

**KINGSWAY REGIONAL SCHOOL DISTRICT**

Woolwich Township, New Jersey  
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



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

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2021



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*

March 3, 2022

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, 2021, 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, 2021. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The annual comprehensive 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**

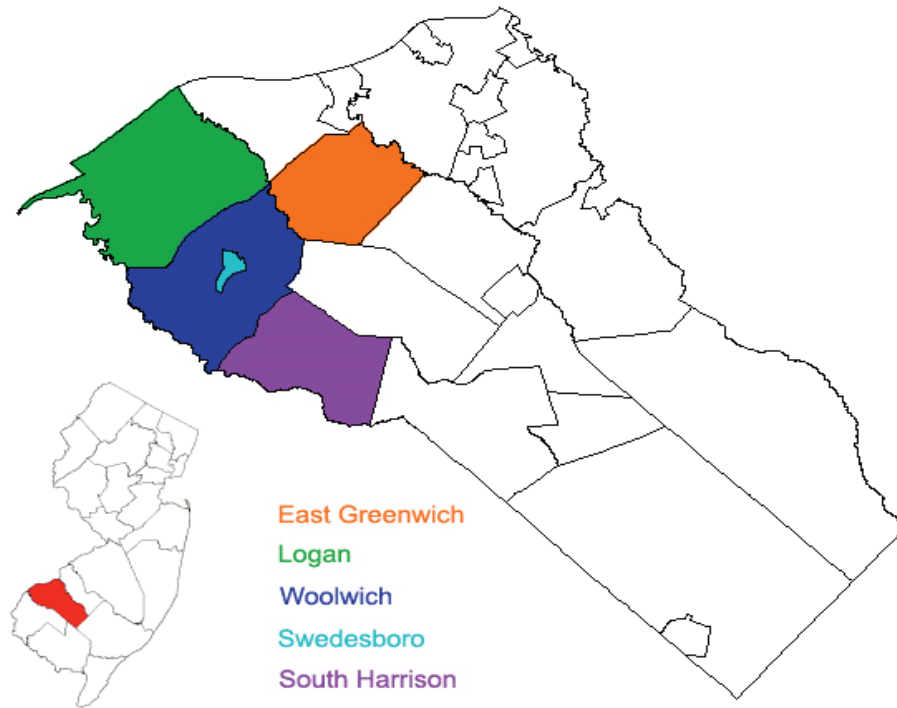
The Kingsway Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) as established by Statement No. 39. All funds and the government-wide financial statements of the District are included within

*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 2020-2021 fiscal year with an Average Daily Enrollment (“ADE”) of 2,792.8 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>
2020-21	2,792.8	- 0.02%
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 nearly \$12.5 million over those seven years from S2 passage.

In FY19, Kingsway received an additional \$2.129 million in state aid. This additional aid allowed the district to add 20.5 additional positions including 13.0 instructional and 7.5 support service. In FY20, Kingsway Regional received an additional \$1.152 million in state aid. This additional state aid allowed for the hiring of 12.5 additional teaching positions and assisted in getting the high school stadium renovation project completed.

In FY21, Kingsway Regional was slated to receive an additional \$2.149 million in state aid, but was subsequently reduced to an increase of \$683,172 due to the economic downturn related to COVID. This additional aid will allow for the hiring of an additional 2 teaching positions and a Director of Virtual Programs.

In FY22, the District will receive an additional \$3.386 million in state formula aid. This additional aid will allow for the hiring of an additional 19 full time equivalent positions including 13.5 instructional and 5.5 support service positions.



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.

**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



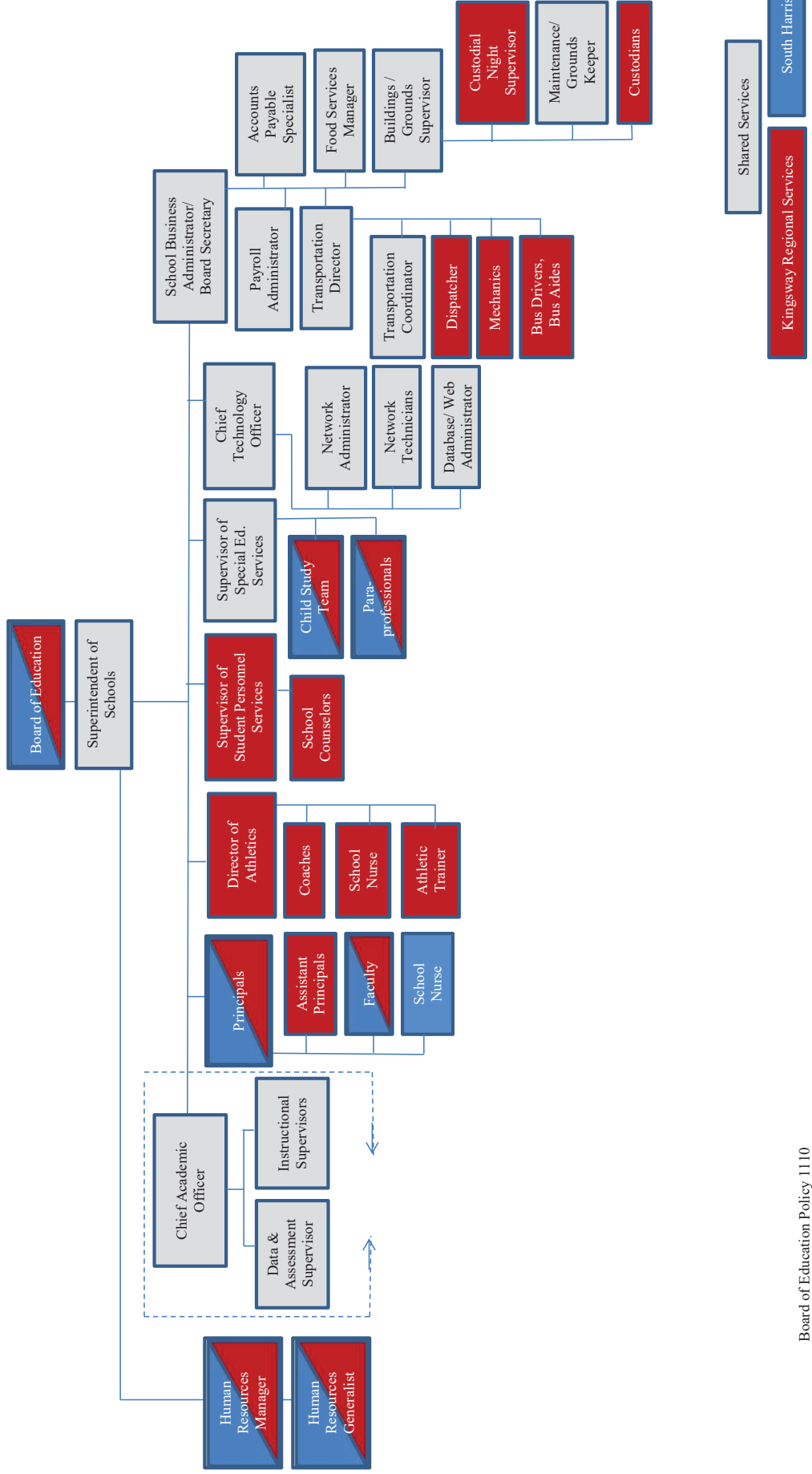
Jason Schimpf  
School Business Administrator/  
Board Secretary







