

KINGSWAY REGIONAL SCHOOL DISTRICT

Woolwich Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020



Prepared by: Jason Schimpf
School Business Administrator/
Board Secretary

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INTRODUCTORY SECTION

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KINGSWAY REGIONAL SCHOOL DISTRICT

Committed to Excellence

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

Mr. Jason Schimpf, ext. 4203
School Business Administrator

January 30, 2021

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, 2020, 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, 2020. 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

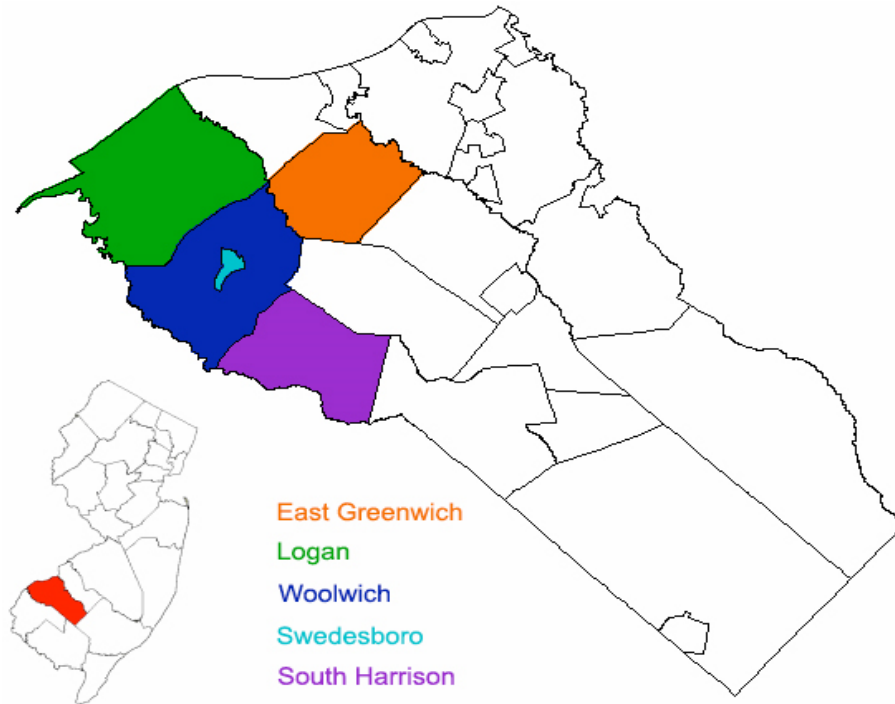
The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are included within

Home of the Dragons

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 2019-2020 fiscal year with an Average Daily Enrollment (“ADE”) of 2,793.6 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>
2019-20	2,793.6	+ 3.2%
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%

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 received an additional \$1.152 million in state aid. The additional aid allowed for the hiring of additional instructional and support staff members, as well as the completion of our High School track and field renovation.

In FY21, Kingsway was to receive an additional \$2.150 million in state aid prior to the COVID pandemic. Due to decreased state revenues, the district will only receive an additional \$683k.

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

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. In 2020-21, the district will renew its purchase of Big Ideas in the middle school to support alignment at the high school. We will continue with the use of iXL at the high school and iReady at the middle school to support individual student through targeted practice in our intervention classes. The use of data to make informed instructional decisions in math for individual students will continue using LinkIT!

Science (New Jersey Student Learning Standards)

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. In 2020-21, the district will purchase STEM Scopes at the middle school and will continue to enhance instruction through the purchase of Gizmos, Project Lead the Way's engineering curriculum, and related lab supplies & materials at the high school.

Language Arts Literacy - (New Jersey Student Learning Standards)

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. Next year, the district will continue to expand its purchase of novels that reflect diversity in an effort to expose them to a wide variety of representatives, to increase student engagement, and to get them excited about literacy through connection. We will also continue to use TurnItIn throughout all high school English classes as well as iXL in ELA intervention courses. The use of data to make informed instructional decisions in ELA for individual students will continue using LinkIT!

Social Studies - (New Jersey Student Learning Standards)

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. This will include PD and support on the new state standards updates. Next year, the district will continue to support social studies teachers to ensure diverse perspectives within the conversations had in the history classroom. Additional subscription-based supplemental materials will also be purchased to supplement classroom instruction at the middle school.

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

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. Next year, the district will officially start its School of Health Professions to support focused career training in related areas. We continue to offer college & career focused academies and programs, including *the STEM Academy, Business Leadership Academy, and Animal Science partnership with St. Francis*. Kingsway also requires a *Career Explorations* course as a graduation requirement for all its high school students at the 9th grade level.

World Language - (New Jersey Student Learning Standards)

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. This summer, the world language department at the middle



school will revise curricula 7-8 to ensure alignment to the high school. Because of this work, textbooks and online resources will be purchased to support the new curricula as we work to prepare students for graduation.

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 new instruments, Smart Music Software Subscription, consumables needed to run the arts courses, and supplies needed to instruct the music courses. The middle school will also be offering a new art semester course, *Creativity Lab*, that will provide an art forum for learners at a variety of levels and who have a variety of interests.

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

Ongoing curriculum development to ensure up-to-date standards alignment will continue to be completed within teacher PLTs. This will include PD and support on the new state standards updates. We will continue to provide our students with a PE & Health curricula that not only enhances physical but also the social and emotional (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. Additionally, the district will continue to administer the BASC- 3 BESS as a universal screener for behavioral and emotional screening twice a year in PE & Health classes.

Technology- (New Jersey Student Learning Standards)

The SAMR method is incorporated into our curricula 7-12; we believe this helps to reinforce the NJSLs technology standards effectively and in a responsible manner. Currently the ELA teachers at the high school each have a Chromebook cart and all other subjects have multiple carts to use to facilitate instruction. At the middle school, all grade level teams have carts that they utilize as well to supplement instruction. Next year, the district will allocate funds to the revision of the Video Game Design II course. 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 increasing an instructional supervisor position in the district that will be dedicated to STEM we work to build our future technology course offerings.

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 Holt McNally & Associates, Inc. was appointed by the Board of Education. In addition to meeting the requirements set forth in the State statutes, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

Acknowledgements

We would like to express our appreciation to the members of the Kingsway Regional School District Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report would not have been accomplished without the efficient and dedicated services of our financial and accounting staff members.

Respectfully submitted,



Dr. James J. Lavender
Superintendent of Schools



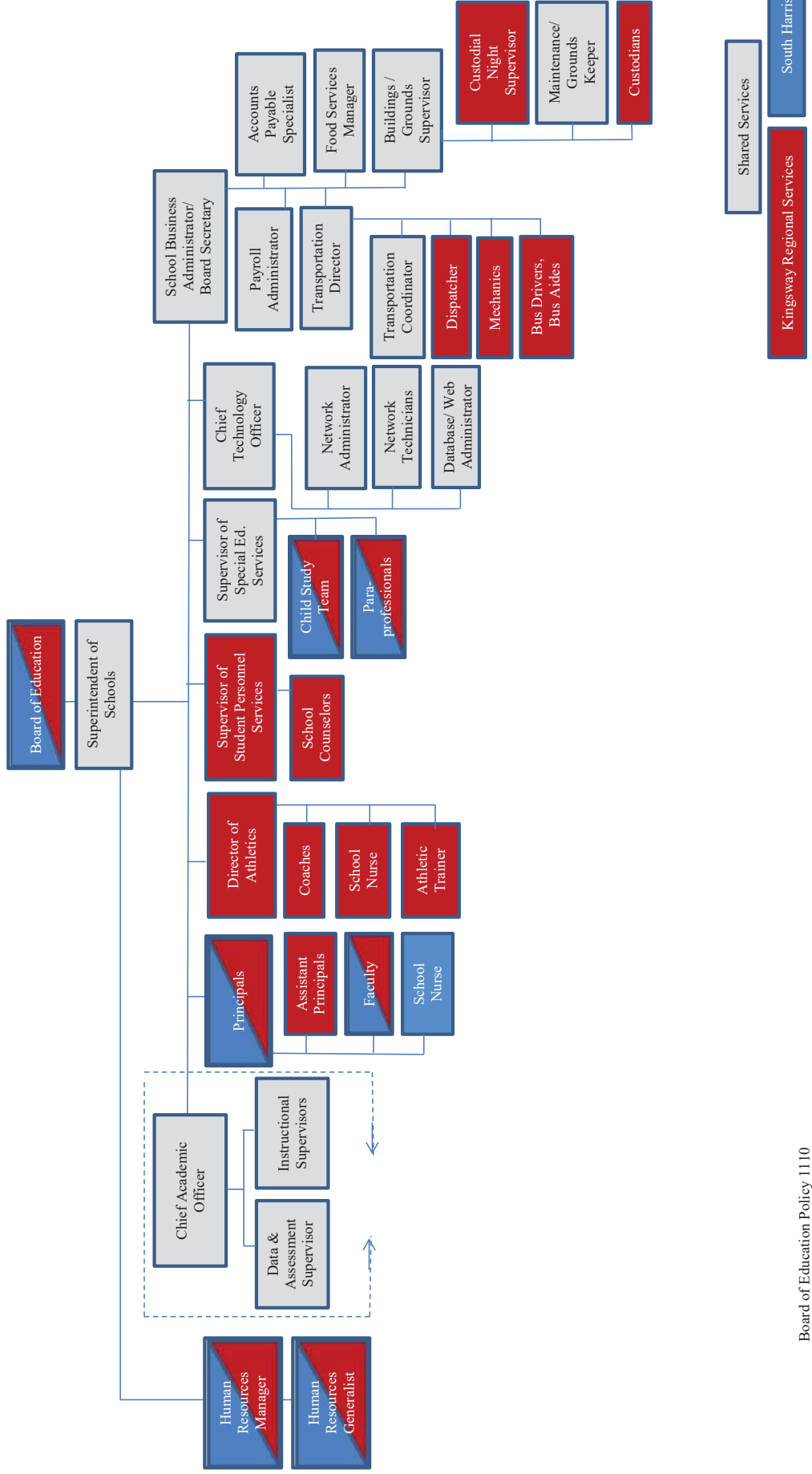
Jason Schimpf
School Business Administrator/
Board Secretary



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KINGSWAY REGIONAL AND SOUTH HARRISON SCHOOL DISTRICTS



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KINGSWAY REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2020

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
James Mueller, President	2021
Jennifer Cavallaro-Fromm, Vice President	2020
Christie Callahan Comerford	2022
Dr. Michele Blair	2021
Lisa Mordecai-Daniel	2020
Pamela Roney	2020
Lauren Boerlin	2022
Deborah Cunningham	2022
Marilyn O'Rourke-Young	2021
Frank Donnelly, Logan Township Representative	2020

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
Holt McNally & Associates, Inc.
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, 2020, 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 and requirements 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 Burlington, State of New Jersey, as of June 30, 2020, 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 and individual fund statements, long-term debt 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 not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the

audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and 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 combining and individual fund statements and long-term debt schedules and the 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 January 30, 2021 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 the effectiveness of the School District's 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,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
January 30, 2021

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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, 2020
(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, 2020. 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, 2020
(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, 2020
(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 2020 compared to fiscal year 2019.

Table 1
Summary of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 4,790,126	\$ 7,480,220	\$ (2,690,094)	-36.0%
Capital Assets, Net	<u>57,987,332</u>	<u>56,312,966</u>	<u>1,674,366</u>	3.0%
Total Assets	<u>62,777,458</u>	<u>63,793,186</u>	<u>(1,015,728)</u>	-1.6%
Deferred Outflow of Resources	<u>3,083,327</u>	<u>4,629,242</u>	<u>(1,545,915)</u>	-33.4%
Current and other Liabilities	1,871,561	1,928,517	(56,956)	-3.0%
Noncurrent Liabilities	<u>46,768,386</u>	<u>49,667,293</u>	<u>(2,898,907)</u>	-5.8%
Total Liabilities	<u>48,639,947</u>	<u>51,595,810</u>	<u>(2,955,863)</u>	-5.7%
Deferred Inflow of Resources	<u>4,891,093</u>	<u>4,273,314</u>	<u>617,779</u>	14.5%
Net Position:				
Net Investment in Capital Assets	25,082,598	21,300,192	3,782,406	17.8%
Restricted	3,839,389	5,390,046	(1,550,657)	-28.8%
Unrestricted (Deficit)	<u>(16,592,242)</u>	<u>(14,136,934)</u>	<u>(2,455,308)</u>	17.4%
Total Net Position	<u>\$ 12,329,745</u>	<u>\$ 12,553,304</u>	<u>\$ (223,559)</u>	-1.8%

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Table 2 shows the changes in net position for fiscal year 2020 compared to fiscal year 2019.

Table 2
Summary of Changes in Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 2,896,440	\$ 3,590,151	\$ (693,711)	-19.3%
Operating Grants & Contributions	8,426,277	10,215,043	(1,788,766)	-17.5%
General Revenues:				
Property Taxes	24,415,569	24,437,215	(21,646)	-0.1%
Federal & State Aid	13,516,709	12,304,745	1,211,964	9.8%
Other General Revenues	3,263,126	3,041,819	221,307	7.3%
Total Revenues	52,518,121	53,588,973	(1,070,852)	-2.0%
Function/Program Expenditures:				
Regular Instruction	14,771,794	14,265,494	506,300	3.5%
Special Education Instruction	3,832,580	3,553,738	278,842	7.8%
Other Instruction	9,191	49,609	(40,418)	-81.5%
School Sponsored	1,213,942	1,163,490	50,452	4.3%
Tuition	3,336,070	2,788,805	547,265	19.6%
Student & Instruction Related Services	3,634,450	3,422,427	212,023	6.2%
General Administrative	721,731	830,930	(109,199)	-13.1%
School Administrative Services	2,635,993	2,612,885	23,108	0.9%
Central Services	517,696	457,177	60,519	13.2%
Administrative Info. Technology	614,296	637,046	(22,750)	-3.6%
Plant Operations & Maintenance	3,894,938	3,638,924	256,014	7.0%
Pupil Transportation	5,139,675	4,965,163	174,512	3.5%
Unallocated Benefits	7,669,931	9,855,809	(2,185,878)	-22.2%
Transfer to Charter Schools	83,215	-	83,215	100.0%
Interest & Other Charges	1,122,913	1,257,464	(134,551)	-10.7%
Unallocated Depreciation	1,895,010	1,912,414	(17,404)	-0.9%
Food Service	1,112,474	1,307,707	(195,233)	-14.9%
Community Education Program	535,781	200,567	335,214	167.1%
Total Expenditures	52,741,680	52,919,649	(177,969)	-0.3%
Change In Net Position	(223,559)	669,324	(892,883)	-133.4%
Net Position - Beginning	12,553,304	11,883,980	669,324	5.6%
Net Position - Ending	\$ 12,329,745	\$ 12,553,304	\$ (223,559)	-1.8%

Governmental Activities

During the fiscal year 2020, the net position of governmental activities increased by \$489,834 or 4.3%. 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 \$11,933,201, with an unrestricted deficit balance of \$(16,826,304). 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, 2020
(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)	\$	(16,826,304)
Add back: PERS Pension Liability		10,541,856
Less: Deferred Outflows related to pensions		(2,368,428)
Add back: Deferred Inflows related to pensions		<u>4,891,093</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(3,761,783)</u>

Business-type Activities

During the fiscal year 2020, the net position of business-type activities decreased by \$713,393 or 64.3%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$396,544.

General Fund Budgeting Highlights

Final budgeted revenues were \$38,510,767, which was no change from the original budget. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$108,283.

Final budgeted appropriations were \$41,317,243, which was an increase of \$254,820 from the original budget. The increase is due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$2,673,368.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$3,618,704 at June 30, 2020, a decrease of \$1,002,127 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 \$3,784,113, a decrease of \$1,794,884 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$1,104,986 to \$2,437,191 at June 30, 2020, compared to a decrease of \$240,733 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:

- Transfer of funds to the Capital Projects fund for the stadium and turf field project

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, 2020
(Unaudited) (Continued)

Capital projects fund – Due the current fiscal year, the fund balance of the School District’s capital projects fund decreased by 686,090 to 1,346,527 at June 30, 2020, compared to no change in fund balance in the prior fiscal year.

