363,085	\$ 385,795	\$ 411,048	\$ 470,242	\$ 461,337	\$ 328,199	\$ 98,185	\$ 83,646	\$ 98,305

* 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, 2019**

	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 08085

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, 2019, and the related notes to the financial statements, which collectively comprise the Kingsway Regional School District's basic financial statements, and have issued our report thereon dated December 12, 2019.

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
December 12, 2019



**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 08085

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, 2019. 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, 2019.

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
December 12, 2019

KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2019

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2019	UNEARNED REVENUE AT JUNE 30, 2019	DUE TO GRANTOR AT JUNE 30, 2019
Enterprise Fund: Child Nutrition Cluster: Noncash Assistance: Food Distribution Program	10.555	18INJ304N1099	Unavailable	66,493	7/1/18-6/30/19	\$ -	\$ 66,493	\$ (66,493)	\$ -	\$ -	\$ -	\$ -
Cash Assistance: Healthy Hunger Free Kids Act Lunch Program	10.555	18INJ304N1099	100-010-3350-026	11,890	7/1/17-6/30/18	(737)	737	-	-	-	-	-
Healthy Hunger Free Kids Act Lunch Program	10.555	17INJ304N1099	100-010-3350-026	11,636	7/1/18-6/30/19	-	11,033	(11,636)	-	(603)	-	-
National School Lunch Program	10.555	18INJ304N1099	100-010-3350-026	198,479	7/1/17-6/30/18	(12,392)	12,392	-	-	-	-	-
National School Lunch Program	10.555	17INJ304N1099	100-010-3350-026	196,911	7/1/18-6/30/19	-	186,490	(196,911)	-	(10,421)	-	-
Total Child Nutrition Cluster						(13,129)	277,145	(275,040)	-	(11,024)	-	-
Total Enterprise Fund						(13,129)	277,145	(275,040)	-	(11,024)	-	-

U.S. DEPARTMENT OF EDUCATION:

General Fund: Medical Assistance Program (SEMI)	93.778	1705N5MAP	100-054-7540-211	19,287	7/1/17-6/30/18	(11,670)	11,670	-	-	-	-	-
Medical Assistance Program (SEMI)	93.778	1805N5MAP	100-054-7540-211	12,775	7/1/18-6/30/19	-	12,775	(12,775)	-	-	-	-
Total General Fund						(11,670)	24,445	(12,775)	-	-	-	-

U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH

STATE DEPARTMENT OF EDUCATION:	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2019	UNEARNED REVENUE AT JUNE 30, 2019	DUE TO GRANTOR AT JUNE 30, 2019
Special Revenue:												
Title I	84.010	S010A180030	100-034-5064-194	117,217	7/1/17-6/30/19	-	48,265	(126,109)	-	(77,844)	-	-
Title I	84.010	S010A150030	100-034-5064-194	122,381	7/1/15-6/30/16	(3,608)	-	-	-	(3,608)	-	-
Title I	84.010	S010A170030	100-034-5064-194		7/1/17-6/30/18	(104,766)	104,766	-	-	-	-	-
Subtotal						(108,374)	153,031	(126,109)	-	(81,452)	-	-
Title II	84.367	S367A180029	100-034-5063-290	34,013	7/1/17-6/30/18	(9,181)	21,075	(44,775)	-	(23,700)	-	-
Title II	84.367	S367A170029	100-034-5063-290		7/1/17-6/30/18	(9,181)	9,181	-	-	-	-	-
Subtotal						(9,181)	30,256	(44,775)	-	(23,700)	-	-
Title III - Consortium	84.365	S365A180030	100-034-5064-187	3,300	7/1/17-6/30/19	-	-	(3,300)	-	(3,300)	-	-
Subtotal						-	-	(3,300)	-	(3,300)	-	-
Title IV	84.424	S424A180030	100-034-5063-348	10,000	7/1/17-6/30/19	-	-	(9,365)	-	(9,365)	-	-
Subtotal						-	-	(9,365)	-	(9,365)	-	-
Special Education Cluster: I.D.E.A. Part B, Basic Regular	84.027	H027A180100	100-034-5065-016	443,417	7/1/17-6/30/19	-	377,132	(455,435)	-	(78,303)	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	100-034-5065-016		7/1/17-6/30/18	(137,332)	137,332	-	-	-	-	-
Subtotal						(137,332)	514,464	(455,435)	-	(78,303)	-	-
Total Special Education Cluster						(137,332)	514,464	(455,435)	-	(78,303)	-	-
Total Special Revenue Fund						(254,887)	697,751	(638,984)	-	(196,120)	-	-
Total Federal Financial Assistance						\$ (279,686)	\$ 999,341	\$ (926,799)	\$ -	\$ (207,144)	\$ -	\$ -

KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2019

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2019	MEMO	
				AT JUNE 30, 2018	AT JUNE 30, 2019						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 7,829,675	7/1/18-6/30/19	\$ -	\$ 7,829,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 720,047	\$ 7,829,675
Special Education Categorical Aid	495-034-5120-089	2,148,364	7/1/18-6/30/19	-	2,148,364	-	-	-	-	-	197,572	2,148,364
Security Aid	495-034-5120-084	232,812	7/1/18-6/30/19	-	232,812	-	-	-	-	-	21,410	232,812
Total State Aid Public				-	10,210,851	-	-	-	-	-	939,029	10,210,851
Transportation Aid	495-034-5120-014	1,518,262	7/1/18-6/30/19	-	1,518,262	-	-	-	-	-	139,625	1,518,262
Extraordinary Aid	495-034-5120-044	223,888	7/1/18-6/30/19	-	-	-	-	-	(223,888)	-	-	223,888
Extraordinary Aid	495-034-5120-044	169,480	7/1/17-6/30/18	(169,480)	-	169,480	-	-	-	-	-	-
Additional Non-Public School Transportation Aid	495-034-5120-014	62,190	7/1/18-6/30/19	-	-	-	(62,190)	-	-	(62,190)	-	62,190
Additional Non-Public School Transportation Aid	495-034-5120-014	52,780	7/1/17-6/30/18	(52,780)	-	52,780	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	495-034-5094-003	1,103,492	7/1/18-6/30/19	-	1,103,492	-	-	-	-	-	-	1,103,492
Noncash Assistance:												
TPAF - Pension Contribution	495-034-5094-002	2,567,991	7/1/18-6/30/19	-	2,567,991	-	-	-	-	-	-	2,567,991
TPAF - Post Retirement Medical Contribution	495-034-5094-001	1,164,836	7/1/18-6/30/19	-	1,164,836	-	-	-	-	-	-	1,164,836
TPAF - Long-Term Disability Insurance	495-034-5094-003	3,879	7/1/18-6/30/19	-	3,879	-	-	-	-	-	-	3,879
Total General Fund Assistance				(222,260)	16,791,571	-	(16,855,389)	-	(286,078)	-	1,078,654	16,855,389
Debt Service Fund:												
Debt Service Aid	495-034-5120-075	500,492	7/1/18-6/30/19	-	500,492	-	(500,492)	-	-	-	-	500,492
Total Debt Service Fund Assistance				-	500,492	-	(500,492)	-	-	-	-	500,492
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	9,929	7/1/18-6/30/19	-	9,414	-	(9,929)	-	-	(515)	-	9,929
National School Lunch Program	100-010-3350-023	10,147	7/1/17-6/30/18	(628)	628	-	-	-	-	-	-	-
Total Enterprise Fund Assistance				(628)	10,042	-	(9,929)	-	-	(515)	-	9,929
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				\$ (427,278)	\$ 17,506,495	\$ (17,365,810)	\$ -	\$ -	\$ (286,593)	\$ -	\$ 1,078,654	\$ 20,232,277

On-Behalf TPAF Pension Contributions \$ 2,567,991
 On-Behalf TPAF Post-Retirement 1,164,836
 On-Behalf TPAF Post-Retirement 3,879
 Total State Financial Assistance Reported on Single Audit Summary \$ (13,629,104)

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019. 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, 2019.

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, 2019**

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 (\$223,713) for the general fund and (\$3,524) 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	\$ 12,775	\$ 16,631,676	\$ 16,644,451
Special Revenue Fund	635,460	-	635,460
Debt Service Fund	-	500,492	500,492
Food Service Fund	275,040	9,929	284,969
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 923,275</u>	<u>\$ 17,142,097</u>	<u>\$ 18,065,372</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, 2019.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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>
<u>84.027</u>	<u>H027A180100</u>	<u>Special Education Cluster: I.D.E.A. Part B, Regular</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? X yes no

**KINGSWAY REGIONAL SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-014</u>	<u>Transportation Aid</u>
<u>495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>495-034-5120-075</u>	<u>Debt Service Aid</u>
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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

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, 2019**

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.