# KINGSWAY REGIONAL AND SOUTH HARRISON SCHOOL DISTRICTS



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# KINGSWAY REGIONAL SCHOOL DISTRICT

## ROSTER OF OFFICIALS

JUNE 30, 2021

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Jennifer Cavallaro-Fromm, Vice President	2023
Lauren Boerlin, Vice President	2022
Christie Callahan Comerford	2022
Dr. Michele Blair	2021
Lisa Mordecai-Daniel	2023
Christopher Fay	2021
Kelly Bonapfel	2023
Deborah Cunningham	2022
Marilyn O'Rourke-Young	2021
Kristen Lombardo, Logan Township Representative	2021

### **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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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Kingsway Regional High School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2021, 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.

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[www.hmacpainc.com](http://www.hmacpainc.com)

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 High School District, County of Gloucester, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### *Prior Period Restatement*

Due to the implementation of GASB Statement No. 84, fund balance as of June 30, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 20 to the financial statements. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and 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 High 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 March 3, 2022 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  
March 3, 2022

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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, 2021**  
**(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, 2021. 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 two categories: *governmental funds and proprietary funds*.

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(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.

**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.

**Financial Analysis of the School District as a Whole**

Table 1 provides a summary of the School Districts net position for the fiscal year 2021 compared to fiscal year 2020.



**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

**Financial Analysis of the School District as a Whole (continued)**

**Table 1**  
**Summary of Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ (Decrease)	Percentage <u>Change</u>
Current & Other Assets	\$ 6,194,930	\$ 4,790,126	\$ 1,404,804	29.3%
Capital Assets, Net	<u>57,083,948</u>	<u>57,987,332</u>	(903,384)	-1.6%
Total Assets	<u>63,278,878</u>	<u>62,777,458</u>	501,420	0.8%
Deferred Outflow of Resources	<u>3,109,714</u>	<u>3,083,327</u>	26,387	0.9%
Current and other Liabilities	1,985,049	1,871,561	113,488	6.1%
Noncurrent Liabilities	<u>43,904,178</u>	<u>46,768,386</u>	(2,864,208)	-6.1%
Total Liabilities	<u>45,889,227</u>	<u>48,639,947</u>	(2,750,720)	-5.7%
Deferred Inflow of Resources	<u>4,932,781</u>	<u>4,891,093</u>	41,688	0.9%
Net Position:				
Net Investment in Capital Assets	26,081,780	25,082,598	999,182	4.0%
Restricted	5,108,442	3,839,389	1,269,053	33.1%
Unrestricted (Deficit)	<u>(15,623,638)</u>	<u>(16,592,242)</u>	968,604	-5.8%
Total Net Position	<u>\$ 15,566,584</u>	<u>\$ 12,329,745</u>	<u>\$ 3,236,839</u>	26.3%

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

**Table 2**  
**Summary of Changes in Net Position**

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 2,253,469	\$ 2,896,440	\$ (642,971)	-22.2%
Operating Grants & Contributions	10,092,553	8,426,277	1,666,276	19.8%
General Revenues:				
Property Taxes	25,202,241	24,415,569	786,672	3.2%
Federal & State Aid	14,385,438	13,516,709	868,729	6.4%
Other General Revenues	4,109,887	3,263,126	846,761	25.9%
Total Revenues	<u>56,043,588</u>	<u>52,518,121</u>	<u>3,525,467</u>	6.7%
<b>Function/Program Expenditures:</b>				
Regular Instruction	15,513,255	14,771,794	741,461	5.0%
Special Education Instruction	4,880,177	3,832,580	1,047,597	27.3%
Other Instruction	9,015	9,191	(176)	-1.9%
School Sponsored	1,123,581	1,213,942	(90,361)	-7.4%
Tuition	2,292,524	3,336,070	(1,043,546)	-31.3%
Student & Instruction Related Services	4,824,262	3,634,450	1,189,812	32.7%
General Administrative	712,212	721,731	(9,519)	-1.3%
School Administrative Services	2,725,114	2,635,993	89,121	3.4%
Central Services	550,357	517,696	32,661	6.3%
Administrative Info. Technology	601,794	614,296	(12,502)	-2.0%
Plant Operations & Maintenance	4,026,537	3,894,938	131,599	3.4%
Pupil Transportation	4,815,052	5,139,675	(324,623)	-6.3%
Unallocated Benefits	8,051,174	7,669,931	381,243	5.0%
Transfer to Charter Schools	76,413	83,215	(6,802)	100.0%
Interest & Other Charges	695,713	1,122,913	(427,200)	-38.0%
Unallocated Depreciation	1,681,705	1,895,010	(213,305)	-11.3%
Food Service	687,462	1,112,474	(425,012)	-38.2%
Community Education Program	6,856	535,781	(528,925)	-98.7%
Total Expenditures	<u>53,273,203</u>	<u>52,741,680</u>	<u>531,523</u>	1.0%
Change In Net Position	2,770,385	(223,559)	2,993,944	-1339.2%
Net Position - Beginning, as restated	12,796,199	12,553,304	242,895	1.9%
Net Position - Ending	<u>\$ 15,566,584</u>	<u>\$ 12,329,745</u>	<u>\$ 3,236,839</u>	26.3%