Debt service fund - During the current fiscal year, the fund balance of the School District’s debt service fund decreased by \$3,808 to \$395 at June 30, 2020, compared to a decrease of \$100,961 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 decreased by \$198,067 to \$390,113 at June 30, 2020, compared to an increase of \$14,297 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 decreased by \$515,326 to \$6,431 at June 30, 2020, compared to an increase of \$94,088 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, 2020, totaled \$57,987,332 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$1,674,3in. This decrease is primarily due to the current year depreciation of capital assets being less than the current year additions. Table 4 shows fiscal 2020 balances compared to 2019.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2020</u>	June 30, <u>2019</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 2,481,278	\$ 2,481,278	\$ -	0.0%
Construction in Progress	170,463	170,463	-	0.0%
Land Improvements	3,630,120	1,042,532	2,587,588	248.2%
Building and Improvements	46,219,417	47,798,808	(1,579,391)	-3.3%
Equipment	5,486,054	4,819,885	666,169	13.8%
	<u>\$ 57,987,332</u>	<u>\$ 56,312,966</u>	<u>\$ 1,674,366</u>	3.0%

Depreciation expense for the year was \$1,918,719. 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.

KINGSWAY REGIONAL SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$32,134,000, which is a decrease of \$2,225,000 from the prior year.

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

Factors on the School District's Future

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 received an additional \$1.152 million in state aid. The additional aid allowed for the hiring of additional instructional and support staff members, as well as the completion of our High School track and field renovation.

In FY21, Kingsway was to receive an additional \$2.150 million in state aid prior to the COVID pandemic. Due to decreased state revenues, the district will only receive an additional \$683k.

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.

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, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 2,067,247	\$ 287,845	\$ 2,355,092
Receivables, Net (Note 4)	1,714,199	15,507	1,729,706
Internal Balances	-	-	-
Inventory	-	14,279	14,279
Restricted Cash & Cash Equivalents	691,049	-	691,049
Capital Assets, Non-Depreciable (Note 5)	2,651,741	-	2,651,741
Capital Assets, Depreciable, Net (Note 5)	55,173,109	162,482	55,335,591
Total Assets	62,297,345	480,113	62,777,458
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,368,428	-	2,368,428
Related to Loss on Debt Refunding	714,899	-	714,899
Total Deferred Outflow of Resources	3,083,327	-	3,083,327
Total Assets and Deferred Outflow of Resources	65,380,672	480,113	65,860,785
LIABILITIES:			
Accounts Payable	669,681	-	669,681
Internal Balances	296	-	296
Unearned Revenue	18,405	37,369	55,774
Accrued Interest	485,205	-	485,205
Due to Other Governments	660,605	-	660,605
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,491,343	-	2,491,343
Due Beyond One Year	44,230,843	46,200	44,277,043
Total Liabilities	48,556,378	83,569	48,639,947
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	4,891,093	-	4,891,093
Total Deferred Inflows of Resources	4,891,093	-	4,891,093
Total Liabilities and Deferred Inflows of Resources	53,447,471	83,569	53,531,040
NET POSITION:			
Net Investment in Capital Assets	24,920,116	162,482	25,082,598
Restricted For:			
Capital Projects	2,037,576	-	2,037,576
Debt Service	395	-	395
Excess Surplus	1,801,418	-	1,801,418
Unrestricted	(16,826,304)	234,062	(16,592,242)
Total Net Position	\$ 11,933,201	\$ 396,544	\$ 12,329,745

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, 2020**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instruction:							
Regular	14,771,794	\$ -	\$ -	\$ (14,771,794)	\$ -	\$ -	(14,771,794)
Special Education	3,832,580	-	132,267	(3,700,313)	-	-	(3,700,313)
Other Instructional	9,191	-	-	(9,191)	-	-	(9,191)
School Sponsored	1,213,942	-	-	(1,213,942)	-	-	(1,213,942)
Support Services & Undistributed Costs:							
Tuition	3,336,070	-	443,304	(2,892,766)	-	-	(2,892,766)
Student & Instruction Related Services	3,634,450	-	54,798	(3,579,652)	-	-	(3,579,652)
Health Services	338,655	-	-	(338,655)	-	-	(338,655)
Educational Media Services/School Library	632,439	-	-	(632,439)	-	-	(632,439)
School Administrative Services	1,664,899	-	-	(1,664,899)	-	-	(1,664,899)
General Administration	721,731	176,853	-	(544,878)	-	-	(544,878)
Central Services	517,696	-	-	(517,696)	-	-	(517,696)
Administrative Information Technology	614,296	156,880	-	(457,416)	-	-	(457,416)
Plant Operations & Maintenance	3,894,938	61,800	-	(3,833,138)	-	-	(3,833,138)
Pupil Transportation	5,139,675	1,806,855	-	(3,332,820)	-	-	(3,332,820)
Interest on Long-Term Debt and Other Charges	1,122,913	-	-	(1,122,913)	-	-	(1,122,913)
Transfer to Charter School	83,215	-	-	(83,215)	-	-	(83,215)
Unallocated Depreciation	1,895,010	-	-	(1,895,010)	-	-	(1,895,010)
Unallocated Benefits	7,669,931	-	7,555,118	(114,813)	-	-	(114,813)
Total Governmental Activities	51,093,425	2,202,388	8,185,487	(40,705,550)	-	-	(40,705,550)
Business-Type Activities:							
Food Service	1,112,474	673,597	240,790	-	(198,087)	-	(198,087)
Community Education Program	535,781	20,455	-	-	(515,326)	-	(515,326)
Total Business-Type Activities	1,648,255	694,052	240,790	-	(713,413)	-	(713,413)
Total Primary Government	\$ 52,741,680	\$ 2,896,440	\$ 8,426,277	(40,705,550)	(713,413)	-	(41,418,963)

**KINGSWAY REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	BUSINESS- TYPE ACTIVITIES	TOTAL
		CHARGES FOR SERVICES	GOVERNMENTAL ACTIVITIES	
		OPERATING GRANTS & CONTRIBUTIONS	ACTIVITIES	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes			22,263,737	22,263,737
Taxes Levied for Debt Service			2,151,832	2,151,832
Federal & State Aid Not Restricted			13,035,628	13,035,628
Federal & State Aid Restricted			481,081	481,081
Transportation Fees			579	579
Tuition Charges			2,591,361	2,591,361
Rents and Royalties			39,846	39,846
Investment Earnings			17,001	17,021
Miscellaneous Income			614,319	614,319
			41,195,384	41,195,404
Total General Revenues, Special Items, Extraordinary Items & Transfers			489,834	(223,559)
Change In Net Position			11,443,367	12,553,304
Net Position - Beginning			1,109,937	1,109,937
Net Position - Ending			\$ 11,933,201	\$ 396,544

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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, 2020**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 62,712	\$ -	\$ 1,756,783	\$ -	\$ 1,819,495
Receivables from Other Governments	952,786	286,257	-	62,355	1,301,398
Due from Other Funds	863,095	-	-	6,101	869,196
Receivables, Net	142,402	39,464	-	-	181,866
Restricted Cash & Cash Equivalents	691,049	-	-	-	691,049
Total Assets	\$ 2,712,044	\$ 325,721	\$ 1,756,783	\$ 68,456	\$ 4,863,004
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 295,856	\$ -	\$ 68,061	\$ 363,917
Unearned Revenue	-	18,405	-	-	18,405
Accounts Payable	274,557	11,460	4,753	-	290,770
Due to Other Funds	296	-	35,854	-	36,150
Construction Contract Payable - Retainage	-	-	369,649	-	369,649
Total Liabilities	274,853	325,721	410,256	68,061	1,078,891
Fund Balances:					
Restricted for:					
Capital Reserve	691,049	-	-	-	691,049
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	743,174	-	-	-	743,174
Excess Surplus - Current year	1,058,244	-	-	-	1,058,244
Capital Projects	-	-	926,439	-	926,439
Debt Service	-	-	-	395	395
Committed to:					
Other Purposes	164,676	-	420,088	-	584,764
Assigned to:					
Designated for Subsequent Year's Expenditure	58,884	-	-	-	58,884
Unassigned	(278,836)	-	-	-	(278,836)
Total Fund Balances	2,437,191	-	1,346,527	395	3,784,113
Total Liabilities & Fund Balances	\$ 2,712,044	\$ 325,721	\$ 1,756,783	\$ 68,456	

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 \$97,540,350 and the accumulated depreciation is \$39,715,500.	57,824,850
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	2,368,428
Deferred Inflows related to pensions	(4,891,093)
Deferred Outflow related to the loss on bond refunding of debt	714,899
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.	(485,205)
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.	(660,605)
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.	(46,722,186)
Net Position of Governmental Activities	\$ 11,933,201

**KINGSWAY REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2020
Revenues:					
Local Sources:					
Local Tax Levy	\$ 22,263,737	\$ -	\$ -	\$ 2,151,832	\$ 24,415,569
Tuition	2,591,361	-	-	-	2,591,361
Transportation	579	-	-	-	579
Rents and Royalties	39,846	-	-	-	39,846
Miscellaneous	263,020	17,110	1,190	-	281,320
Total Local Sources	<u>25,158,543</u>	<u>17,110</u>	<u>1,190</u>	<u>2,151,832</u>	<u>27,328,675</u>
State Sources	18,089,957	-	-	481,081	18,571,038
Federal Sources	7,060	630,369	-	-	637,429
Total Revenues	<u>43,255,560</u>	<u>647,479</u>	<u>1,190</u>	<u>2,632,913</u>	<u>46,537,142</u>
Expenditures:					
Current Expense:					
Regular Instruction	11,487,722	-	-	-	11,487,722
Special Education Instruction	2,917,445	132,267	-	-	3,049,712
Other Instruction	9,191	-	-	-	9,191
School Sponsored	1,117,848	-	-	-	1,117,848
Support Services:					
Tuition	2,875,656	460,414	-	-	3,336,070
Attendance Services	132,477	-	-	-	132,477
Health Services	286,329	-	-	-	286,329
Student & Instruction Related Services	2,658,106	54,798	-	-	2,712,904
Educational Media Services/School Librar	241,846	-	-	-	241,846
Instructional Staff Training	114,058	-	-	-	114,058
General Administration	446,522	-	-	-	446,522
School Administration	1,552,218	-	-	-	1,552,218
Central Services	517,696	-	-	-	517,696
Administrative Information Technology	464,689	-	-	-	464,689
Plant Operations & Maintenance	3,180,263	-	-	-	3,180,263
Pupil Transportation	3,164,983	-	-	-	3,164,983
Unallocated Employee Benefits	6,277,460	-	-	-	6,277,460
On Behalf TPAF Pension and Social Security Contributions	5,061,389	-	-	-	5,061,389
Debt Service:					
Principal	-	-	-	2,225,000	2,225,000
Interest & Other Charges	116,737	-	-	1,136,721	1,253,458
Capital Outlay	36,756	-	3,502,240	-	3,538,996
Total Expenditures	<u>42,659,391</u>	<u>647,479</u>	<u>3,502,240</u>	<u>3,361,721</u>	<u>50,170,831</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>596,169</u>	<u>-</u>	<u>(3,501,050)</u>	<u>(728,808)</u>	<u>(3,633,689)</u>
Other Financing Sources/(Uses)					
Capital Lease Proceeds	-	-	1,600,000	-	1,600,000
Transfers In	322,020	-	1,939,960	725,000	2,986,980
Transfers Out	(1,939,960)	-	(725,000)	-	(2,664,960)
Transfers to Charter School	(83,215)	-	-	-	(83,215)
Total Other Financing Sources/(Uses)	<u>(1,701,155)</u>	<u>-</u>	<u>2,814,960</u>	<u>725,000</u>	<u>1,838,805</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	<u>(1,104,986)</u>	<u>-</u>	<u>(686,090)</u>	<u>(3,808)</u>	<u>(1,794,884)</u>
Fund Balances July 1	\$ 3,542,177	\$ -	\$ 2,032,617	\$ 4,203	\$ 5,578,997
Fund Balances June 30	<u>\$ 2,437,191</u>	<u>\$ -</u>	<u>\$ 1,346,527</u>	<u>\$ 395</u>	<u>\$ 3,784,113</u>

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, 2020**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (1,794,884)

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	\$ (1,895,010)	
Capital Outlay	<u>3,538,996</u>	1,643,986

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		2,225,000
----------------	--	-----------

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>(1,600,000)</u>	(1,600,000)

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

Prior Year	386,794	
Current Year	<u>(336,427)</u>	50,367

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

86,146

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.

(117,384)

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 (+).

(5,968)

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 (+).

2,571

Change in Net Position of Governmental Activities

\$ 489,834

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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, 2020**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 281,414	\$ 6,431	\$ 555,477	\$ 73,809
Accounts Receivable	15,507	-	192,082	211
Other Receivable	-	-	6	-
Inventories	14,279	-	-	-
Total Current Assets	311,200	6,431	747,565	74,020
Noncurrent Assets:				
Equipment	862,428	-	-	-
Accumulated Depreciation	(699,946)	-	-	-
Total Capital Assets	162,482	-	-	-
Total Assets	473,682	6,431	747,565	74,020
LIABILITIES:				
Current Liabilities:				
Accounts Payable	-	-	9,262	-
Interfund Payable	-	-	738,303	74,020
Unearned Revenue	37,369	-	-	-
Total Current Liabilities	37,369	-	747,565	74,020
Noncurrent Liabilities:				
Compensated Absences	46,200	-	-	-
Total Noncurrent Liabilities	46,200	-	-	-
Total Liabilities	83,569	-	747,565	74,020
NET POSITION				
Investment in Capital Assets	162,482	-	-	-
Unrestricted Net Position	227,631	6,431	-	-
Total Net Position	\$ 390,113	\$ 6,431	\$ -	\$ -

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, 2020**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Current Assets:			
Cash & Cash Equivalents	\$ 18,927	\$ -	\$ 936,058
Interfund Receivable	-	-	-
Accounts Receivable	-	38,636	246,436
Other Receivables	-	-	6
Inventories	-	-	14,279
Total Current Assets	18,927	38,636	1,196,779
Noncurrent Assets:			
Equipment	-	-	862,428
Accumulated Depreciation	-	-	(699,946)
Total Capital Assets	-	-	162,482
Total Assets	18,927	38,636	1,359,261
LIABILITIES:			
Current Liabilities:			
Cash Deficit	-	36,544	36,544
Accounts Payable	-	-	9,262
Interfund Payable	18,927	2,092	833,342
Unearned Revenue	-	-	37,369
Total Current Liabilities	18,927	38,636	916,517
Noncurrent Liabilities:			
Compensated Absences	-	-	46,200
Total Noncurrent Liabilities	-	-	46,200
Total Liabilities	18,927	38,636	962,717
NET POSITION			
Net Investment in Capital Assets	-	-	162,482
Unrestricted Net Position	-	-	234,062
Total Net Position	\$ -	\$ -	\$ 396,544

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, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Operating Revenue:				
Local Sources:				
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,746,865	\$ -
Sale of Gasoline	-	-	367	-
Daily Sales - Reimbursable Programs	333,266	-	-	-
Daily Sales - Nonreimbursable Programs	305,465	-	-	-
Vending Machine Sales	1,457	-	-	-
Special Function	33,409	-	-	-
Program Fees	-	20,455	-	-
Service Fees	-	-	59,623	61,800
Total Operating Revenue	673,597	20,455	1,806,855	61,800
Operating Expenses:				
Salaries & Employee Benefits	612,669	151,661	860,505	61,800
Supplies and Materials	21,893	7,255	110,705	-
Repairs & Other Expenses	37,906	-	413	-
Other Purchased Services-Contracted	-	26,865	116,061	-
Miscellaneous Purchased Services	-	-	754,424	-
Depreciation	23,709	-	-	-
Miscellaneous Expense	555	-	-	-
Cost of Sales - Reimbursable	205,698	-	-	-
Cost of Sales - Non-Reimbursable	210,044	-	-	-
Total Operating Expenses	1,112,474	185,781	1,842,108	61,800
Operating (Loss)/Gain	(438,877)	(165,326)	(35,253)	-
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	6,474	-	-	-
Federal Sources:				
National School Lunch Program	149,290	-	-	-
Healthy Hunger-Free Kids Act	8,849	-	-	-
Food Distribution Program	76,177	-	-	-
Transfer to Other Funds	-	(350,000)	-	-
Interest & Dividends	20	-	-	-
Total Nonoperating Revenues	240,810	(350,000)	-	-
Net Income/(Loss)	(198,067)	(515,326)	(35,253)	-
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Transfer to General Fund	-	-	35,253	-
Total Other Financing Sources/(Uses)	-	-	35,253	-
Change in Net Position	(198,067)	(515,326)	-	-
Total Net Position - Beginning	588,180	521,757	-	-
Total Net Position - Ending	\$ 390,113	\$ 6,431	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,746,865
Sale of Gasoline	-	-	367
Daily Sales - Reimbursable Programs	-	-	333,266
Daily Sales - Nonreimbursable Programs	-	-	305,465
Vending Machine Sales	-	-	1,457
Special Function	-	-	33,409
Program Fees	-	-	20,455
Service Fees	176,853	156,880	455,156
Total Operating Revenue	176,853	156,880	2,896,440
Operating Expenses:			
Salaries & Employee Benefits	176,853	143,310	2,006,798
Supplies and Materials	-	1,110	140,963
Repairs & Other Expenses	-	-	38,319
Other Purchased Services-Contracted	-	-	142,926
Miscellaneous Purchased Services	-	5,187	759,611
Depreciation	-	-	23,709
Miscellaneous Expense	-	-	555
Cost of Sales - Reimbursable	-	-	205,698
Cost of Sales - Non-Reimbursable	-	-	210,044
Total Operating Expenses	176,853	149,607	3,528,623
Operating (Loss)/Gain	-	7,273	(632,183)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	-	6,474
Federal Sources:			
National School Lunch Program	-	-	149,290
Healthy Hunger-Free Kids Act	-	-	8,849
Food Distribution Program	-	-	76,177
Transfer to Other Funds	-	-	(350,000)
Interest & Dividends	-	-	20
Total Nonoperating Revenues	-	-	(109,190)
Net Income/(Loss)	-	7,273	(741,373)
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Change in Compensated Absences	-	-	-
Transfer to General Fund	-	(7,273)	27,980
Total Other Financing Sources/(Uses)	-	(7,273)	27,980
Change in Net Position	-	-	(713,393)
Total Net Position - Beginning	-	-	1,109,937
Total Net Position - Ending	\$ -	\$ -	\$ 396,544

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 692,418	\$ 20,455	\$ 1,714,528	\$ 61,800
Payments to Employees	(510,309)	(151,661)	(713,797)	(61,800)
Payments for Employee Benefits	(99,360)	-	(146,708)	-
Payments to Suppliers	(479,627)	(34,120)	(1,007,595)	-
Net Cash Provided/(Used) by Operating Activities	(396,878)	(165,326)	(153,572)	-
Cash Flows From Investing Activities:				
Purchase of Equipment	(54,089)	-	-	-
Net Cash Provided by Investing Activities	(54,069)	-	-	-
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	(350,000)	35,253	-
State Sources	6,474	-	-	-
Federal Sources	234,316	-	-	-
Net Cash Provided by Noncapital Financing Activities	240,790	(350,000)	35,253	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(210,157)	(515,326)	(118,319)	-
Cash and Cash Equivalents, July 1	491,571	521,757	673,796	73,809
Cash & Cash Equivalents, June 30	\$ 281,414	\$ 6,431	\$ 555,477	\$ 73,809

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (438,877)	\$ (165,326)	\$ (35,253)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	23,709	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	(3,170)	-	-	-
(Increase)/Decrease in Accounts Receivable, Net	5,098	-	(92,327)	-
(Increase)/Decrease in Accounts Payable	(361)	-	9,262	-
Increase/(Decrease) in Interfund Payable	-	-	(35,254)	-
Increase/(Decrease) in Unearned Revenue	13,723	-	-	-
Increase/(Decrease) in Compensated Absences	3,000	-	-	-
Total Adjustments	41,999	-	(118,319)	-
Net Cash Provided/(Used) by Operating Activities	\$ (396,878)	\$ (165,326)	\$ (153,572)	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 176,853	\$ 174,784	\$ 2,840,838
Payments to Employees	(176,853)	(141,218)	(1,755,638)
Payments for Employee Benefits	-	-	(246,068)
Payments to Suppliers	-	(6,297)	(1,527,639)
Net Cash Provided/(Used) by Operating Activities	-	27,269	(688,507)
Cash Flows From Investing Activities:			
Purchase of Equipment	-	-	(54,089)
Net Cash Provided by Investing Activities	-	-	(54,069)
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	-	(7,273)	(322,020)
State Sources	-	-	6,474
Federal Sources	-	-	234,316
Net Cash Provided by Noncapital Financing Activities	-	(7,273)	(81,230)
Net Increase/(Decrease) in Cash & Cash Equivalents	-	19,996	(823,806)
Cash and Cash Equivalents, July 1	18,927	(56,540)	1,723,320
Cash & Cash Equivalents, June 30	\$ 18,927	\$ (36,544)	\$ 899,514

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ -	\$ 7,273	\$ (632,183)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	-	23,709
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	-	(3,170)
(Increase)/Decrease in Accounts Receivable, Net	-	17,904	(69,325)
(Increase)/Decrease in Interfund Receivable	-	-	-
Increase/(Decrease) in Accounts Payable	-	-	8,901
Increase/(Decrease) in Interfund Payable	-	2,092	(33,162)
Increase/(Decrease) in Prepaid Lunches	-	-	13,723
Increase/(Decrease) in Compensated Absences	-	-	3,000
Total Adjustments	-	19,996	(56,324)
Net Cash Provided/(Used) by Operating Activities	\$ -	\$ 27,269	\$ (688,507)

Fiduciary Fund

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**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS	PRIVATE PURPOSE			TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	AGENCY FUND	
Cash & Cash Equivalents	\$ 95,924	\$ 185,566	\$ 321,618	\$ 603,108
Interfund Receivable	-	-	296	296
Total Assets	95,924	185,566	321,914	603,404
LIABILITIES				
Payroll Deductions & Withholdings	-	-	136,950	136,950
Due to Student Groups	-	-	184,964	184,964
Total Liabilities	-	-	321,914	321,914
NET POSITION				
Held in Trust for:				
Unemployment	95,924	-	-	95,924
Scholarships	-	185,566	-	185,566
Total Net Position	\$ 95,924	\$ 185,566	\$ -	\$ 281,490

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, 2020**

ADDITIONS:	UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ -	\$ 1,370	\$ 1,370
Total Contributions	-	1,370	1,370
Investment Earnings:			
Interest on Investments	-	56	56
Total Investment Earnings	-	56	56
Total Additions	-	1,426	1,426
DEDUCTIONS:			
Scholarship Payments	-	1,800	1,800
Total Deductions	-	1,800	1,800
Change in Net Position	-	(374)	(374)
Net Position - Beginning of Year	95,924	185,940	281,864
Net Position - End of Year	\$ 95,924	\$ 185,566	\$ 281,490

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

KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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, 2020 of 2,810 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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020**

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, 2020 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, 2020**

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, 2020**

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, 2020**

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, 2020.
- 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, 2020**

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, 2020:

Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

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.

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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

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, 2020, the District's bank balance of \$5,046,345 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	3,951,006
Uninsured and Uncollateralized		1,095,339
	\$	5,046,345

Investments

The School District has no investments at June 30, 2020.

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, 2020**

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$	1,966,049
Increased by:		
Deposits approved by Board (June 17, 2020)		500,000
		2,466,049
Decreased by:		
Budget Withdrawals		(1,775,000)
Ending Balance, June 30, 2019	\$	691,049

The June 30, 2020 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2020 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				<u>Total Governmental Activities</u>	Proprietary Funds		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Internal Service Fund</u>		<u>Food Service Fund</u>		
Federal Awards	\$ -	\$286,257	\$ -	\$ -	\$ 286,257	\$ 6,341	\$ 6,341	
State Awards	307,645	-	-	-	307,645	100	100	
Other	787,543	39,464	62,355	230,935	1,120,297	9,066	9,066	
Total	\$ 1,095,188	\$325,721	\$62,355	\$230,935	\$ 1,714,199	\$ 15,507	\$ 15,507	

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

5. Capital Assets

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2020</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,481,278	\$ -	\$ -	\$ 2,481,278
Construction in Progress	170,463	-	-	170,463
Total Capital Assets not being depreciated	<u>2,651,741</u>	-	-	<u>2,651,741</u>
Capital Assets being depreciated:				
Land Improvements	6,202,668	2,766,760	-	8,969,428
Buildings and Improvements	76,549,274	-	-	76,549,274
Equipment	8,597,671	772,236	-	9,369,907
Total Capital Assets being depreciated	<u>91,349,613</u>	<u>3,538,996</u>	-	<u>94,888,609</u>
Less: Accumulated Depreciation:				
Land Improvements	(5,160,136)	(179,173)	-	(5,339,309)
Buildings and Improvements	(28,730,726)	(1,579,391)	-	(30,310,117)
Equipment	(3,929,628)	(136,446)	-	(4,066,074)
Total Accumulated Depreciation	<u>(37,820,490)</u>	<u>(1,895,010)</u>	-	<u>(39,715,500)</u>
Total Capital Assets being depreciated, net	<u>53,529,123</u>	<u>1,643,986</u>	-	<u>55,173,109</u>
Total Governmental Activities Capital Assets, net	<u>\$ 56,180,864</u>	<u>\$ 1,643,986</u>	<u>\$ -</u>	<u>\$ 57,824,850</u>
	Balance July 1, <u>2019</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2020</u>
Business-Type Activities:				
Equipment	\$ 808,339	\$ 54,089	\$ -	\$ 862,428
	<u>808,339</u>	<u>54,089</u>	-	<u>862,428</u>
Less: Accumulated Depreciation:				
Equipment	(676,237)	(23,709)	-	(699,946)
	<u>(676,237)</u>	<u>(23,709)</u>	-	<u>(699,946)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 132,102</u>	<u>\$ 30,380</u>	<u>\$ -</u>	<u>\$ 162,482</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2020 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 863,095	\$ 296
Capital Projects Fund	-	35,854
Debt Service Fund	6,101	-
Internal Service Fund	-	833,342
Payroll Fund	296	-
	<u>\$ 869,492</u>	<u>\$ 869,492</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	\$ 322,020	\$ 1,939,960
Capital Projects Fund	1,939,960	725,000
Debt Service Fund	725,000	-
CER Fund	-	350,000
Internal Service Fund	27,980	-
	<u>\$ 3,014,960</u>	<u>\$ 3,014,960</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, 2020 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 34,359,000	\$ -	\$ 2,225,000	\$ 32,134,000	\$ 2,390,000
Unamortized Bond Premiums	1,231,523	-	180,197	1,051,326	180,197
Capital Leases	266,980	1,600,000	86,146	1,780,834	393,241
Compensated Absences	1,216,741	-	2,571	1,214,170	-
Net Pension Liability	12,549,849	-	2,007,993	10,541,856	-
	<u>\$ 49,624,093</u>	<u>\$ 1,600,000</u>	<u>\$ 4,501,907</u>	<u>\$ 46,722,186</u>	<u>\$ 2,963,438</u>
Business-Type Activities:					
Compensated Absences	\$ 43,200	\$ 3,000	\$ -	\$ 46,200	\$ -
	<u>\$ 43,200</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 46,200</u>	<u>\$ -</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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>
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		2,080,000	729,684	2,809,684
2026-2030		10,780,000	2,554,418	13,334,418
2031-2035		7,010,000	1,043,312	8,053,312
2036-2037		2,399,000	125,930	2,524,930
	<u>\$</u>	<u>32,134,000</u>	<u>\$ 8,235,917</u>	<u>\$ 40,369,917</u>

Bonds Authorized But Not Issued:

As of June 30, 2020, the District had no authorized but not issued bonds.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 7. Long-Term Obligations (continued):

B. Capital Leases

During the year ended June 30, 2020, one new leases was approved totaling \$1,600,000, which the stadium and turf field project and related 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, 2020:

Fiscal Year Ending <u>June 30,</u>		
2021	\$	438,215
2022		438,215
2023		343,339
2024		343,339
2025		<u>343,339</u>
Total Minimum Lease Payments		1,906,447
Less: Amount Representing Interest		<u>(125,613)</u>
Present Value of Minimum Lease Payments		<u>\$ 1,780,834</u>

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th 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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, 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, 2020, the School District reported a liability of \$10,541,856 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. 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, 2019. The School District's proportion measured as of June 30, 2019, was 0.05851%, which was a decrease of 0.00523% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$686,474 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2020 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 189,213	\$ 46,569
Changes of Assumptions	1,052,643	3,659,045
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	166,407
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	465,967	1,019,072
School District Contributions Subsequent to Measurement Date	660,605	
	\$ 2,368,428	\$ 4,891,093

\$660,605 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. 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 Dec 31,	Amount
2020	\$ (400,174)
2021	(1,005,748)
2022	(1,015,485)
2023	(671,580)
2024	(90,283)
	\$ (3,183,270)

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:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>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	-
June 30, 2019	5.21	-
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
June 30, 2019	-	5.21
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	-
June 30, 2019	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
June 30, 2019	5.21	5.21

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) 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, 2019 are summarized in the following table:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2019, calculated using the discount rate of 6.28% 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 (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's Proportionate Share of the Net Pension Liability	<u>\$ 13,408,713</u>	<u>\$ 10,541,856</u>	<u>\$ 8,261,256</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2020 and June 30, 2019

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)	June 30, 2019	June 30, 2018
Deferred Outflows of Resources	\$ 3,149,522,616	\$ 4,684,852,302
Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Net Pension Liability	18,143,832,135	19,689,501,539
District's portion of the Plan's total Net Pension Liability	0.05851%	0.06374%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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, 2020**

Note 8. Pension Plans (continued)

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

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. 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. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$78,488,888. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.12789%, which was a decrease of .00234% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the School District recognized \$4,629,484 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, 2019 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 are summarized in the following table:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, 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 5.60% 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, 2020**

Note 8. Pension Plans (continued)

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

	1% Decrease <u>(4.60%)</u>	Current Discount Rate <u>(5.60%)</u>	1% Increase <u>(6.60%)</u>
TPAF Employer Number - 7037 Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the TPAF Employer Number - 7037	<u>92,555,771</u>	<u>78,488,888</u>	<u>66,817,817</u>
	<u>\$ 92,555,771</u>	<u>\$ 78,488,888</u>	<u>\$ 66,817,817</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>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 10,129,162,237	\$ 12,675,037,111
Collective Deferred Inflows of Resources	17,736,240,054	16,381,811,884
Collective Net Pension Liability	61,519,112,443	63,806,350,446
School District's Portion	0.12789%	0.13023%

C. Defined Contribution Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- 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 2020 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, 2020, employee contributions totaled \$37,114, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$54,729.

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 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. 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: 2.5%

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 3.05% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 3.05% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, 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, 2019 was \$53,180,924. The School District’s proportionate share was \$0.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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

The OPEB Obligation was measured as of June 30, 2019, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the State proportionate share of the OPEB Obligation attributable to the School District was 0.12744%, which was a decrease of 0.00058% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the State of New Jersey recognized an OPEB expense in the amount of \$1,744,395 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, 2019 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2019, 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:

	June 30, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 62,827,687	\$ 53,180,924	\$ 45,518,064
State of New Jersey's Total Non- employer Liability	\$ 49,298,534,898	\$ 41,729,081,045	\$ 35,716,321,820

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

9. Other Post-Retirement Benefits (continued):

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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 43,818,711	\$ 53,180,924	\$ 65,574,572
State of New Jersey's Total Nonemployer OPEB Liability	\$ 34,382,902,820	\$ 41,729,081,045	\$ 51,453,912,586

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2019 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 1,921,145,183	\$ (1,921,145,183)
Change in Assumptions	-	(10,484,965,300)
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	TBD	-
	\$ 1,921,145,183	\$ (20,887,639,826)

** Employer Contributions made after June 30, 2019 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:

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

9. Other Post-Retirement Benefits (continued):

Fiscal Year Ending June 30,	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
	<u>\$ (18,966,494,643)</u>

Plan Membership

At June 30, 2018, the Program membership consisted of the following:

	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>148,051</u>
	<u><u>364,943</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

Total OPEB Liability

Service Cost	\$ 1,734,404,850
Interest Cost	1,827,787,206
Difference Between Expected & Actual Experience	(7,323,140,818)
Changes of Assumptions	622,184,027
Contributions: Member	37,971,171
Gross Benefit Payments	<u>(1,280,958,373)</u>
Net Change in Total OPEB Liability	(4,381,751,937)
Total OPEB Liability (Beginning)	<u>46,110,832,982</u>
Total OPEB Liability (Ending)	<u>\$ 41,729,081,045</u>
Total Covered Employee Payroll	\$ 13,929,083,479
Net OPEB Liability as a Percentage of Payroll	300%

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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, 2020, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,830,198, \$1,177,496, \$1,049,952 and \$3,743, 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:

<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>
2019-2020	\$ -	\$ -	\$ -	\$ -	\$ 95,923
2018-2019	7,422	-	-	-	95,923
2017-2018	20,000	-	-	71,375	88,501

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, 2020 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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.