**Governmental Activities**

During the fiscal year 2021, the net position of governmental activities increased by \$2,513,916 or 16.86%. 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 \$14,913,571, with an unrestricted deficit balance of \$(16,285,110). 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, 2021  
(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)	\$	(16,132,674)
Add back: PERS Pension Liability		9,847,656
Less: Deferred Outflows related to pensions		(1,992,590)
Add back: Deferred Inflows related to pensions		<u>4,932,781</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>(3,344,827)</u>

**Business-type Activities**

During the fiscal year 2021, the net position of business-type activities increased by \$256,469 or 64.68%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$653,013.

**General Fund Budgeting Highlights**

Final budgeted revenues were \$40,171,266 which was a decrease of 1,466,612 from the original budget. Excluding nonbudgeted revenues, the School District’s actual revenues exceeded budgeted revenues by \$196,871.

Final budgeted appropriations were \$41,596,673, which was an increase of \$1,301,936 from the original budget. The increase is due to the reduction in state aid, which decreased the budget appropriations in the subsequent fiscal year’s budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$3,398,036.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$4,846,080 at June 30, 2021, an increase of \$1,227,376 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 \$4,711,918, an increase of \$927,805 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund increased by \$1,037,482 to \$3,570,597 at June 30, 2021, compared to a decrease of \$1,104,986 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* – During the current fiscal year, the fund balance of the School District’s special revenue fund increased by \$365,341 to \$365,341 at June 30, 2021, compared to no change in fund

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Implementation of GASB 84

*Capital projects fund* – Due the current fiscal year, the fund balance of the School District’s capital projects fund decreased by 636,080 to 710,447 at June 30, 2021, compared to decrease of \$686,090 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 increased by \$65,138 to \$65,533 at June 30, 2021, compared to a decrease of \$3,808 in fund balance in the prior fiscal year.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District’s food service fund increased by \$256,270 to \$646,383 at June 30, 2021, compared to a decrease of \$198,067 in fund balance in the prior fiscal year.

*Community Education Fund* - During the current fiscal year, the net position of the School District’s community education fund increased by \$199 to \$6,630 at June 30, 2021, compared to a decrease of \$515,326 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, 2021, totaled \$57,083,719 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$903,384. This decrease is primarily due to the current year depreciation of capital assets being less than the current year additions. Table 4 shows fiscal 2021 balances compared to 2020.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Assest (Net of Depreciation):</u>	<u>June 30,</u> <u>2021</u>	<u>June 30,</u> <u>2020</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 2,481,278	\$ 2,481,278	\$ -	0.0%
Construction in Progress	170,463	170,463	-	0.0%
Land Improvements	4,277,274	3,630,120	647,154	17.8%
Building and Improvements	44,798,192	46,219,417	(1,421,225)	-3.1%
Equipment	5,356,741	5,486,054	(129,313)	-2.4%
	<u>\$ 57,083,948</u>	<u>\$ 57,987,332</u>	<u>\$ (903,384)</u>	<u>-1.6%</u>

Depreciation expense for the year was \$1,700,210. 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, 2021**  
**(Unaudited) (Continued)**

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$30,455,000, which is a decrease of \$2,555,000 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.

In FY22, the District will receive an additional \$3.386 million in state formula aid. This additional aid will allow for the hiring of an additional 19 full time equivalent positions including 13.5 instructional and 5.5 support service positions.

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

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**  
**(Unaudited) (Continued)**

**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](http://www.krsd.org).

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash & Cash Equivalents	\$ 476,736	\$ 487,799	\$ 964,535
Receivables, Net (Note 4)	2,226,564	85,306	2,311,870
Inventory	-	9,648	9,648
Restricted Cash & Cash Equivalents	2,908,877	-	2,908,877
Capital Assets, Non-Depreciable (Note 5)	2,651,741	-	2,651,741
Capital Assets, Depreciable, Net (Note 5)	54,288,230	143,977	54,432,207
<b>Total Assets</b>	<b>62,552,148</b>	<b>726,730</b>	<b>63,278,878</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	1,992,590	-	1,992,590
Related to Loss on Debt Refunding	1,117,124	-	1,117,124
<b>Total Deferred Outflow of Resources</b>	<b>3,109,714</b>	<b>-</b>	<b>3,109,714</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>65,661,862</b>	<b>726,730</b>	<b>66,388,592</b>
<b>LIABILITIES:</b>			
Accounts Payable	886,439	-	886,439
Unearned Revenue	13,820	28,507	42,327
Accrued Interest	363,080	-	363,080
Due to Other Governments	693,203	-	693,203
Noncurrent Liabilities (Note 7):			
Due Within One Year	3,195,145	-	3,195,145
Due Beyond One Year	40,663,823	45,210	40,709,033
<b>Total Liabilities</b>	<b>45,815,510</b>	<b>73,717</b>	<b>45,889,227</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 8)	4,932,781	-	4,932,781
<b>Total Deferred Inflows of Resources</b>	<b>4,932,781</b>	<b>-</b>	<b>4,932,781</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>50,748,291</b>	<b>73,717</b>	<b>50,822,008</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	25,937,803	143,977	26,081,780
Restricted For:			-
Capital Projects	3,523,400	-	3,523,400
Debt Service	65,533	-	65,533
Unemployment	95,924	-	95,924
Student Activities	183,776	-	183,776
Scholarship	181,565	-	181,565
Excess Surplus	1,058,244	-	1,058,244
Unrestricted	(16,132,674)	509,036	(15,623,638)
<b>Total Net Position</b>	<b>\$ 14,913,571</b>	<b>\$ 653,013</b>	<b>\$ 15,566,584</b>