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, 2020 is \$1,214,170.

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, 2020 the liability for compensated absences in the proprietary fund types is \$46,200.

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

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 16. Tax Abatements (continued)

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, 2020 was \$1,058,244.

Note 18. Fund Balance

General Fund – Of the \$2,437,191 General Fund fund balance at June 30, 2020, \$691,049 has been reserved in the Capital Reserve Account; \$1,058,244 is restricted for current year excess surplus; \$743,174 is restricted for excess surplus – designated for subsequent year's expenditures; \$164,676 has been reserved for encumbrances; \$58,884 has been assigned as designated for subsequent year's expenditures; and \$(278,836) is unassigned.

Capital Projects Fund – Of the \$1,346,527 Capital Projects Fund fund balance at June 30, 2020, \$1,346,527 is restricted for capital projects.

Debt Service Fund – Of the \$395 Debt Service Fund fund balance at June 30, 2020, \$395 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 \$(16,826,304) at June 30, 2020. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2020. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 30, 2021, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items other than the below have come to the attention of the School District that would require disclosure.

COVID – 19 – has caused considerable economic damage to the New Jersey economy. As a result, Governor Murphy decreased the originally appropriated school state aid by over \$335 million state wide for the 2020-2021 school year. The Kingsway Regional School District's state aid was reduced by \$1,466,612. The District reduced budget appropriations to offset this decrease.

As the COVID-19 pandemic remains a fluid situation, outside of the reduction in state aid, it is not currently known what further economic challenges are ahead for local school districts.

Debt Issuance:

In December of 2020, the District issued \$16,625,000 of Series 2020 Refunding School Bonds. Payments commence on February 1, 2021 and each February and August until maturity or prior redemption. The purpose of these bonds is to provide for the refunding of all or a portion of its outstanding school bonds, Series 2021, dated February 1, 2012, issued in the original principal amount of \$22,659,000. The proceeds of the bonds will be used to refund, on an advanced basis, all or a portion of \$15,749,000 outstanding 2012 school bonds maturing after February 1, 2023.

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, 2020**

ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:						
Local Tax Levy	10-1210	\$ 22,263,737	\$ -	\$ 22,263,737	\$ 22,263,737	\$ -
Tuition From Other LEAs Within the State	10-1320	2,555,716	-	2,555,716	2,591,361	35,645
Transportation Fees from Other LEAs:	10-1420	-	-	-	579	579
Rents and Royalties	10-1910	50,000	-	50,000	39,846	(10,154)
Interest Earned on Capital Reserve		500	-	500	-	(500)
Miscellaneous Revenues	10-1XXX	212,000	-	212,000	263,020	51,020
Total Local Sources		25,081,953	-	25,081,953	25,158,543	76,590
Federal Sources:						
Medicaid Reimbursement (SEMI)	10-4200	22,640	-	22,640	7,060	(15,580)
Total Federal Sources		22,640	-	22,640	7,060	(15,580)
State Sources:						
Equalization Aid	10-3176	8,981,736	-	8,981,736	8,981,736	-
Categorical Special Education Aid	10-3132	2,148,364	-	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	140,000	-	140,000	250,253	110,253
Other State Aid	10-3XXX	35,000	-	35,000	-	(35,000)
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	2,830,198	2,830,198
On-Behalf Post Retirement Medical Contribution		-	-	-	1,049,952	1,049,952
On-Behalf Long-Term Disability Insurance		-	-	-	3,743	3,743
Reimbursed TPAF Social Security Contributor		-	-	-	1,177,496	1,177,496
Total State Sources		13,056,174	-	13,056,174	18,192,816	5,136,642
Total Revenues		38,160,767	-	38,160,767	43,358,419	5,197,652
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Grades 6 - 8	11-130-100-101	3,642,153	(22,026)	3,620,127	3,605,888	14,239
Grades 9 - 12	11-140-100-101	6,861,614	(30,200)	6,831,414	6,806,072	25,342
Home Instruction:						
Salaries of Teachers	11-150-100-101	35,000	3,750	38,750	38,258	492
Purchased Professional - Educational Services:	11-150-100-320	30,000	9,076	39,076	28,104	10,972
Other Purchased Services	11-150-100-500	2,000	-	2,000	908	1,092
Regular Programs - Undistributed Instruction						
Purchased Professional - Educational Services:	11-190-100-320	245,349	(25,583)	219,766	198,788	20,978
Purchased Technical Services	11-190-100-340	72,754	(11,716)	61,038	52,409	8,629
Other Purchased Services	11-190-100-500	209,476	(33,811)	175,665	161,941	13,724
General Supplies	11-190-100-610	418,448	46,291	464,739	412,473	52,266
Textbooks	11-190-100-640	198,775	(690)	198,085	168,156	29,929
Other Objects	11-190-100-890	34,834	(18,425)	16,409	14,725	1,684
Total Regular Programs		11,750,403	(83,334)	11,667,069	11,487,722	179,347
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	370,956	(20,000)	350,956	344,943	6,013
Other Salaries for Instruction	11-212-100-106	143,235	(35,000)	108,235	102,412	5,823
Purchased Professional - Educational Service:	11-212-100-320	600	-	600	572	28
Purchased Technical Services:	11-212-100-340	750	-	750	-	750
Other Purchased Services	11-212-100-500	1,000	1,000	2,000	1,554	446
General Supplies	11-212-100-610	19,237	(1,000)	18,237	11,896	6,341
Other Objects	11-212-100-800	170	-	170	-	170
Total Multiple Disabilities		535,948	(55,000)	480,948	461,377	19,571
Resource Room:						
Salaries of Teachers	11-213-100-101	1,955,850	176,249	2,132,099	2,131,389	710
Other Salaries for Instruction	11-213-100-106	206,580	48,351	254,931	253,300	1,631
Other Purchased Services	11-213-100-500	1,000	1,450	2,450	1,693	757
General Supplies	11-213-100-610	10,800	1,150	11,950	11,296	654
Total Resource Room		2,174,230	227,200	2,401,430	2,397,678	3,752
Special Education - Home Instruction						
Salaries of Teachers	11-219-100-101	3,000	-	3,000	333	2,667
Purchased Professional Educational Service:	11-219-100-320	15,000	43,500	58,500	57,786	714
Other Purchased Services	11-219-100-500	400	-	400	271	129
Total Special Education - Home Instruction		18,400	43,500	61,900	58,390	3,510
Total Special Education		2,728,578	215,700	2,944,278	2,917,445	26,833

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	ACCOUNT NUMBERS	JUNE 30, 2020			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Basic Skills/Remedial:						
Salaries of Teachers	11-230-100-101	50,000	(50,000)	-	-	-
General Supplies	11-230-100-610	12,700	1,000	13,700	9,191	4,509
Total Basic Skills/Remedial		62,700	(49,000)	13,700	9,191	4,509
School Sponsored Cocurricular Activities						
Salaries	11-401-100-100	164,641	-	164,641	156,455	8,186
Other Purchased Services	11-401-100-500	24,695	(228)	24,467	21,389	3,078
Supplies and Materials	11-401-100-600	48,730	2,927	51,657	45,513	6,144
Other Objects	11-401-216-800	1,460	(200)	1,260	710	550
Total School Sponsored Cocurricular Activities:		239,526	2,499	242,025	224,067	17,958
School Sponsored Athletics - Instruction						
Salaries	11-402-100-100	557,648	8,715	566,363	558,020	8,343
Other Purchased Services	11-402-100-500	152,045	(5,500)	146,545	129,981	16,564
General Supplies	11-402-100-610	142,050	14,866	156,916	149,155	7,761
Other Objects	11-402-216-800	52,645	688	53,333	49,323	4,010
Total School Sponsored Athletics Instruction		904,388	18,769	923,157	886,479	36,678
Before/After School Programs						
Salaries	11-421-100-101	8,880	-	8,880	7,302	1,578
Total Before/After School Program:		8,880	-	8,880	7,302	1,578
Total Instruction		15,694,475	104,634	15,799,109	15,532,206	266,903
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	16,053	(382)	15,671	14,500	1,171
Tuition to Other LEAs Within the State - Special	11-000-100-562	25,000	8,023	33,023	23,245	9,778
Tuition to County Vocational School District - Regular	11-000-100-563	459,000	23,256	482,256	480,406	1,850
Tuition to County Vocational School District - Special	11-000-100-564	47,085	(1,753)	45,332	37,798	7,534
Tuition to CSSD & Regional Day School	11-000-100-565	927,568	421,817	1,349,385	1,329,163	20,222
Tuition to Private School for the Handicapped - State	11-000-100-566	1,080,721	(155,659)	925,062	846,411	78,651
Tuition to Private School for the Disabled & Other LE	11-000-100-567	-	64,390	64,390	64,389	1
Tuition - Other	11-000-100-569	79,744	-	79,744	79,744	-
Total Undistributed Expenditures - Instruction		2,635,171	359,692	2,994,863	2,875,656	119,207
Attendance & Social Work Services						
Salaries	11-000-211-100	128,039	4,335	132,374	131,279	1,095
Purchased Professional & Technical Service:	11-000-211-300	-	2,000	2,000	1,198	802
Supplies and Materials	11-000-211-600	600	-	600	-	600
Total Attendance & Social Work Services:		128,639	6,335	134,974	132,477	2,497
Health Services:						
Salaries	11-000-213-100	249,309	14,000	263,309	257,060	6,249
Purchased Professional & Technical Service:	11-000-213-300	41,305	8,994	50,299	19,346	30,953
Other Purchased Services	11-000-213-500	1,155	2,168	3,323	2,171	1,152
Supplies and Materials	11-000-213-600	11,920	(168)	11,752	7,208	4,544
Other Objects	11-000-213-800	1,150	127	1,277	544	733
Total Health Services		304,839	25,121	329,960	286,329	43,631
Other Support Services - Students - Related Services						
Salaries	11-000-216-100	56,505	2	56,507	56,505	2
Purchased Professional Educational Service:	11-000-216-320	162,823	(77,059)	85,764	73,413	12,351
Supplies and Materials	11-000-216-600	1,000	-	1,000	976	24
Total Other Support Services-Students-Related Service:		220,328	(77,057)	143,271	130,894	12,377
Other Support Services - Students - Extra Services						
Salaries	11-000-217-100	394,860	(55,454)	339,406	325,363	14,043
Purchased Professional Educational Service:	11-000-217-320	136,298	129,150	265,448	252,138	13,310
Supplies and Materials	11-000-217-600	12,800	(3,646)	9,154	9,144	10
Other Objects	11-000-217-800	500	(400)	100	-	100
Total Other Support Services - Students - Extra Services:		544,458	69,650	614,108	586,645	27,463

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ACCOUNT NUMBERS	JUNE 30, 2020				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	696,700	(15,000)	681,700	668,753	12,947
Salaries of Secretarial & Clerical Assistants	11-000-218-105	128,808	4,500	133,308	126,739	6,569
Purchased Professional Educational Service:	11-000-218-320	30,450	8,500	38,950	37,086	1,864
Other Purchased Professional & Technical Service:	11-000-218-390	36,830	-	36,830	35,854	976
Other Purchased Services	11-000-218-500	13,880	(3,106)	10,774	10,637	137
Supplies and Materials	11-000-218-600	2,570	2,060	4,630	3,347	1,283
Other Objects	11-000-218-800	8,270	-	8,270	6,312	1,958
Total Other Support Services - Students - Regular		917,508	(3,046)	914,462	888,728	25,734
Other Support Services - Students - Special Services						
Salaries of Other Professional Staff	11-000-219-104	505,991	17,597	523,588	510,649	12,939
Salaries of Secretarial & Clerical Assistants	11-000-219-105	65,473	9,700	75,173	71,919	3,254
Purchased Professional Educational Service:	11-000-219-320	10,100	5,000	15,100	13,412	1,688
Other Purchased Professional & Technical Service:	11-000-219-390	21,000	6,873	27,873	27,115	758
Other Purchased Services	11-000-219-500	8,000	1,401	9,401	8,645	756
Supplies and Materials	11-000-219-600	15,500	-	15,500	14,425	1,075
Total Other Support Services-Students-Special Service:		626,064	40,571	666,635	646,165	20,470
Improvement of Instruction Services/Other Support Services - Instruction Staff						
Salaries of Supervisor of Instruction	11-000-221-102	313,726	-	313,726	311,208	2,518
Salaries of Other Professional Staff	11-000-221-104	41,680	(3,464)	38,216	34,408	3,808
Salaries of Secretarial & Clerical Assistants	11-000-221-105	25,850	-	25,850	23,396	2,454
Purchased Professional - Educational Service:	11-000-221-320	20,100	(697)	19,403	19,402	1
Other Purchased Services	11-000-221-500	14,167	-	14,167	8,635	5,532
Supplies and Materials	11-000-221-600	4,000	9,753	13,753	6,964	6,789
Other Objects	11-000-221-800	6,100	-	6,100	1,661	4,439
Total Improvement of Instruction Services/Other Support Services Instructional Staff		425,623	5,592	431,215	405,674	25,541
Educational Media Services/School Library						
Salaries	11-000-222-100	203,996	774	204,770	201,172	3,598
Purchased Professional & Technical Service:	11-000-222-300	19,632	(303)	19,329	19,174	155
Other Purchased Services	11-000-222-500	300	228	528	320	208
Supplies and Materials	11-000-222-600	22,865	3,562	26,427	21,050	5,377
Other Objects	11-000-222-800	355	-	355	130	225
Total Educational Media Services/School Library		247,148	4,261	251,409	241,846	9,563
Support Services Instructional Staff Training Service						
Salaries of Supervisors of Instruction	11-000-223-102	73,786	-	73,786	73,068	718
Salaries of Other Professional Staff	11-000-223-104	2,154	296	2,450	2,220	230
Salaries of Secretarial & Clerical Assistants	11-000-223-105	25,850	-	25,850	23,395	2,455
Purchased Professional & Technical Service:	11-000-223-390	3,500	100	3,600	3,500	100
Other Purchased Services	11-000-223-500	13,895	7,073	20,968	11,875	9,093
Total Support Services Instructional Staff Training		119,185	7,469	126,654	114,058	12,596
Support Services General Administration						
Salaries	11-000-230-100	201,195	(130)	201,065	199,554	1,511
Legal Services	11-000-230-331	70,000	(28,000)	42,000	32,680	9,320
Audit Services	11-000-230-332	38,000	-	38,000	33,968	4,032
Architectural/Engineering Service:	11-000-230-334	-	3,000	3,000	2,925	75
Purchased Technical Services	11-000-230-340	9,600	-	9,600	9,507	93
Communications/Telephone	11-000-230-530	115,150	(30,200)	84,950	67,237	17,713
BOE Other Purchased Services	11-000-230-585	17,000	-	17,000	9,130	7,870
Other Purchased Services	11-000-230-590	73,967	(98)	73,869	72,041	1,828
Supplies and Materials	11-000-230-600	2,000	3,000	5,000	4,786	214
BOE In-House Training Supplies	11-000-230-630	500	-	500	468	32
Miscellaneous Expenditures	11-000-230-890	1,800	250	2,050	2,036	14
BOE Membership Dues & Fees	11-000-230-895	12,500	-	12,500	12,190	310
Total Support Services General Administration		541,712	(52,178)	489,534	446,522	43,012
Support Services School Administration						
Salaries of Principals & Assistant Principals	11-000-240-103	793,531	(13,822)	779,709	775,614	4,095
Salaries of Other Professional Staff	11-000-240-104	365,124	-	365,124	365,643	(519)
Salaries of Secretarial & Clerical Assistants	11-000-240-105	268,014	6,700	274,714	265,589	9,125
Other Salaries	11-000-240-110	56,535	10,100	66,635	65,870	765
Unused Vac Payment to Term/Ret Staff	11-000-240-199	-	8,321	8,321	8,320	1
Purchased Professional & Technical Service:	11-000-240-300	13,375	-	13,375	4,590	8,785
Other Purchased Services	11-000-240-500	37,000	(2,800)	34,200	26,521	7,679
Supplies and Materials	11-000-240-600	31,225	(7,612)	23,613	15,057	8,556
Other Objects	11-000-240-800	28,685	(510)	28,175	25,014	3,161
Total Support Services School Administration		1,593,489	377	1,593,866	1,552,218	41,648

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Central Services:						
Salaries	11-000-251-100	420,127	8,000	428,127	428,058	69
Purchased Professional Services	11-000-251-330	4,500	(1,100)	3,400	3,400	-
Purchased Technical Services	11-000-251-340	58,500	3,400	61,900	61,784	116
Miscellaneous Purchased Service:	11-000-251-592	16,224	166	16,390	15,282	1,108
Supplies & Materials	11-000-251-600	6,500	1,560	8,060	8,057	3
Miscellaneous Expenditures	11-000-251-890	1,340	25	1,365	1,115	250
Total Central Services		507,191	12,051	519,242	517,696	1,546
Administrative Information Technology						
Salaries	11-000-252-100	304,062	(16,541)	287,521	283,753	3,768
Purchased Technical Services	11-000-252-340	131,560	11,041	142,601	136,500	6,101
Other Purchased Services	11-000-252-500	3,000	-	3,000	997	2,003
Supplies and Materials	11-000-252-600	25,500	18,684	44,184	42,666	1,518
Other Objects	11-000-252-800	900	-	900	773	127
Total Administrative Information Technology		465,022	13,184	478,206	464,689	13,517
Allowance Maintenance for School Facilities						
Salaries	11-000-261-100	198,000	(2,230)	195,770	195,490	280
Maintenance Services	11-000-261-420	129,335	(120,863)	8,472	8,471	1
Lead Testing of Drinking Water	11-000-261-421	-	270,384	270,384	263,897	6,487
General Supplies	11-000-261-610	93,955	3,005	96,960	89,192	7,768
Total Allowance Maintenance for School Facilities		421,290	150,296	571,586	557,050	14,536
Other Operation & Maintenance of Plant Services						
Salaries	11-000-262-100	992,942	25,513	1,018,455	1,000,307	18,148
Purchased Professional & Technical Service:	11-000-262-300	76,600	7,251	83,851	76,081	7,770
Cleaning, Repair & Maintenance Services	11-000-262-420	4,000	-	4,000	3,797	203
Other Purchased Property Services:	11-000-262-490	31,750	6,500	38,250	36,411	1,839
Insurance	11-000-262-520	165,850	(4,500)	161,350	161,216	134
Miscellaneous Purchased Service:	11-000-262-590	3,550	3,600	7,150	7,045	105
General Supplies	11-000-262-610	122,440	14,000	136,440	132,115	4,325
Energy (Natural Gas)	11-000-262-621	175,000	(12,600)	162,400	149,397	13,003
Energy (Electricity)	11-000-262-622	610,000	(40,000)	570,000	533,613	36,387
Energy (Gasoline)	11-000-262-626	-	-	-	-	-
Other Objects	11-000-262-800	800	-	800	676	124
Total Other Operation & Maintenance of Plant Services		2,182,932	(236)	2,182,696	2,100,658	82,038
Care & Upkeep of Grounds						
Salaries	11-000-263-100	220,440	2,000	222,440	217,180	5,260
Purchased Professional & Technical Service:	11-000-263-300	28,905	14,500	43,405	30,652	12,753
Cleaning, Repair & Maintenance Services	11-000-263-420	-	23,900	23,900	20,507	3,393
General Supplies	11-000-263-610	76,800	(9,500)	67,300	62,162	5,138
Total Care & Upkeep of Grounds		326,145	30,900	357,045	330,501	26,544
Security						
Salaries	11-000-266-100	50,710	3,200	53,910	51,104	2,806
Purchased Professional & Technical Service:	11-000-266-300	109,000	51,930	160,930	139,000	21,930
Cleaning, Repair & Maintenance Services	11-000-266-420	2,000	-	2,000	1,950	50
Total Security		161,710	55,130	216,840	192,054	24,786
Student Transportation Services:						
Salaries of Non-Instructional Aides	11-000-270-107	35,647	(5,900)	29,747	27,103	2,644
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	703,273	(63,950)	639,323	580,896	58,427
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	35,000	(4,775)	30,225	22,667	7,558
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	80,000	-	80,000	60,387	19,613
Other Purchased Professional & Unused Vacation Payment to Term/Retired Staff	11-000-270-199	-	2,450	2,450	2,420	30
Technical Services	11-000-270-390	6,250	-	6,250	6,075	175
Cleaning, Repair & Maintenance	11-000-270-420	5,750	-	5,750	4,348	1,402
Lease Purchase Payments - School Buses	11-000-270-443	266,626	(120,000)	146,626	146,625	1
Aid in Lieu of Payments	11-000-270-503	225,000	2,000	227,000	131,082	95,918
Contracted Services (Between Home & School) - Vendor	11-000-270-511	867,200	87,420	954,620	924,655	29,965
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	16,000	(5,500)	10,500	5,051	5,449
Contracted Services (Between Home & School) - Joint	11-000-270-513	-	-	-	-	-
Contracted Services (Special Education) - Vendor	11-000-270-514	49,900	64,315	114,215	105,346	8,869
Contracted Services (Special Education) - Joint Agreement	11-000-270-515	15,000	(1,415)	13,585	10,038	3,547
Contracted Services (Regular Education Students) - ESC	11-000-270-517	137,000	75,450	212,450	178,944	33,506
Contracted Services (Special Education Students) - ESC	11-000-270-518	727,700	145,000	872,700	800,864	71,836
Miscellaneous Purchased Services - Transportation	11-000-270-593	45,300	(400)	44,900	42,877	2,023
Supplies and Materials	11-000-270-610	1,000	-	1,000	509	491
Transportation Supplies	11-000-270-615	187,500	(57,838)	129,662	115,096	14,566
Other Objects	11-000-270-800	1,000	-	1,000	-	1,000
Total Student Transportation Services		3,405,146	116,857	3,522,003	3,164,983	357,020

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Allocated Benefits:					
Attendance & Social Work Services Other Employee Benefits	11-000-211-290	400	(400)	-	-
Total Attendance & Social Work Services		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)	-	-
Support Services - General Administration Other Employee Benefits	11-000-230-290	1,800	(1,800)	-	-
Total Support Services - General Administration		1,800	(1,800)	-	-
Operation & Maintenance of Plant Services Other Employee Benefits	11-000-261-290	3,025	(3,025)	-	-
Total Operation & Maintenance of Plant Services		3,025	(3,025)	-	-
Custodial Services Other Employee Benefits	11-000-262-290	9,075	(9,075)	-	-
Total Custodial Services		9,075	(9,075)	-	-
Care and Upkeep of Grounds Other Employee Benefits	11-000-263-290	1,100	(1,100)	-	-
Total Care and Upkeep of Grounds		1,100	(1,100)	-	-
Student Transportation Services: Other Employee Benefits	11-000-270-290	8,095	(8,095)	-	-
Total Student Transportation Services		8,095	(8,095)	-	-
Total Allocated Benefits		24,495	(24,495)	-	-
Unallocated Benefits - Employee Benefits					
Social Security	11-000-291-220	516,000	-	516,000	491,718
Other Retirement Contributions - PERS	11-000-291-241	578,000	(120,382)	457,618	457,484
Workmen's Compensation	11-000-291-260	272,000	(37,000)	235,000	234,421
Health Benefits	11-000-291-270	5,225,888	(513,901)	4,711,987	4,682,864
Tuition Reimbursement	11-000-291-280	60,000	19,982	79,982	57,621
Other Employee Benefits	11-000-291-290	370,000	(45,605)	324,395	314,172
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	39,390	-	39,390	39,180
Total Unallocated Benefits - Employee Benefit		7,061,278	(696,906)	6,364,372	6,277,460
Nonbudgeted:					
On-Behalf TPAF Pension Contribution		-	-	-	2,830,198
On-Behalf Post Retirement Medical Contributor		-	-	-	1,049,952
On-Behalf Long-Term Disability Insurance		-	-	-	3,743
Reimbursed TPAF Social Security Contributor		-	-	-	1,177,496
Total Undistributed Expenditures		22,859,373	43,568	22,902,941	26,973,692
Total Expenditures - Current Expense		38,553,848	148,202	38,702,050	42,505,898
Capital Outlay:					
Equipment:					
Support Services - Related & Extra	12-000-210-730	2,500	(1,400)	1,100	1,019
Custodial Services	12-000-262-730	-	9,000	9,000	8,936
Non-Instructional Equipment	12-000-270-732	-	26,801	26,801	26,801
Total Equipment		2,500	34,401	36,901	36,756
Facilities Acquisition & Construction Services					
Architectural/Engineering Services:	12-000-400-334	258,814	(133,916)	124,898	-
Other Purchased Professional and Technical Services	12-000-400-390	258,814	(188,000)	70,814	-
Construction Services	12-000-400-450	1,751,215	430,913	2,182,128	-
Supplies and Materials	12-000-400-600	36,780	(36,780)	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	116,737	-	116,737	116,737
Total Facilities Acquisition & Construction Services		2,422,360	72,217	2,494,577	116,737
Interest Deposit to Capital Reserve	10-604	500	-	500	-
Total Capital Outlay		2,425,360	106,618	2,531,978	153,493

**KINGSWAY REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

ACCOUNT NUMBERS	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Expenditures	40,979,208	254,820	41,234,028	42,659,391	(1,425,363)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,818,441)	(254,820)	(3,073,261)	699,028	3,772,289
Other Financing Sources/(Uses)					
Operating Transfers In/(Out)	350,000	-	350,000	322,020	(27,980)
Transfer to Capital Projects Fund	-	-	-	(1,939,960)	(1,939,960)
Transfer of Funds to Charter Schools	(83,215)	-	(83,215)	(83,215)	-
Total Other Financing Sources/(Uses)	266,785	-	266,785	(1,701,155)	(1,967,940)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditure & Other Financing Sources/(Uses)	(2,551,656)	(254,820)	(2,806,476)	(1,002,127)	1,804,349
Fund Balances, July 1	4,620,831	-	4,620,831	4,620,831	-
Fund Balances, June 30	2,069,175	(254,820)	1,814,355	3,618,704	1,804,349

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 254,820
Total	<u>\$ 254,820</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	691,049
Excess Surplus	1,058,244
Excess Surplus Designated for Subsequent Year's Expenditures	743,174
Committed to:	
Year-End Encumbrances	164,676
Assigned to:	
Designated for Subsequent Year's Expenditures	58,884
Unassigned Fund Balance	<u>902,677</u>
Subtotal	3,618,704
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,181,513)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 2,437,191</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 612,000	\$ 68,624	\$ 680,624	\$ 639,211	\$ (41,413)
Local Sources	-	20,393	20,393	17,110	(3,283)
Total Revenues	612,000	89,017	701,017	656,321	(44,696)
Expenditures:					
Instruction:					
Salaries	53,900	43,198	97,098	89,144	7,954
Tuition	450,000	10,414	460,414	460,414	-
Purchased Educational Services	-	1,760	1,760	1,722	38
Supplies & Materials	46,100	8,918	55,018	50,193	4,825
Other Objects	-	1,000	1,000	50	950
Total Instruction	550,000	65,290	615,290	601,523	13,767
Support Services:					
Salaries of Other Professional Staff	-	12,738	12,738	5,902	6,836
Benefits	20,000	3,143	23,143	22,546	597
Purchased Professional Services	10,000	22,650	32,650	24,150	8,500
Other Purchased Service	32,000	(15,439)	16,561	2,200	14,361
Supplies	-	635	635	-	635
Total Support Services	62,000	23,727	85,727	54,798	30,929
Total Expenditures	612,000	89,017	701,017	656,321	44,696
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**KINGSWAY REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**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)	\$ 43,358,419	\$ 656,321
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	-	19,809
Current Year	-	(28,651)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,078,654	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,181,513)	-
	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 43,255,560</u>	<u>\$ 647,479</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 42,659,391	\$ 656,321
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	-	(8,842)
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 42,659,391</u>	<u>\$ 647,479</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 SEVEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.05851%	0.06374%	0.06416%	0.06350%	0.05938%	0.05387%	0.051056%
District's proportionate share of the net pension liability (asset)	\$10,541,856	\$12,549,849	\$14,935,400	\$18,807,614	\$13,329,366	\$10,085,971	\$9,757,726
District's covered-employee payroll	\$ 4,347,470	\$ 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	242.48%	346.48%	369.24%	424.71%	307.99%	242.72%	N/A
Plan fiduciary net position as a percentage of the total pension liability	56.27%	53.60%	48.10%	40.14%	56.31%	62.41%	58.70%

**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 SEVEN FISCAL YEARS**

	2019	2018	2017	2016	2015	2014	2013
School District's contractually required contribution	\$ 569,089	\$ 633,995	\$ 594,373	\$ 564,147	\$ 510,499	444,098	384,693
Contributions in relation to the contractually required contribution	(569,089)	(633,995)	(594,373)	(564,147)	(510,499)	(444,098)	(384,693)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$4,347,470	\$4,310,620	\$4,044,855	\$4,428,385	\$4,327,819	\$4,155,381	N/A
Contributions as a percentage of covered payroll	13.09%	14.71%	13.79%	13.95%	11.53%	10.26%	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 SEVEN FISCAL YEARS***

	2019	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%	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	78,488,888	82,851,403	85,772,712	96,997,063	72,207,218	59,999,348	\$ 57,910,947
	<u>\$ 78,488,888</u>	<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	\$ 15,708,221	\$ 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%	0
Plan fiduciary net position as a percentage of the total pension liability	26.95%	26.49%	25.41%	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 THREE FISCAL YEARS*

	2020	2019	2018
Total OPEB Liability Associated with the District			
Service Cost	\$ 2,788,283	\$ 3,261,325	\$ 3,941,593
Interest Cost	2,362,155	2,581,610	2,222,996
Differences Between Expected and Actual	(10,212,197)	(8,116,632)	-
Changes of Assumptions	792,932	(6,774,430)	(9,835,019)
Contributions: Member	48,392	54,557	59,366
Gross Benefit Payments	(1,632,496)	(1,578,544)	(1,612,222)
Net Change in Total OPEB Liability Associated with the District	(5,852,931)	(10,572,114)	(5,223,286)
Total OPEB Liability Associated with the District (Beginning)	59,033,855	69,605,969	74,829,255
Total OPEB Liability Associated with the District (Ending)	\$ 53,180,924	\$ 59,033,855	\$ 69,605,969
District's Covered Employee Payroll	\$ 20,737,362	\$ 20,040,580	\$ 18,643,489
Net OPEB Liability Associated with the District as a Percentage of Payroll	256.45%	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, 2020**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 6.28% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 5.60% as of June 30, 2019.

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, 2018, to 3.50% as of June 30, 2019.