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, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	15,513,255	\$ -	\$ -	\$ (15,513,255)	\$ -	(15,513,255)
Special Education	4,880,177	-	252,082	(4,628,095)	-	(4,628,095)
Other Instructional	9,015	-	-	(9,015)	-	(9,015)
School Sponsored	1,123,581	-	-	(1,123,581)	-	(1,123,581)
Support Services & Undistributed Costs:						
Tuition	2,292,524	-	-	(2,292,524)	-	(2,292,524)
Student & Instruction Related Services	4,824,262	-	803,656	(4,020,606)	-	(4,020,606)
Health Services	374,843	-	-	(374,843)	-	(374,843)
Educational Media Services/School Library	651,423	-	-	(651,423)	-	(651,423)
School Administrative Services	1,698,848	-	-	(1,698,848)	-	(1,698,848)
General Administration	712,212	103,385	-	(608,827)	-	(608,827)
Central Services	550,357	-	-	(550,357)	-	(550,357)
Administrative Information Technology	601,794	172,861	-	(428,933)	-	(428,933)
Plant Operations & Maintenance	4,026,537	61,800	-	(3,964,737)	-	(3,964,737)
Pupil Transportation	4,815,052	1,826,040	-	(2,989,012)	-	(2,989,012)
Interest on Long-Term Debt and Other Charges	695,713	-	-	(695,713)	-	(695,713)
Transfer to Charter School	76,413	-	-	(76,413)	-	(76,413)
Unallocated Depreciation	1,681,705	-	-	(1,681,705)	-	(1,681,705)
Unallocated Benefits	11,180,310	-	11,304,547	124,237	-	124,237
<b>Total Governmental Activities</b>	<b>55,708,021</b>	<b>2,164,086</b>	<b>12,360,285</b>	<b>(41,183,650)</b>	<b>-</b>	<b>(41,183,650)</b>
Business-Type Activities:						
Food Service	687,462	82,328	861,404	-	256,270	256,270
Community Education Program	6,856	7,055	-	-	199	199
<b>Total Business-Type Activities</b>	<b>694,318</b>	<b>89,383</b>	<b>861,404</b>	<b>-</b>	<b>256,469</b>	<b>256,469</b>
<b>Total Primary Government</b>	<b>\$ 56,402,339</b>	<b>\$ 2,253,469</b>	<b>\$ 13,221,689</b>	<b>(41,183,650)</b>	<b>256,469</b>	<b>(40,927,181)</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				23,030,609	23,030,609
Taxes Levied for Debt Service				2,171,632	2,171,632
Federal & State Aid Not Restricted				13,858,473	13,858,473
Federal & State Aid Restricted				526,965	526,965
Tuition Charges				3,097,863	3,097,863
Rents and Royalties				1,225	1,225
Miscellaneous Income				1,010,799	1,010,799
				43,697,566	43,697,566
Total General Revenues, Special Items, Extraordinary Items & Transfers					
Change In Net Position				256,469	2,770,385
Net Position - Beginning, as restated (See Note 20)				396,544	12,796,199
Net Position - Ending				653,013	15,566,584

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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, 2021**

ASSETS & OTHER DEBITS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 42,325	\$ 48,026	\$ 1,420,469	\$ -	\$ 1,510,820
Receivables from Other Governments	1,339,092	319,429	-	85,473	1,743,994
Due from Other Funds	105,671	-	420,088	818,062	1,343,821
Receivables, Net	138,971	44,468	-	-	183,439
Restricted Cash & Cash Equivalents	2,908,877	-	-	-	2,908,877
	<hr/>				
Total Assets	<u>\$ 4,534,936</u>	<u>\$ 411,923</u>	<u>\$ 1,840,557</u>	<u>\$ 903,535</u>	<u>\$ 7,690,951</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	-	-	-	838,002	838,002
Unearned Revenue	-	13,820	-	-	13,820
Accounts Payable	355,511	20,098	4,753	-	380,362
Payroll Withholdings and Deductions Payable	123,460	-	-	-	123,460
Due to Other Funds	485,368	12,664	755,708	-	1,253,740
Construction Contract Payable - Retainage	-	-	369,649	-	369,649
	<hr/>				
Total Liabilities	<u>964,339</u>	<u>46,582</u>	<u>1,130,110</u>	<u>838,002</u>	<u>2,979,033</u>
Fund Balances:					
Restricted for:					
Capital Reserve	2,812,953	-	-	-	2,812,953
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,058,244	-	-	-	1,058,244
Capital Projects	-	-	617,829	-	617,829
Debt Service	-	-	-	65,533	65,533
Unemployment	95,924	-	-	-	95,924
Scholarship	-	181,565	-	-	181,565
Student Activities	-	183,776	-	-	183,776
Committed to:					
Other Purposes	294,921	-	92,618	-	387,539
Assigned to:					
Designated for Subsequent Year's Expenditure	74,037	-	-	-	74,037
Unassigned	(765,482)	-	-	-	(765,482)
	<hr/>				
Total Fund Balances	<u>3,570,597</u>	<u>365,341</u>	<u>710,447</u>	<u>65,533</u>	<u>4,711,918</u>
	<hr/>				
Total Liabilities & Fund Balances	<u>\$ 4,534,936</u>	<u>\$ 411,923</u>	<u>\$ 1,840,557</u>	<u>\$ 903,535</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$98,337,176 and the accumulated depreciation is \$41,397,205.	56,939,971
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	1,992,590
Deferred Inflows related to pensions	(4,932,781)
Deferred Outflow related to the loss on bond refunding of debt	1,117,124
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.	(363,080)
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.	(693,203)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(43,858,968)</u>
Net Position of Governmental Activities	<u>\$ 14,913,571</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR FISCAL YEAR ENDED JUNE 30, 2021**