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, 2020**

	TITLE I PART A	TITLE II PART A	TITLE III	TITLE IV	REGULAR PROGRAM	SAFETY GRANT	OTHER LOCAL	TOTAL
Revenues:								
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,288	\$ 822	\$ 17,110
Federal Sources	141,412	31,445	2,690	3,250	460,414	-	-	639,211
Total Revenues	\$ 141,412	\$ 31,445	\$ 2,690	\$ 3,250	\$ 460,414	\$ 16,288	\$ 822	\$ 656,321
Expenditures:								
Instruction:								
Salaries	\$ 87,294	\$ 1,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,144
Tuition	-	-	-	-	460,414	-	-	460,414
Other Purchased Services	-	-	900	-	-	-	822	1,722
General Supplies	32,115	-	1,790	-	-	16,288	-	50,193
Other Objects	50	-	-	-	-	-	-	50
Total Instruction	119,459	1,850	2,690	-	460,414	16,288	822	601,523
Support Services:								
Salaries	-	5,902	-	-	-	-	-	5,902
Personal Services - Employee Benefits	21,953	593	-	-	-	-	-	22,546
Purchased Professional Services	-	20,900	-	3,250	-	-	-	24,150
Other Professional Services	-	2,200	-	-	-	-	-	2,200
Supplies	-	-	-	-	-	-	-	-
Total Support Services	21,953	29,595	-	3,250	-	-	-	54,798
Total Expenditures	\$ 141,412	\$ 31,445	\$ 2,690	\$ 3,250	\$ 460,414	\$ 16,288	\$ 822	\$ 656,321

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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, 2020**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		TRANSFER TO DEBT SERVICE	UNEXPENDED BALANCE
			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	-	725,000	877,193
Stadium and Turf Project	07/01/19	3,541,150	-	3,502,240	-	38,910
Total		\$ 19,210,090	\$ 13,636,323	\$ 3,502,240	\$ 725,000	\$ 1,346,527

**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, 2020**

Revenues and Other Financing Sources:

Lease Purchase Agreement Proceeds	\$ 1,600,000
Transfer from Capital Reserve	1,939,960
Interest	<u>1,190</u>
Total Revenues	<u>3,541,150</u>

Expenditures and Other Financing Uses:

Purchased Professional & Technical Services	154,895
Construction Services	2,585,065
Equipment Purchases	762,280
Transfer to Debt Service	<u>725,000</u>
Total Expenditures	<u>4,227,240</u>

Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(686,090)
Fund Balance - Beginning	<u>2,032,617</u>
Fund Balance - Ending	<u>\$ 1,346,527</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
TRACK AND STADIUM
FOR THE YEAR ENDED JUNE 30, 2020**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Lease Proceeds	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000
Transfer from Capital Outlay	-	1,939,960	1,939,960	1,939,960
Interest	-	1,190	1,190	1,190
Total Revenues	-	3,541,150	3,541,150	3,541,150
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	-	154,895	154,895	154,895
Construction Services	-	2,585,065	2,585,065	2,623,975
Equipment Purchases	-	762,280	762,280	762,280
Total Expenditures	-	3,502,240	3,502,240	3,541,150
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ -	\$ 38,910	\$ 38,910	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,541,150
Revised Authorized Cost	\$ 3,541,150
Percentage Increase Over Original Authorized Cost	N/A
Original Target Completion Date	6/30/20
Revised Target Completion Date	6/30/20

**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, 2020**

	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, 2020**

	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
Transfer to Debt Service	-	725,000	725,000	-
Total Expenditures	8,716,735	725,000	9,441,735	10,383,813
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 1,602,193	\$ (725,000)	\$ 877,193	\$ -

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

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G. Proprietary Funds

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Enterprise Funds

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**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2020**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2020
Current Assets:			
Cash & Cash Equivalents	\$ 281,414	\$ 6,431	\$ 287,845
Accounts Receivable:			
State	100	-	100
Federal	6,341	-	6,341
Other	9,066	-	9,066
Inventories	14,279	-	14,279
	<hr/>		
Total Current Assets	311,200	6,431	317,631
Noncurrent Assets:			
Furniture, Machinery & Equipment	862,428	-	862,428
Accumulated Depreciation	(699,946)	-	(699,946)
	<hr/>		
Total Noncurrent Assets	162,482	-	162,482
	<hr/>		
Total Assets	473,682	6,431	480,113
	<hr/>		
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	37,369	-	37,369
	<hr/>		
Total Current Liabilities	37,369	-	37,369
	<hr/>		
Noncurrent Liabilities:			
Compensated Absences	46,200	-	46,200
	<hr/>		
Total Noncurrent Liabilities	46,200	-	46,200
	<hr/>		
Total Liabilities	83,569	-	83,569
	<hr/>		
NET POSITION			
Investment in Capital Assets	162,482	-	162,482
Unrestricted Net Position	227,631	6,431	234,062
	<hr/>		
Total Net Position	\$ 390,113	\$ 6,431	\$ 396,544
	<hr/>		

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2020**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 333,266	\$ -	\$ 333,266
Daily Sales - Nonreimbursable Programs	305,465	-	305,465
Vending Machine Sales	1,457	-	1,457
Special Function	33,409	-	33,409
Program Fees	-	20,455	20,455
Total Operating Revenue	673,597	20,455	694,052
Operating Expenses:			
Salaries	513,309	151,661	664,970
Employee Benefits	99,360	-	99,360
Other Professional Services	-	26,865	26,865
Supplies and Materials	21,893	7,255	29,148
Cleaning, Repair & Maintenance Services	37,906	-	37,906
Miscellaneous Expenses	555	-	555
Depreciation	23,709	-	23,709
Cost of Sales - Reimbursable Programs	205,698	-	205,698
Cost of Sales - Non-Reimbursable Programs	210,044	-	210,044
Total Operating Expenses	1,112,474	185,781	1,298,255
Operating (Loss)/Gain	(438,877)	(165,326)	(604,203)
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	6,474	-	6,474
Federal Sources:			
National School Lunch Program	149,290	-	149,290
Healthy Hunger-Free Kids Act	8,849	-	8,849
Food Distribution Program	76,177	-	76,177
Transfer to Other Funds	-	(350,000)	(350,000)
Interest Revenue	20	-	20
Total Nonoperating Revenues	240,810	(350,000)	(109,190)
Net Income/(Loss)	(198,067)	(515,326)	(713,393)
Change in Net Position	(198,067)	(515,326)	(713,393)
Total Net Position - Beginning	588,180	521,757	1,109,937
Total Net Position - Ending	\$ 390,113	\$ 6,431	\$ 396,544

**KINGSWAY REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2020**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2020
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 692,418	\$ 20,455	\$ 712,873
Payments to Employees	(510,309)	(151,661)	(661,970)
Payments for Employee Benefits	(99,360)	-	(99,360)
Payments to Suppliers	(479,627)	(34,120)	(513,747)
	<u>(396,878)</u>	<u>(165,326)</u>	<u>(562,204)</u>
Net Cash Provided/(Used) by Operating Activities			
Cash Flows From Investing Activities:			
Interest & Dividends	20	-	20
Purchase of Equipment	(54,089)	-	(54,089)
	<u>(54,069)</u>	<u>-</u>	<u>(54,069)</u>
Net Cash Provided by Investing Activities			
Cash Flows From Noncapital Financing Activities:			
State Sources	6,474	-	6,474
Federal Sources	234,316	-	234,316
Transfer to General Fund	-	(350,000)	(350,000)
	<u>240,790</u>	<u>(350,000)</u>	<u>(109,210)</u>
Net Cash Provided by Noncapital Financing Activities			
Net Increase/(Decrease) in Cash & Cash Equivalents	(210,157)	(515,326)	(725,483)
Cash & Cash Equivalents, July 1	491,571	521,757	1,013,328
	<u>\$ 281,414</u>	<u>\$ 6,431</u>	<u>\$ 287,845</u>
Cash & Cash Equivalents, June 30			

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (438,877)	\$ (165,326)	\$ (604,203)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	23,709	-	23,709
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	(3,170)	-	(3,170)
(Increase)/Decrease in Accounts Receivable, Net	5,098	-	5,098
Increase/(Decrease) in Accounts Payable	(361)	-	(361)
Increase/(Decrease) in Unearned Revenue	13,723	-	13,723
Increase/(Decrease) in Compensated Absences	3,000	-	3,000
	<u>41,999</u>	<u>-</u>	<u>41,999</u>
Total Adjustments			
Net Cash Provided/(Used) by Operating Activities	<u>\$ (396,878)</u>	<u>\$ (165,326)</u>	<u>\$ (562,204)</u>

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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, 2020**

ASSETS	GOVERNMENTAL ACTIVITIES					TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ 555,477	\$ 73,809	\$ 18,927	\$ -	\$ -	\$ 648,213
Accounts Receivable:						
Intergovernmental - Other	192,082	211	-	38,636	-	230,929
Other Accounts Receivable	6	-	-	-	-	6
Total Assets	747,565	74,020	18,927	38,636	-	879,148
LIABILITIES						
Cash Deficit	-	-	-	36,544	-	36,544
Accounts Payable	9,262	-	-	-	-	9,262
Interfund Accounts Payable	738,303	74,020	18,927	2,092	-	833,342
Total Liabilities	747,565	74,020	18,927	38,636	-	879,148
NET POSITION						
Unrestricted Net Position	-	-	-	-	-	-
Total Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2020**

	GOVERNMENTAL ACTIVITIES				TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
OPERATING REVENUES:					
Local Sources:					
Transportation Fees	\$ 1,746,865	\$ -	\$ -	\$ -	\$ 1,746,865
Sale of Gasoline	367	-	-	-	367
Shared Service Fees	59,623	61,800	176,853	156,880	455,156
Total Operating Revenue	1,806,855	61,800	176,853	156,880	2,202,388
OPERATING EXPENSES:					
Salaries	713,797				1,095,760
Employee Benefits	146,708		176,853	143,310	146,708
Cleaning, Repair & Maintenance Services	413				413
Aid in Lieu of Transportation	116,061				116,061
Miscellaneous Purchased Services	754,424			5,187	759,611
Supplies & Materials	110,705			1,110	111,815
Total Operating Expenses	1,842,108	61,800	176,853	149,607	2,230,368
Net Income/(Loss)	(35,253)	-	-	7,273	(27,980)
Other Financing Sources/(Uses):					
Operating Transfer In/(Out):					
Transfer to General Fund	35,253			(7,273)	27,980
Total Other Financing Sources/(Uses)	35,253	-	-	(7,273)	27,980
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, 2020**

	GOVERNMENTAL ACTIVITIES				TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,714,528	\$ 61,800	\$ 176,853	\$ 174,784	\$ 2,127,965
Payments to Employees	(713,797)	(61,800)	(176,853)	(141,218)	(1,093,668)
Payments for Employee Benefits	(146,708)	-	-	-	(146,708)
Payments to Suppliers	(1,007,595)	-	-	(6,297)	(1,013,892)
Net Cash Provided/(Used) by Operating Activities	(153,572)	-	-	27,269	(126,303)
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	35,253	-	-	(7,273)	27,980
Net Cash Provided by Noncapital Financing Activities	35,253	-	-	(7,273)	27,980
Net Increase/(Decrease) in Cash & Cash Equivalents	(118,319)	-	-	19,996	(98,323)
Cash & Cash Equivalents, July 1	673,796	73,809	18,927	(56,540)	709,992
Cash & Cash Equivalents, June 30	\$ 555,477	\$ 73,809	\$ 18,927	\$ (36,544)	\$ 611,669
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:	\$ (35,253)	\$ -	\$ -	\$ 7,273	\$ (27,980)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:					
Change in Assets & Liabilities:					
(Increase)/Decrease in Accounts Receivable	(92,327)	-	-	17,904	(74,423)
Increase/(Decrease) in Interfund Payable	(35,254)	-	-	2,092	(33,162)
Increase/(Decrease) in Accounts Payable	9,262	-	-	-	9,262
Total Adjustments	(118,319)	-	-	19,996	(98,323)
Net Cash Provided/(Used) by Operating Activities	\$ (153,572)	\$ -	\$ -	\$ 27,269	\$ (126,303)

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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, 2020**

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	PAYROLL FUND	STUDENT ACTIVITY	
Cash & Cash Equivalents	\$ 95,924	\$ 185,566	\$ 136,654	\$ 184,964	\$ 603,108
Interfund Receivable	-	-	296	-	296
Total Assets	95,924	185,566	136,950	184,964	603,404
LIABILITIES					
Payroll Deductions & Withholdings	-	-	136,950	-	136,950
Due to Student Groups	-	-	-	184,964	184,964
Total Liabilities	-	-	136,950	184,964	321,914
NET POSITION					
Restricted for Unemployment Trust Claims & Other Purposes	95,924	-	-	-	95,924
Restricted for Scholarships	-	185,566	-	-	185,566
Total Net Position	\$ 95,924	\$ 185,566	\$ -	\$ -	\$ 281,490

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	<u>PRIVATE PURPOSE</u>		
	<u>UNEMPLOYMENT COMPENSATION</u>		
ADDITIONS:	TRUST	SCHOLARSHIPS	TOTAL
Local Sources:			
Contributions	\$ -	\$ 1,370	\$ 1,370
Total Contributions	-	1,370	1,370
Investment Earnings:			
Interest on Investments	-	56	56
Total Investment Earnings	-	56	56
Total Additions	-	1,426	1,426
DEDUCTIONS:			
Unemployment Claims	-	-	-
Scholarship Payments	-	1,800	1,800
Total Deductions	-	1,800	1,800
Change in Net Position	-	(374)	(374)
Net Position - Beginning of Year	95,924	185,940	281,864
Net Position - End of Year	\$ 95,924	\$ 185,566	\$ 281,490

**KINGSWAY REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

	JULY 1, 2019	CASH RECEIPTS	CASH DISBURSEMENTS	JUNE 30, 2020
Kingsway Regional High School	\$ 118,374	\$ 1,187,942	\$ 1,159,282	\$ 147,034
Kingsway Regional Middle School	27,995	33,599	23,664	37,930
Kingsway Regional Athletics	-	115,075	115,075	-
Total	\$ 226,811	\$ 1,336,616	\$ 1,298,021	\$ 184,964

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES
FOR FISCAL YEAR ENDED JUNE 30, 2020**

ASSETS	BALANCE JULY 1, 2019	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2020
Cash & Cash Equivalents:				
Payroll Account	\$ (296)	\$ 15,351,031	\$ 15,351,031	\$ (296)
Payroll Agency Account	73,899	10,283,363	10,220,312	136,950
Total Assets	\$ 73,603	\$ 25,634,394	\$ 25,571,343	\$ 136,654
LIABILITIES				
Net Payroll	\$ -	\$ 15,351,031	\$ 15,351,031	\$ -
Net Payroll Deductions & Withholdings	73,899	10,283,363	10,220,312	136,950
Interfund Account Payable	(296)	-	-	(296)
Total Liabilities	\$ 73,603	\$ 25,634,394	\$ 25,571,343	\$ 136,654

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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, 2020**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2019	ISSUED	REDEEMED	BALANCE JUNE 30, 2020
Series 2012 Additions & Renovations of Existing School Buildings	1/18/2012	22,659,000	02/01/2021	2.500%	\$ 17,999,000	\$ -	\$ 725,000	\$ 17,274,000
			02/01/2022	2.500%				
			02/01/2023	2.500%				
			02/01/2024	3.000%				
			02/01/2025	3.000%				
			02/01/2026	3.000%				
			02/01/2027	3.000%				
			02/01/2028	3.000%				
			02/01/2029	3.000%				
			02/01/2030	3.000%				
			02/01/2031	3.000%				
			02/01/2032	3.125%				
			02/01/2033-36	3.250-3.500%				
			02/01/2037	3.500%				
Series 2012 Refunding Bonds of 08/17/2004 Issue	1/27/2012	5,935,000	01/15/21	2.250%	3,005,000	-	615,000	2,390,000
			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	03/01/21	3.000%	5,185,000	-	885,000	4,300,000
			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	01/15/25	4.000%	8,170,000	-	-	8,170,000
			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					\$ 34,359,000	\$ -	\$ 2,225,000	\$ 32,134,000

**KINGSWAY REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2020**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2019	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2020
Technology Equipment	8/17/18	3 Years	3.27%	\$ 266,980	\$ 266,980	\$ -	\$ 86,146	\$ 180,834
Lease Purchase Agreement	7/01/19	5 Years	2.37%	\$ 1,600,000	-	1,600,000	-	1,600,000
Total					\$ 266,980	\$ 1,600,000	\$ 86,146	\$ 1,780,834

**KINGSWAY REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	JUNE 30, 2020				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,151,832	\$ -	\$ 2,151,832	\$ 2,151,832	\$ -
State Sources:					
Debt Service Aid Type II	481,081	-	481,081	481,081	-
Miscellaneous	725,000	-	725,000	725,000	-
Total Revenues	3,357,913	-	3,357,913	3,357,913	-
Expenditures:					
Regular Debt Service:					
Interest	1,136,722	-	1,136,722	1,136,721	1
Principal	2,225,000	-	2,225,000	2,225,000	-
Total Expenditures	3,361,722	-	3,361,722	3,361,721	1
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(3,809)	-	(3,809)	(3,808)	1
Fund Balance July 1	4,203	-	4,203	4,203	-
Fund Balance June 30	\$ 394	\$ -	\$ 394	\$ 395	\$ 1

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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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Net Investment in Capital Assets	\$ 24,920,116	\$ 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
Restricted	3,839,389	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
Unrestricted	(16,826,304)	(15,114,769)	(14,742,313)	(9,870,037)	1,100,145	139,963	53,340	(1,031,840)	(1,236,904)	(929,075)
Total Governmental Activities	\$ 11,933,201	\$ 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
Business-Type Activities:										
Investment in Capital Assets	\$ 162,482	\$ 132,102	\$ 123,469	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667	\$ 135,707
Unrestricted	234,062	977,835	878,083	361,896	391,020	275,518	218,608	129,752	38,542	390,262
Total Business-Type Activities	\$ 396,544	\$ 1,109,937	\$ 1,001,552	\$ 462,372	\$ 401,235	\$ 286,280	\$ 259,901	\$ 204,074	\$ 145,209	\$ 525,969
District-Wide:										
Net Investment in Capital Assets	\$ 25,082,598	\$ 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
Restricted	3,839,389	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
Unrestricted	(16,592,242)	(14,136,934)	(13,864,230)	(9,508,141)	1,491,165	415,481	271,948	(902,088)	(1,198,362)	(538,813)
Total District Net Position	\$ 12,329,745	\$ 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