					TOTALS
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	JUNE 30, 2021
Revenues:					0
Local Sources:					0
Local Tax Levy	\$ 23,030,609	\$ -	\$ -	\$ 2,171,632	\$ 25,202,241
Tuition	3,097,863	-	-	-	3,097,863
Transportation	-	-	-	-	-
Rents and Royalties	1,225	-	-	-	1,225
Miscellaneous	285,997	715,644	40	9,118	1,010,799
Total Local Sources	26,415,694	715,644	40	2,180,750	29,312,128
State Sources	20,438,219	-	-	526,965	20,965,184
Federal Sources	16,134	1,055,738	-	-	1,071,872
Total Revenues	46,870,047	1,771,382	40	2,707,715	51,349,184
Expenditures:					
Current Expense:					
Regular Instruction	12,180,965	-	-	-	12,180,965
Special Education Instruction	3,112,900	972,915	-	-	4,085,815
Other Instruction	9,015	-	-	-	9,015
School Sponsored	1,026,076	-	-	-	1,026,076
Support Services:					
Tuition	2,292,524	-	-	-	2,292,524
Attendance Services	128,274	-	-	-	128,274
Health Services	321,749	-	-	-	321,749
Student & Instruction Related Services	3,093,230	803,656	-	-	3,896,886
Educational Media Services/School Library	255,095	-	-	-	255,095
Instructional Staff Training	114,181	-	-	-	114,181
General Administration	509,087	-	-	-	509,087
School Administration	1,584,513	-	-	-	1,584,513
Central Services	550,357	-	-	-	550,357
Administrative Information Technology	423,915	-	-	-	423,915
Plant Operations & Maintenance	3,302,277	-	-	3,302,277	3,302,277
Pupil Transportation	2,776,567	-	-	-	2,776,567
Unallocated Employee Benefits	6,369,625	-	-	-	6,369,625
On Behalf TPAF Pension and Social Security Contributions	6,595,880	-	-	-	6,595,880
Debt Service:					
Principal	-	-	-	2,555,000	2,555,000
Interest & Other Charges	116,737	-	-	985,897	1,102,634
Capital Outlay	31,550	-	765,276	-	796,826
Total Expenditures	44,794,517	1,776,571	765,276	3,540,897	50,877,261
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	2,075,530	(5,189)	(765,236)	(833,182)	471,923
Other Financing Sources/(Uses)					
Proceeds of Refunding Bonds	-	-	-	16,625,000	16,625,000
Deposit to Refunding Escrow	-	-	-	(16,476,286)	(16,476,286)
Transfers In	-	-	878,762	749,606	1,628,368
Transfers Out	(961,635)	-	(749,606)	-	(1,711,241)
Transfers to Charter School	(76,413)	-	-	-	(76,413)
Total Other Financing Sources/(Uses)	(1,038,048)	-	129,156	898,320	(10,572)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing (Uses)	1,037,482	(5,189)	(636,080)	65,138	461,351
Fund Balance, July 1 - as restated (See Note 20)	2,533,115	370,530	1,346,527	395	4,250,567
Fund Balances June 30	3,570,597	365,341	710,447	65,533	4,711,918

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, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 461,351

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	\$ (1,681,705)	
	Capital Outlay	<u>796,826</u>	(884,879)

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		2,555,000
--	----------------	--	-----------

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	(16,625,000)	
	Bonds Refunded	15,749,000	
	Capital Lease Proceeds	<u>-</u>	(876,000)

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	336,427	
	Current Year	<u>282,414</u>	618,841

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 (-). 393,241

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. 244,076

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 (+). 122,125

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 (+). (119,839)

Change in Net Position of Governmental Activities \$ 2,513,916

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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, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Current Assets:				
Cash & Cash Equivalents	\$ 481,169	\$ 6,630	\$ -	\$ 74,017
Accounts Receivable	85,306	-	235,361	3
Other Receivable	-	-	6	-
Inventories	9,648	-	-	-
Total Current Assets	576,123	6,630	235,367	74,020
Noncurrent Assets:				
Equipment	862,428	-	-	-
Accumulated Depreciation	(718,451)	-	-	-
Total Capital Assets	143,977	-	-	-
Total Assets	720,100	6,630	235,367	74,020
LIABILITIES:				
Current Liabilities:				
Cash Deficit	-	-	222,399	-
Accounts Payable	-	-	12,968	-
Interfund Payable	-	-	-	74,020
Unearned Revenue	28,507	-	-	-
Total Current Liabilities	28,507	-	235,367	74,020
Noncurrent Liabilities:				
Compensated Absences	45,210	-	-	-
Total Noncurrent Liabilities	45,210	-	-	-
Total Liabilities	73,717	-	235,367	74,020
NET POSITION				
Investment in Capital Assets	143,977	-	-	-
Unrestricted Net Position	502,406	6,630	-	-
Total Net Position	\$ 646,383	\$ 6,630	\$ -	\$ -