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 14,771,794	\$ 14,265,494	\$ 12,871,811	\$ 14,702,463	\$ 12,536,245	\$ 11,978,388	\$ 11,243,222	\$ 7,878,158	\$ 8,763,250	\$ 8,789,020
Special Education	3,832,580	3,553,738	3,186,610	3,732,321	3,317,324	2,965,920	3,056,553	2,194,808	2,149,129	1,953,353
Other Instruction	9,191	49,609	45,609	5,352	5,992	401	4,850	31,261	31,261	31,289
School Sponsored	1,213,942	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
Support Services:										
Tuition	3,336,070	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
Student & Instruction Related Services	4,605,544	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
School Administrative Services	1,664,899	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
General & Business Administrative Services	721,731	830,930	756,642	857,522	717,954	682,990	618,884	537,466	439,397	410,818
Central Office & Technology Services	1,131,992	1,094,223	1,002,334	856,912	748,669	825,133	584,884	569,573	626,864	615,387
Plant Operations & Maintenance	3,894,938	3,638,924	3,474,201	3,840,177	3,790,087	3,137,022	3,171,087	2,538,095	2,711,376	3,080,264
Pupil Transportation	5,139,675	4,963,163	4,602,728	4,564,605	3,702,236	3,156,947	3,112,014	2,821,829	3,080,396	2,946,272
Allocated Benefits	-	-	-	-	-	-	-	4,408,279	4,716,007	4,808,105
Unallocated Benefits	7,669,931	9,855,809	13,142,094	-	-	-	-	1,940,708	1,686,111	1,639,606
On Behalf TPAP Pension and Social Security Contributions	-	-	-	-	-	-	-	-	-	-
Transfer to Charter School	83,215	-	3,720	-	-	-	-	-	-	-
Interest on Long-Term Debt	1,122,913	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
Unallocated Depreciation	1,895,010	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
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	51,093,425	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
Business-Type Activities										
Community Education Program	535,781	200,567	169,482	42,755	13,266	16,409	13,832	2,912	-	-
Food Service	1,112,474	1,307,707	1,301,292	1,208,748	1,155,055	1,046,087	1,042,278	1,003,515	949,241	1,005,978
Total Business-Type Activities Expense	1,648,255	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
Total District Expenses	\$ 52,741,680	\$ 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
Program Revenues:										
Governmental Activities										
Charges for Services:										
Pupil Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants & Contributions	2,202,388	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
Capital Grants & Contributions	8,185,487	9,930,074	12,753,880	5,315,795	456,633	436,803	449,711	-	-	-
Total Governmental Activities Program Revenues	10,387,875	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
Business-Type Activities										
Charges for Services:										
Community Education Program	20,455	294,655	266,865	93,098	30,026	28,854	26,378,000	13,615,000	-	-
Food Service	673,597	1,037,035	1,081,096	965,864	962,521	842,295	837,864	872,766	822,769	798,796
Technology Services	-	-	-	-	-	-	16,522,000	-	-	-
Operating Grants & Contributions	240,790	284,969	299,342	257,626	291,482	255,493	230,539	180,597	172,749	162,759
Total Business-Type Activities Program Revenues	934,842	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
Total District Program Revenues	\$ 11,322,717	\$ 13,805,194	\$ 16,660,895	\$ 8,594,034	\$ 3,483,042	\$ 2,728,799	\$ 3,144,313	\$ 3,144,313	\$ 3,271,768	\$ 3,153,183

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

	FISCAL YEAR ENDING JUNE 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net(Expense)/Revenue	\$ (40,705,550)	\$ (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)
Governmental Activities	(713,413)	108,385	176,529	65,085	115,708	64,146	54,693	60,751	46,277	(44,423)
Business-Type Activities	\$ (41,418,963)	\$ (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)
Total District-Wide Net Expend										
General Revenues & Other Changes in Net Position										
Governmental Activities	\$ 22,263,737	\$ 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
Property Taxes Levied for General Purposes, Net	2,151,832	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
Taxes Levied for Debt Service	13,035,628	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
Unrestricted Grants & Contributions	481,081	500,492	522,864	-	-	-	-	-	-	-
Federal & State Aid Restricted	2,591,361	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
Tuition Received	39,846	79,120	81,636	77,121	-	-	-	-	-	-
Rents and Royalties	17,001	23,011	5,726	6,623	7,098	11,659	-	39,178	88,375	123,493
Investment Earnings	614,319	461,158	327,081	227,960	350,533	319,044	379,629	269,421	173,387	215,139
Miscellaneous Income	579	1,983	1,534	-	-	-	57,084	15,912	199,122	106,637
Transportation Fees from Other LEA's Within State	-	-	-	-	-	-	-	-	425,600	-
Transfers	-	-	-	-	-	-	-	-	-	-
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
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	-	-	984,190	32,671	182,503
Total Governmental Activities	41,195,384	39,783,779	36,912,810	35,049,068	35,695,856	35,163,232	39,980,714	28,864,016	28,514,707	28,971,080
Business-Type Activities										
Investment Earnings	20	-	50	1,386	948	1,627	1,383	850	867	556
Transfers	-	-	-	-	-	-	-	-	(425,600)	-
Net (Increase)/Decrease in Bonded Capital	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	-	4,389	-	-	-	958	-
Net (Increase)/Decrease in Compensated Absences	-	-	-	(5,334)	(6,090)	(22,872)	(248)	(2,737)	(3,262)	102
Total Business-Type Activities	20	-	50	(3,948)	(753)	(21,245)	1,135	(1,887)	(427,037)	658
Total District-Wide	41,195,404	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
Change in Net Position										
Governmental Activities	\$ 489,834	\$ 560,939	\$ 234,211	\$ 307,705	\$ 137,277	\$ 2,464,761	\$ 8,531,924	\$ (702,099)	\$ (1,740,084)	\$ (1,188,982)
Business-Type Activities	(713,393)	108,385	176,579	61,137	114,955	42,901	55,828	58,864	(380,760)	(43,765)
Total District	(223,559)	669,324	410,790	368,842	252,232	2,507,662	8,587,752	(643,235)	(2,120,844)	(1,232,747)

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

	FISCAL YEAR ENDING JUNE 30, 2013									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Restricted	\$ 2,492,467	\$ 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
Assigned	58,884	-	-	87,149	87,149	319,627	-	-	-	-
Committed	164,676	254,820	185,393	-	-	-	-	-	-	-
Unassigned	(278,836)	(65,869)	(53,132)	-	-	-	-	759,943	552,731	659,534
Total General Fund	\$ 2,437,191	\$ 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
All Other Governmental Funds:										
Restricted	\$ 926,439	\$ 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	420,088	-	-	-	131,008	4,424,528	-	-	-	-
Unassigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	(299,600)	(449,600)	-
Debt Service Fund	395	4,203	-	111,017	47,162	47,162	-	-	5,204	-
Total All Other Governmental Funds	\$ 1,346,922	\$ 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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Taxes Local	\$ 24,415,569	\$ 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
Tuition Charges	2,591,361	2,476,547	2,677,133	3,341,849	3,360,599	2,798,202	2,798,202	3,332,156	4,342,882	4,587,891
Transportation	40,425	81,103	83,170	77,121	-	57,034	57,034	15,912	199,122	106,637
Miscellaneous	281,320	484,169	332,807	234,583	357,631	330,703	379,629	308,599	261,762	338,632
Local Sources	-	-	-	-	-	-	-	9,625	8,407	17,592
State Sources	18,571,038	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
Federal Sources	637,429	648,235	602,026	547,794	454,004	431,001	729,186	717,516	1,673,401	433,448
Total Revenue	46,537,142	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
Expenditures:										
Instruction:										
Regular Instruction	11,487,722	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
Special Education Instruction	3,049,712	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
Other Instructional	9,191	49,609	45,609	5,352	401	401	4,850	56,162	31,261	31,289
School Sponsored	1,117,848	1,068,922	988,330	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335	867,217
Support Services:										
Tuition	3,336,070	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
Student & Instruction Related Services	3,487,614	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
School Administrative Services	1,552,218	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
General & Business Administration Services	1,428,907	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
Plant Operations & Maintenance	3,180,263	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
Pupil Transportation	3,164,983	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
Allocated Benefits	-	-	-	5,145,365	4,891,551	4,037,238	4,489,690	4,408,279	4,716,007	4,808,105
Unallocated Benefits	6,277,460	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
On Behalf TPAF Pension and Social Security Contributions	5,061,389	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)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenditures (continued):										
Special Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,538,996	1,342,528	706,935	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393	331,346
Debt service:										
Principal	2,225,000	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
Interest & Other Charges	1,253,458	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
Total Expenditures	50,170,831	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(3,633,689)	(694,870)	228,654	(702,581)	(6,484,088)	(16,302,215)	3,612,888	(1,325,597)	(2,035,880)	(950,160)
Other Financing Sources/(Uses):										
Bond Proceeds	-	-	-	-	-	-	22,659,000	-	-	-
Bond Anticipation Note	-	-	-	-	-	153,600	146,000	-	-	-
Capital Leases	-	-	-	-	-	-	-	1,500,000	-	-
(Nonbudgeted)	-	-	-	-	-	-	-	-	-	-
Capital Lease Proceeds	1,600,000	266,980	-	(9,638,664)	14,956	15,550	-	-	-	-
Cancellation of Account Receivable	-	-	(3,720)	9,736,442	-	(16,133)	-	-	-	-
Transfers to Charter School	(83,215)	-	-	-	-	-	-	-	-	-
Transfers in	2,986,980	86,196	33,940	94,804	147,438	151,392	-	150,001	480,803	1
Transfers Out	(2,664,960)	-	-	-	(34,164)	-	-	(1)	(55,203)	(1)
Total Other Financing Sources/ (Uses)	1,838,805	353,176	30,220	192,582	162,394	270,245	22,805,000	1,650,000	425,600	-
Net Change in Fund Balances	\$ (1,794,884)	\$ (341,694)	\$ 258,874	\$ (509,999)	\$ (6,321,694)	\$ (16,031,970)	\$ 26,417,888	\$ 324,403	\$ (1,610,280)	\$ (950,160)
Debt Service as a Percentage of Noncapital Expenditures	7.46%	7.98%	8.67%	9.77%	10.09%	11.07%	8.24%	7.92%	7.77%	7.58%

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			DRIVER'S EDUCATION FEES	STUDENT PARTICIPATION FEES	MISCELLANEOUS	TOTAL
				EVENTS GATE RECEIPTS						
2020	\$ -	\$ 17,001	\$ 18,986	\$ 18,511	\$ -	\$ 75,875	\$ 132,647	\$ 263,020		
2019	-	23,011	89,682	16,414	-	115,743	171,365	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		

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 TAXABLE VALUATION	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
East Greenwich Township												
2020	\$ 28,945,100	\$ 1,089,408,000	\$ 21,754,400	\$ 1,948,300	\$ 34,053,600	\$ 33,646,200	\$ 1,299,000	\$ 1,211,054,600	\$ -	\$ 1,212,308,000	1.926	\$ 1,226,508,608
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	1,038,264,342	1,266,142	1,039,530,484	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	1,619,410	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
South Harrison Township												
2020	6,995,800	318,695,700	38,673,100	3,309,600	22,808,600	-	-	390,482,800	-	390,482,800	1.875	418,141,680
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
Borough of Swedesboro												
2020	1,195,200	135,437,800	19,438,700	11,800	29,918,300	3,273,800	2,330,700	172,167,600	-	172,279,200	2.208	188,656,147
2019	1,251,300	136,121,800	18,108,900	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	18,242,300	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	18,471,800	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	18,670,300	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	18,471,800	25,300	30,020,200	3,273,800	2,749,500	172,704,500	1,774,301	174,478,801	2.259	176,331,228
2014	1,516,500	146,211,800	20,072,500	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	18,481,400	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	20,677,300	24,700	35,797,600	1,695,500	1,122,400	189,420,300	2,354,496	191,774,796	1.982	197,564,832
2011	2,511,200	147,909,300	14,130,200	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
Woolwich Township												
2020	17,696,100	1,137,261,000	19,438,700	3,711,300	69,097,900	50,195,510	50,161,000	1,347,561,510	-	1,350,895,810	2.126	1,382,965,425
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	1,133,399,244	1,719,044	1,133,399,244	2.326	1,234,888,068
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	1,193,338,953
2015	13,276,400	943,474,000	20,072,500	4,317,800	50,503,300	43,425,600	21,054,900	1,096,124,500	1,870,892	1,097,995,392	2.256	1,165,596,438
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	627,274,100	1,279,782	628,553,882	3.216	1,188,696,871

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								
2020	1.211	0.715	1.926	0.343	0.668	0.047	0.041	3.025
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
South Harrison Township								
2020	1.076	0.799	1.875	0.255	0.693	0.048	0.042	2.913
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
Borough of Swedesboro								
2020	1.318	0.890	2.208	1.067	0.695	0.048	0.042	4.060
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
Woolwich Township								
2020	1.271	0.855	2.126	0.561	0.658	0.046	0.040	3.431
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

Source: Gloucester County Abstract of Ratable;

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

	2020		2011	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
EAST GREENWICH TOWNSHIP				
TA Operating LLC	\$ 5,680,000	0.47%		
Nar Farms LLC	4,339,100	0.36%		
Columbia Gas Transmission Co	3,606,400	0.30%		
Storage World of NJ LLC	3,550,000	0.29%		
Saint Gobain Performance Plastics	3,000,000	0.25%		
South Shore Properties LLC	2,840,500	0.23%		
Legacy at East Greenwich LLC	2,652,700	0.22%		
Transcontinental Gas Pipeline Co	2,464,700	0.20%		
Kampgrounds of America Inc	2,386,600	0.20%		
Summer Skye LLC	2,244,600	0.19%		
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	\$ 32,764,600	2.71%	\$ 28,365,100	5.45%
SOUTH HARRISON TOWNSHIP				
Mullica Hill Group Companies LLC	\$ 4,544,100	1.16%		
Mullica Hill Group Co LLC	3,145,800	0.81%		
Taxpayer #1	2,768,000	0.71%		
American Tower Asset Sub LLC	2,416,900	0.62%		
Taxpayer #2	2,211,100	0.57%		
South Harrison 500 Associates LLC	2,171,000	0.56%		
Taxpayer #3	2,160,000	0.55%		
Taxpayer #4	1,294,500	0.33%		
Taxpayer #5	1,188,500	0.30%		
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	2020		2011	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
BOROUGH OF SWEDESBORO				
Swedes Development LLC	\$ 3,789,200	2.20%		
D & D Properties of Swedesboro Inc.	2,823,500	1.64%		
R&R Real Estate, LLC	1,703,100	0.99%		
Taxpayer #1	1,660,000	0.96%		
Russo Rentals, LLC	1,505,600	0.87%		
Botto Sons, LLC	1,389,700	0.81%		
Swedesboro Housing LTD Partnership	1,275,000	0.74%		
Green Bucket LLC	1,196,500	0.69%		
Gi Advo Propco LLC	1,176,300	0.68%		
Racoon Creek LLC	950,000	0.55%		
Del Monte Corporation			1,100,000	1.36%
Taxpayer #1			985,200	1.22%
Swedesboro Housing LTD Partnership			909,000	1.12%
D & D Properties of Swedesboro Inc.			839,300	1.04%
Bank of America			615,000	0.76%
Botto Sons, LLC			597,800	0.74%
Taxpayer #2			429,800	0.53%
CCL Container Corp.			422,600	0.52%
R&R Real Estate, LLC			398,300	0.49%
Hoerner Provision Co., Incc.			351,100	0.43%
Total	\$ 17,468,900	10.11%	\$ 6,648,100	8.21%
WOOLWICH TOWNSHIP				
Pond View at Westbrook, LLC	\$ 28,899,000	2.14%		
Westbrook at Weatherby LLC	21,262,000	1.58%		
Liberty Venture I LP	18,105,810	1.34%		
USF Propco II LLC	8,807,000	0.65%		
Liberty Property LTD Partnership	8,123,800	0.60%		
Columbia Gas C/O Tax Dept	7,766,600	0.58%		
Raab Family Partnership LP	6,489,000	0.48%		
JMJ Warehouse Associates	6,315,000	0.47%		
Columbia Gas C/O Tax Dept	5,585,300	0.41%		
S8F 1 Properties	3,801,800	0.28%		
Westbrook at Weatherby LLC			12,663,600	2.24%
Columbia NJ Commodore Ind.			9,000,000	1.59%
Alliant Food			4,845,700	0.86%
Liberty Property LTD Partnership			4,150,000	0.74%
Columbia Gas Transmissions			3,925,000	0.70%
JMJ Warehouse Associates			3,549,400	0.63%
Rayken Development LLC			2,385,100	0.42%
Townhouses at Weatherby LLC			2,325,700	0.41%
DLI Development Co., LLC			2,188,000	0.39%
Summitt Ventures LLC			2,030,600	0.36%
Total	\$ 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				
2020	8,489,944	8,489,944	100.00%	-
2019	8,601,154	8,601,154	100.00%	-
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%	-
South Harrison Township				
2020	3,095,129	3,095,129	100.00%	-
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%	-
Borough of Swedesboro				
2020	1,446,703	1,446,703	100.00%	-
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%	-
Woolwich Township				
2020	11,383,793	11,383,793	100.00%	-
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%	-

**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				
2020	\$ 32,134,000	\$ -	\$ 1,780,834	\$ 33,914,834	N/A	N/A	
2019	34,359,000	-	266,980	34,625,980	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	

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		
2020	\$ 32,134,000	\$ -	\$ 32,134,000	N/A	N/A
2019	34,359,000	-	34,359,000	N/A	N/A
2018	34,359,000	-	34,359,000	N/A	1,181
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

**KINGSWAY REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2020**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
East Greenwich Township	\$ 11,101,223	100.00%	\$ 11,101,223
South Harrison Township	-	100.00%	-
Swedesboro Borough	2,747,716	100.00%	2,747,716
Woolwich Township	35,301,108	100.00%	35,301,108
Other Debt:			
County of Gloucester	239,997,881	<u>Net County Apportioned</u>	
East Greenwich Township		1,211,054,600	4.576%
South Harrison Township		385,735,700	1.457%
Swedesboro Borough		172,167,600	0.651%
Woolwich Township		1,347,561,510	5.092%
			12,219,495
Subtotal, Overlapping Debt			77,410,199
Kingsway Regional School District Debt			32,134,000
		<u>County Total</u>	
		26,466,880,467	
Total Direct & Overlapping Debt			\$ 109,544,199

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**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 109,843,016	\$ 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
Total Net Debt Applicable to Limit	33,914,834	34,359,000	34,359,000	43,554,000	46,364,000	48,294,000	50,159,000	28,239,000	29,798,600	30,419,000
Legal Debt Margin	\$ 75,928,182	\$ 70,660,261	67,792,534	52,296,403	49,486,403	49,687,635	49,231,738	70,174,494	65,724,643	57,892,077
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.88%	32.72%	33.64%	45.44%	48.37%	49.29%	50.47%	28.69%	31.20%	34.45%

Legal Debt Margin Calculation for Fiscal Year 2019

	Equalized Valuation Basis			Total
	East Greenwich	South Harrison	Swedesboro	
2020	1,226,508,608	418,141,680	188,656,147	\$ 3,216,271,860
2019	1,197,370,882	405,485,480	181,072,706	\$ 3,115,615,085
2018	1,186,646,818	409,381,420	175,222,402	\$ 3,083,228,754
Average Equalized Valuation of Taxable Property				\$ 9,415,115,699
Debt Limit (3.5 % of Average Equalization Value)				\$ 3,138,371,900
Net Bonded School Debt				\$ 109,843,016
Legal Debt Margin				\$ 33,914,834
				\$ 75,928,182

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

**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			
2020	N/A	N/A	N/A
2019	10,719	N/A	2.7%
2018	10,575	54,745	3.1%
2017	10,479	52,455	3.7%
2016	10,347	50,747	4.2%
2015	10,298	49,665	5.5%
2014	10,261	47,392	3.8%
2013	10,140	45,900	7.5%
2012	1,049	44,940	7.3%
2011	9,843	43,791	7.5%
South Harrison			
2020	N/A	N/A	N/A
2019	3,123	N/A	3.4%
2018	3,136	54,745	3.6%
2017	3,144	52,455	4.5%
2016	3,154	50,747	4.9%
2015	3,168	49,665	6.1%
2014	3,176	47,392	6.0%
2013	3,184	45,900	7.4%
2012	3,196	44,940	7.2%
2011	3,204	43,791	7.5%
Swedesboro Borough			
2020	N/A	N/A	N/A
2019	2,568	N/A	3.4%
2018	2,579	54,745	4.4%
2017	2,583	52,455	5.0%
2016	2,589	50,747	4.8%
2015	2,600	49,665	5.3%
2014	2,597	47,392	8.3%
2013	2,595	45,900	10.8%
2012	2,602	44,940	10.6%
2011	2,606	43,791	10.9%
Woolwich			
2020	N/A	N/A	N/A
2019	12,960	N/A	2.1%
2018	12,783	54,745	2.8%
2017	12,409	52,455	3.4%
2016	12,292	50,747	3.8%
2015	12,265	49,665	4.8%
2014	12,114	47,392	4.6%
2013	11,586	45,900	7.3%
2012	11,009	44,940	7.1%
2011	10,705	43,791	7.3%

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**

	2020		
	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%
	<u>18,741</u>		<u>12.73%</u>

2011

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction:										
Regular	173.0	160.5	151.5	148.0	149.0	149.0	144.0	136.0	127.0	133.0
Special Education	72.0	67.0	59.0	58.0	58.0	56.0	55.0	48.0	51.0	51.0
Other Instruction				8.0	8.0	8.0	8.0	2.0	3.0	2.0
Athletics & Extra-Curricular	2.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0		
Support Services:										
Student & Instruction Related Services	43.5	37.0	36.5	36.0	37.0	35.0	36.0	40.0	27.5	28.0
School Administrative Services	16.0	15.0	17.0	18.0	18.0	17.0	15.0	16.0	15.0	16.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0	2.0
Plant Operations & Maintenance	36.0	33.0	33.0	36.0	36.0	36.0	36.0	30.0	27.0	30.0
Pupil Transportation	42.0	49.0	47.0	48.0	48.0	48.0	44.0	42.0	33.0	33.0
Business & Other Support Services	12.0	12.0	10.0	11.0	11.0	11.0	10.0	10.0	8.0	8.0
Food Service	25.0	26.0	27.0	28.0	28.0	28.0	24.0	24.0	24.0	24.0
Total	423.5	404.5	385.0	396.0	398.0	393.0	378.0	353.0	317.5	303.0

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (d)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						MIDDLE SCHOOL	HIGH SCHOOL	SCHOOL				
2020	2,810	42,505,898	15,127	2.23%	219	1.13	1.13	2,793.6	2,704.0	3.22%	96.79%	
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	0.01	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	2,565	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%	

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
High School (Grades 9-12)										
Square Feet	259,484	259,484	259,484	259,484	259,484	259,484	222,351	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	2,000	1,454	1,454	1,454	1,454
Enrollment	1,774	1,740	1,750	1,771	1,685	1,664	1,597	1,540	1,504	1,488
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	146,888	146,888	146,888	146,888	104,436	104,436	104,436	104,436
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	800	800	800	800
Enrollment	1,036	987	963	920	882	870	866	825	780	743

Number of Schools at June 30, 2020:

 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,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
District Facilities:										
Kingsway Regional Middle School	\$ 173,376	\$ 161,845	\$ 128,664	\$ 158,313	\$ 141,328	\$ 191,300	\$ 141,108	\$ 125,202	\$ 24,650	\$ 21,655
Kingsway Regional High School	383,674	256,600	234,421	227,482	269,720	278,942	320,229	202,997	73,535	61,991
Total School Facilities	\$ 557,050	\$ 418,445	\$ 363,085	\$ 385,795	\$ 411,048	\$ 470,242	\$ 461,337	\$ 328,199	\$ 98,185	\$ 83,646

* 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, 2020**

	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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**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, 2020, 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 January 31, 2021.

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,

HOLT MCNALLY & ASSOCIATES, INC.

Certified Public Accountants & Advisors

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

Medford, New Jersey
January 30, 2021

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, 2020. 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, 2020.

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.

Purpose of this Report

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,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

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

Medford, New Jersey
January 30, 2021

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**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2019	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	UNEARNED REVENUE AT JUNE 30, 2020	DUE TO GRANTOR AT JUNE 30, 2020
Enterprise Fund: Child Nutrition Cluster: Noncash Assistance: Food Distribution Program	10.555	20INJ304N1099	Unavailable	76,177	7/1/19-6/30/20	-	\$ 76,177	\$ (76,177)	-	-	\$ -	-
Cash Assistance: Healthy Hunger Free Kids Act COVID-19 Healthy Hunger Free Kids Act	10.555	20INJ304N1099	100-010-3350-026	8,425	7/1/19-6/30/20	-	8,425	(8,425)	-	-	-	-
Healthy Hunger Free Kids Act	10.555	20INJ304N1099	100-010-3350-098	424	3/13/20-6/30/20	-	296	(424)	-	(128)	-	-
National School Lunch Program	10.555	20INJ304N1099	100-010-3350-026	11,636	7/1/18-6/30/19	(603)	603	-	-	-	-	-
COVID-19 National School Lunch Program	10.555	20INJ304N1099	100-010-3350-098	20,648	3/13/20-6/30/20	-	14,435	(20,648)	-	(6,213)	-	-
National School Lunch Program	10.555	19INJ304N1099	100-010-3350-026	196,911	7/1/18-6/30/19	(10,421)	10,421	-	-	-	-	-
Total Child Nutrition Cluster						(11,024)	238,999	(234,316)	-	(6,341)	-	-
Total Enterprise Fund						(11,024)	238,999	(234,316)	-	(6,341)	-	-

U.S. DEPARTMENT OF EDUCATION:

General Fund: Medical Assistance Program (SEMI)	93.778	190SNJ5MAP	100-054-7540-211	7,060	7/1/19-6/30/20	-	7,060	(7,060)	-	-	-	-
Total General Fund						-	7,060	(7,060)	-	-	-	-

**U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH
STATE DEPARTMENT OF EDUCATION:**

Special Revenue: Title I	84.010	S010A180030	100-034-5064-194	121,962	7/1/18-6/30/19	(77,844)	77,844	-	-	-	-	-
Title I	84.010	S010A150030	100-034-5064-194	117,217	7/1/15-6/30/16	(3,608)	-	-	-	(3,608)	-	-
Title I	84.010	S010A190030	100-034-5064-194	137,062	7/1/19-9/30/20	(81,452)	29,979	(141,412)	-	(111,433)	-	-
Subtotal						(23,700)	107,823	(141,412)	-	(115,041)	-	-
Title II	84.367	S367A180029	100-034-5063-290	34,802	7/1/18-6/30/19	(23,700)	23,700	-	-	-	-	-
Title II	84.367	S367A190029	100-034-5063-290	31,234	7/1/19-9/30/20	-	16,256	(31,445)	-	(15,189)	-	-
Subtotal						(23,700)	39,956	(31,445)	-	(15,189)	-	-
Title III - Consortium	84.365	S365A180030	100-034-5064-187	3,300	7/1/18-6/30/19	(3,300)	915	(2,690)	-	(2,385)	-	-
Title III - Consortium	84.365	S365A190030	100-034-5064-187	1,421	7/1/19-9/30/20	(3,300)	915	(2,690)	-	(2,690)	-	-
Subtotal						(9,365)	9,365	(3,250)	-	(3,250)	-	-
Title IV	84.424	S424A180030	100-034-5063-348	10,000	7/1/18-6/30/19	(9,365)	9,365	-	-	-	-	-
Title IV	84.424	S424A190030	100-034-5063-348	10,000	7/1/19-9/30/20	(9,365)	9,365	(3,250)	-	(3,250)	-	-
Subtotal						(78,303)	78,303	(460,414)	-	(176,355)	-	-
Special Education Cluster: I.D.E.A. Part B, Basic Regular I.D.E.A. Part B, Basic Regular	84.027	H027A180100	100-034-5065-016	455,435	7/1/18-6/30/19	(78,303)	78,303	-	-	-	-	-
Subtotal	84.027	H027A190100	100-034-5065-016	460,414	7/1/19-9/30/20	(78,303)	362,362	(460,414)	-	(176,355)	-	-
Total Special Education Cluster						(78,303)	362,362	(460,414)	-	(176,355)	-	-
Total Special Revenue Fund						(196,120)	520,421	(639,211)	-	(314,910)	-	-
Total Federal Financial Assistance						\$ (207,144)	\$ 766,480	\$ (880,587)	\$ -	\$ (321,251)	\$ -	\$ -

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2020**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUB RECEIPT EXPENDITURES	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2020	MEMO	
				JUNE 30, 2019	JUNE 30, 2020						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 8,981,736	7/1/19-6/30/20	\$ -	\$ 8,981,736	\$ (8,981,736)	\$ -	\$ -	\$ -	\$ -	\$ 823,841	\$ 8,981,736
Special Education Categorical Aid	495-034-5120-089	2,148,364	7/1/19-6/30/20	-	2,148,364	(2,148,364)	-	-	-	-	197,057	2,148,364
Security Aid	495-034-5120-084	232,812	7/1/19-6/30/20	-	232,812	(232,812)	-	-	-	-	21,354	232,812
Total State Aid Public				-	11,362,912	(11,362,912)	-	-	-	-	1,042,252	11,362,912
Transportation Aid	495-034-5120-014	1,518,262	7/1/19-6/30/20	-	1,518,262	(1,518,262)	-	-	-	-	139,261	1,518,262
Extraordinary Aid	495-034-5120-044	223,888	7/1/18-6/30/19	(223,888)	-	-	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	250,253	7/1/19-6/30/20	-	223,888	-	-	-	-	(250,253)	-	250,253
Additional Non-Public School Transportation Aid	495-034-5120-014	62,190	7/1/18-6/30/19	(62,190)	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	495-034-5094-003	1,177,496	7/1/19-6/30/20	-	1,120,104	(1,177,496)	-	-	-	(57,392)	-	1,177,496
Noncash Assistance:												
TPAF - Pension Contribution	495-034-5094-002	2,830,198	7/1/19-6/30/20	-	2,830,198	(2,830,198)	-	-	-	-	-	2,830,198
TPAF - Post Retirement Medical Contribution	495-034-5094-001	1,049,952	7/1/19-6/30/20	-	1,049,952	(1,049,952)	-	-	-	-	-	1,049,952
TPAF - Long-Term Disability Insurance	495-034-5094-003	3,743	7/1/19-6/30/20	-	3,743	(3,743)	-	-	-	-	-	3,743
Total General Fund Assistance				(286,078)	18,171,249	(18,192,816)	-	-	-	(307,645)	1,181,513	18,192,816
Debt Service Fund:												
Debt Service Aid	495-034-5120-075	481,081	7/1/19-6/30/20	-	481,081	(481,081)	-	-	-	-	-	481,081
Total Debt Service Fund Assistance				-	481,081	(481,081)	-	-	-	-	-	481,081
State Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	9,929	7/1/18-6/30/19	(515)	515	-	-	-	-	-	-	-
National School Lunch Program	100-010-3350-023	6,474	7/1/19-6/30/20	-	6,374	(6,474)	-	-	-	(100)	-	6,474
Total Enterprise Fund Assistance				(515)	6,889	(6,474)	-	-	-	(100)	-	6,474
Total State Financial Assistance				\$ (286,593)	\$ 18,659,219	\$ (18,680,371)	\$ -	\$ -	\$ -	\$ (307,745)	\$ 1,181,513	\$ 18,680,371
On-Behalf TPAF Pension Contributions												
On-Behalf TPAF Post-Retirement		\$			\$	2,830,198						
On-Behalf TPAF Post-Retirement						1,049,952						
						3,743						
Total State Financial Assistance Reported on Single Audit Summary						\$ (14,796,478)						

**KINGSWAY REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020. 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, 2020.

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, 2020**

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 (\$102,859) for the general fund and (\$8,842) 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	\$ 7,060	\$ 18,089,959	\$ 18,097,019
Special Revenue Fund	630,369	-	630,369
Debt Service Fund	-	481,081	481,081
Food Service Fund	234,316	6,474	240,790
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 871,745</u>	<u>\$ 18,577,514</u>	<u>\$ 19,449,259</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, 2020.

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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>H027A190100</u>	<u>Special Education Cluster: I.D.E.A. Part B, Regular</u>
<u> </u>	<u> </u>	<u> </u>
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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, 2020**

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

State Financial Assistance

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

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

 2) Significant deficiency(ies) identified? yes X no

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

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

495-034-5120-078	State Aid Public:
495-034-5120-089	Equalization Aid
495-034-5120-084	Special Education Categorical Aid
	Security Aid

**KINGSWAY REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

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, 2020**

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.