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, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
<b>Current Assets:</b>			
Cash & Cash Equivalents	\$ 18,987	\$ -	\$ 580,803
Interfund Receivable	-	2,926	2,926
Accounts Receivable	-	63,761	384,431
Other Receivables	-	-	6
Inventories	-	-	9,648
<b>Total Current Assets</b>	<b>18,987</b>	<b>66,687</b>	<b>977,814</b>
<b>Noncurrent Assets:</b>			
Equipment	-	-	862,428
Accumulated Depreciation	-	-	(718,451)
<b>Total Capital Assets</b>	<b>-</b>	<b>-</b>	<b>143,977</b>
<b>Total Assets</b>	<b>18,987</b>	<b>66,687</b>	<b>1,121,791</b>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Cash Deficit	-	66,687	289,086
Accounts Payable	-	-	12,968
Interfund Payable	18,987	-	93,007
Unearned Revenue	-	-	28,507
<b>Total Current Liabilities</b>	<b>18,987</b>	<b>66,687</b>	<b>423,568</b>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	-	-	45,210
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>-</b>	<b>45,210</b>
<b>Total Liabilities</b>	<b>18,987</b>	<b>66,687</b>	<b>468,778</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	-	143,977
Unrestricted Net Position	-	-	509,036
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 653,013</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	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	\$ -	\$ -	\$ 1,769,346	\$ -
Daily Sales - Reimbursable Programs	72	-	-	-
Daily Sales - Nonreimbursable Programs	72,724	-	-	-
Vending Machine Sales	1,614	-	-	-
Special Function	7,918	-	-	-
Program Fees	-	7,055	-	-
Service Fees	-	-	56,694	61,800
<b>Total Operating Revenue</b>	<b>82,328</b>	<b>7,055</b>	<b>1,826,040</b>	<b>61,800</b>
Operating Expenses:				
Salaries & Employee Benefits	406,732	5,560	723,303	61,800
Supplies and Materials	5,318	1,296	40,587	-
Repairs & Other Expenses	12,309	-	-	-
Other Purchased Services-Contracted	-	-	1,047,472	-
Miscellaneous Purchased Services	-	-	92,593	-
Depreciation	18,505	-	-	-
Miscellaneous Expense	2,665	-	-	-
Cost of Sales - Reimbursable	241,933	-	-	-
<b>Total Operating Expenses</b>	<b>687,462</b>	<b>6,856</b>	<b>1,903,955</b>	<b>61,800</b>
Operating (Loss)/Gain	(605,134)	199	(77,915)	-
Nonoperating Revenues:				
State Sources:				
State School Lunch Program	38,675	-	-	-
Federal Sources:				
National School Lunch Program	749,982	-	-	-
Healthy Hunger-Free Kids Act	14,957	-	-	-
Food Distribution Program	57,790	-	-	-
<b>Total Nonoperating Revenues</b>	<b>861,404</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Income/(Loss)	256,270	199	(77,915)	-
Other Financing Sources/(Uses):				
Operating Transfer In/(Out):				
Transfer to General Fund	-	-	77,915	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>77,915</b>	<b>-</b>
Change in Net Position	256,270	199	-	-
Total Net Position - Beginning	390,113	6,431	-	-
<b>Total Net Position - Ending</b>	<b>\$ 646,383</b>	<b>\$ 6,630</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2021**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Operating Revenue:			
Local Sources:			
Transportation Fees Charged to Other LEA's	\$ -	\$ -	\$ 1,769,346
Daily Sales - Reimbursable Programs	-	-	72
Daily Sales - Nonreimbursable Programs	-	-	72,724
Vending Machine Sales	-	-	1,614
Special Function	-	-	7,918
Program Fees	-	-	7,055
Service Fees	103,385	172,861	394,740
<b>Total Operating Revenue</b>	<b>103,385</b>	<b>172,861</b>	<b>2,253,469</b>
Operating Expenses:			
Salaries & Employee Benefits	103,325	156,476	1,457,196
Supplies and Materials	-	21,403	68,604
Repairs & Other Expenses	-	-	12,309
Other Purchased Services-Contracted	-	-	1,047,472
Miscellaneous Purchased Services	-	-	92,593
Depreciation	-	-	18,505
Miscellaneous Expense	-	-	2,665
Cost of Sales - Reimbursable	-	-	241,933
<b>Total Operating Expenses</b>	<b>103,325</b>	<b>177,879</b>	<b>2,941,277</b>
<b>Operating (Loss)/Gain</b>	<b>60</b>	<b>(5,018)</b>	<b>(687,808)</b>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	-	-	38,675
Federal Sources:			
National School Lunch Program	-	-	749,982
Healthy Hunger-Free Kids Act	-	-	14,957
Food Distribution Program	-	-	57,790
<b>Total Nonoperating Revenues</b>	<b>-</b>	<b>-</b>	<b>861,404</b>
<b>Net Income/(Loss)</b>	<b>60</b>	<b>(5,018)</b>	<b>173,596</b>
Other Financing Sources/(Uses):			
Operating Transfer In/(Out):			
Transfer to General Fund	(60)	5,018	82,873
<b>Total Other Financing Sources/(Uses)</b>	<b>(60)</b>	<b>5,018</b>	<b>82,873</b>
Change in Net Position	-	-	256,469
Total Net Position - Beginning	-	-	396,544
<b>Total Net Position - Ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 653,013</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES			
	ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES	
	FOOD SERVICE FUND	COMMUNITY EDUCATION	TRANSPORTATION SERVICES	MAINTENANCE SERVICES
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 3,667	\$ 7,055	\$ 1,782,761	\$ 62,008
Payments to Employees	(337,024)	(5,560)	(609,809)	(61,800)
Payments for Employee Benefits	(70,698)	-	(113,494)	-
Payments to Suppliers	(257,594)	(1,296)	(1,915,249)	-
Net Cash Provided/(Used) by Operating Activities	(661,649)	199	(855,791)	208
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	77,915	-
State Sources	38,675	-	-	-
Federal Sources	822,729	-	-	-
Net Cash Provided by Noncapital Financing Activities	861,404	-	77,915	-
Net Increase/(Decrease) in Cash & Cash Equivalents	199,755	199	(777,876)	208
Cash and Cash Equivalents, July 1	281,414	6,431	555,477	73,809
Cash & Cash Equivalents, June 30	\$ 481,169	\$ 6,630	\$ (222,399)	\$ 74,017

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$ (605,134)	\$ 199	\$ (77,915)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	18,505	-	-	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Inventory	4,631	-	-	-
(Increase)/Decrease in Accounts Receivable, Net	(69,799)	-	(43,279)	208
(Increase)/Decrease in Accounts Payable	-	-	3,706	-
Increase/(Decrease) in Interfund Payable	-	-	(738,303)	-
Increase/(Decrease) in Unearned Revenue	(8,862)	-	-	-
Increase/(Decrease) in Compensated Absences	(990)	-	-	-
Total Adjustments	(56,515)	-	(777,876)	208
Net Cash Provided/(Used) by Operating Activities	\$ (661,649)	\$ 199	\$ (855,791)	\$ 208

**KINGSWAY REGIONAL SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES		TOTAL
	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 103,385	\$ 144,810	\$ 2,103,686
Payments to Employees	(103,265)	(158,568)	(1,276,026)
Payments for Employee Benefits	-	-	(184,192)
Payments to Suppliers	-	(21,403)	(2,195,542)
Net Cash Provided/(Used) by Operating Activities	120	(35,161)	(1,552,074)
Cash Flows From Noncapital Financing Activities:			
Transfer to General Fund	(60)	5,018	82,873
State Sources	-	-	38,675
Federal Sources	-	-	822,729
Net Cash Provided by Noncapital Financing Activities	(60)	5,018	944,277
Net Increase/(Decrease) in Cash & Cash Equivalents	60	(30,143)	(607,797)
Cash and Cash Equivalents, July 1	18,927	(36,544)	899,514
Cash & Cash Equivalents, June 30	\$ 18,987	\$ (66,687)	\$ 291,717

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ 60	\$ (5,018)	\$ (687,808)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	-	-	18,505
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	-	-	4,631
(Increase)/Decrease in Accounts Receivable, Net	-	(25,125)	(137,995)
Increase/(Decrease) in Accounts Payable	-	-	3,706
Increase/(Decrease) in Interfund Payable	60	(2,092)	(740,335)
Increase/(Decrease) in Prepaid Lunches	-	-	(8,862)
Increase/(Decrease) in Compensated Absences	-	-	(990)
Total Adjustments	60	(30,143)	(864,266)
Net Cash Provided/(Used) by Operating Activities	\$ 120	\$ (35,161)	\$ (1,552,074)

**KINGSWAY REGIONAL SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021 of 2,786 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, GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34, GASB Statement No. 80, Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14 and GASB Statement No. 90 – Majority Equity Interests – an Amendment of GASB Statements No. 14 & No. 61. The School District had no component units as of for the year ended June 30, 2021.

**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.

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, 2021**

**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, 2021**

**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.

**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 and proprietary funds.

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 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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.

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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

*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, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the 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.

**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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**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.

**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



**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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.
- 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, 2021.
- 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Net Position**

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

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

**Impact of Recently Issued Accounting Principles**

**Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

GASB Statement No. 84, "*Fiduciary Activities*". The objective GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District's financial statements for the year ended June 30, 2021 with a prior period restatement to beginning net position. See Note 20 for further details.

Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Recently Issued Accounting Pronouncements**

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

Statement No. 87, Leases. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021, the District’s bank balance of \$6,207,592 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	5,127,335
Uninsured and Uncollateralized		1,080,257
	<b>\$</b>	<b>6,207,592</b>

**Investments**

The School District has no investments at June 30, 2021.

**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.

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, 2020 to June 30, 2021 fiscal year is as follows:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 3. Reserve Accounts (continued)**

Beginning Balance, July 1, 2020		\$	691,049
Increased by:			
Deposits approved by Board (June 22, 2021)			2,580,478
			3,271,527
Decreased by:			
Budget Withdrawals			(458,574)
Ending Balance, June 30, 2021		\$	2,812,953

The June 30, 2021 balance did not exceed the LRFPP balance of local support costs of uncompleted capital projects.

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2021 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					Proprietary Funds	
	General Fund	Special Revenue Fund	Debt Service Fund	Internal Service Fund	Total Governmental Activities	Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 319,429	\$ -	\$ -	\$ 319,429	\$ 67,379	\$ 67,379
State Awards	1,339,092	-	-	-	1,339,092	8,861	8,861
Other	138,971	44,468	85,473	299,131	568,043	9,066	9,066
<b>Total</b>	<b>\$ 1,478,063</b>	<b>\$ 363,897</b>	<b>\$ 85,473</b>	<b>\$ 299,131</b>	<b>\$ 2,226,564</b>	<b>\$ 85,306</b>	<b>\$ 85,306</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**5. Capital Assets**

Capital assets activity for the year ended June 30, 2021 was as follows:

	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2021</u>
<b>Governmental Activities:</b>				
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	8,969,428	795,026	-	9,764,454
Buildings and Improvements	76,549,274	-	-	76,549,274
Equipment	9,369,907	1,800	-	9,371,707
Total Capital Assets being depreciated	<u>94,888,609</u>	<u>796,826</u>	-	<u>95,685,435</u>
Less: Accumulated Depreciation:				
Land Improvements	(5,339,309)	(147,871)	-	(5,487,180)
Buildings and Improvements	(30,310,117)	(839,434)	-	(31,149,551)
Equipment	(4,066,074)	(694,400)	-	(4,760,474)
Total Accumulated Depreciation	<u>(39,715,500)</u>	<u>(1,681,705)</u>	-	<u>(41,397,205)</u>
Total Capital Assets being depreciated, net	<u>55,173,109</u>	<u>(884,879)</u>	-	<u>54,288,230</u>
Total Governmental Activities Capital Assets, net	<u>\$ 57,824,850</u>	<u>\$ (884,879)</u>	<u>\$ -</u>	<u>\$ 56,939,971</u>
	Balance July 1, <u>2020</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2021</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 862,428	\$ -	\$ -	\$ 862,428
	<u>862,428</u>	-	-	<u>862,428</u>
Less: Accumulated Depreciation:				
Equipment	(699,946)	(18,505)	-	(718,451)
	<u>(699,946)</u>	<u>(18,505)</u>	-	<u>(718,451)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 162,482</u>	<u>\$ (18,505)</u>	<u>\$ -</u>	<u>\$ 143,977</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 6. Interfund Receivables, Payables and Transfers**

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 105,671	\$ 485,368
Special Revenue Fund	-	12,664
Capital Projects Fund	420,088	755,708
Debt Service Fund	818,061	-
Internal Service Fund	2,926	93,006
	<u>\$ 1,346,746</u>	<u>\$ 1,346,746</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 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 961,635
Capital Projects Fund	878,762	749,606
Debt Service Fund	749,606	-
Internal Service Fund	82,873	-
	<u>\$ 1,711,241</u>	<u>\$ 1,711,241</u>

The purpose of interfund transfers were for the transfer for interest earned on capital project balances that were transferred to debt service to offset future debt payments.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 32,134,000	\$ 16,625,000	\$ 18,304,000	\$ 30,455,000	\$ 2,625,000
Unamortized Bond Premiums	1,051,326	-	216,616	834,710	165,629
Capital Leases	1,780,834	-	393,241	1,387,593	404,516
Compensated Absences	1,214,170	119,840	-	1,334,010	-
Net Pension Liability	10,541,856	-	694,200	9,847,656	-
	<u>\$ 46,722,186</u>	<u>\$ 16,744,840</u>	<u>\$ 19,608,057</u>	<u>\$ 43,858,969</u>	<u>\$ 3,195,145</u>
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 46,200	\$ -	\$ 990	\$ 45,210	\$ -
	<u>\$ 46,200</u>	<u>\$ -</u>	<u>\$ 990</u>	<u>\$ 45,210</u>	<u>\$ -</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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.

On December 20, 2020, the School District issued \$16,625,000 of Refunding Bonds to refund the callable portion of the outstanding 2012 Bond Issue of \$15,749,000. The Refunding Bonds were issued at interest rates varying from 0.369% to 2.77% and mature on February 1, 2037.



**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 7. Long-Term Obligations (continued):**

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>
2022	\$ 2,625,000	\$ 783,917	\$ 3,408,917
2023	2,615,000	715,459	3,330,459
2024	2,635,000	648,885	3,283,885
2025	2,185,000	565,248	2,750,248
2026	2,185,000	508,003	2,693,003
2027-2031	11,155,000	1,679,249	12,834,249
2032-2036	5,905,000	589,579	6,494,579
2037	1,150,000	31,890	1,181,890
	<u>\$ 30,455,000</u>	<u>\$ 5,522,230</u>	<u>\$ 35,977,230</u>

**Bonds Authorized But Not Issued:**

As of June 30, 2021, the District had no authorized but not issued bonds.

**B. Capital Leases**

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, 2021:

Fiscal Year Ending <u>June 30,</u>	
2022	\$ 438,215
2023	343,339
2024	343,339
2025	<u>343,339</u>
Total Minimum Lease Payments	1,468,232
Less: Amount Representing Interest	<u>(80,638)</u>
Present Value of Minimum Lease Payments	<u>\$ 1,387,594</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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 annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.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.

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

can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, 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.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2021, the School District reported a liability of \$9,847,656 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. 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, 2019, to the measurement date of June 30, 2020. 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, 2020. The School District's proportion measured as of June 30, 2020, was 0.060387%, which was an increase of 0.001881% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$660,605 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 179,308	\$ 34,825
Changes of Assumptions	319,466	4,123,269
Net Difference between Projected and Actual Earnings on Pension Plan Investments	336,598	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	464,015	774,687
School District Contributions Subsequent to Measurement Date	693,203	-
	<u>\$ 1,992,590</u>	<u>\$ 4,932,781</u>

\$693,203 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, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

<b>Year Ending</b>	
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2021	\$ (1,318,537)
2022	(1,352,040)
2023	(784,995)
2024	(221,022)
2025	<u>43,200</u>
	<u>\$ (3,633,394)</u>

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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

	<b>Deferred Outflow of <u>Resources</u></b>	<b>Deferred Inflow of <u>Resources</u></b>
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	-
June 30, 2020	5.16	-
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
June 30, 2020	-	5.16
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	-
June 30, 2020	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
June 30, 2020	5.16	5.16

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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-2020
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-2020.

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, 2020) 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, 2020 are summarized in the following table:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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, 2020, calculated using the discount rate of 7.00% 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:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 12,493,920</u>	<u>\$ 9,847,565</u>	<u>\$ 7,745,202</u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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, 2021 and 2020:

	<u>6/30/2021</u>	<u>6/29/2020</u>
	June 30, 2020	June 30, 2019
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Collective Deferred Inflows of Resources	6,885,726,332	6,618,184,855
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.06039%	0.05851%

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

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

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

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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, 2021**

**Note 8. Pension Plans (continued)**

**B. Teachers' Pension and Annuity Fund (TPAF) (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 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 2020, 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, 2020 was \$2,872,449. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.1267%, which was a decrease of 0.00113% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$5,190,574 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, 2020 measurement date.

**Actuarial Assumptions** – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2021**

**Note 8. Pension Plans (continued)**

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

Inflation		
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	1.55 - 4.45%	Based on Years of Service
Thereafter	2.75 - 5.65%	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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 are summarized in the following table:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

**Discount Rate** - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020, 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 78% of the actuarially determined contributions for the State. 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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 5.40% 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, 2021**

**Note 8. Pension Plans (continued)**

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

	<b>1% Decrease <u>(4.40%)</u></b>	<b>Current Discount Rate <u>(5.40%)</u></b>	<b>1% Increase <u>(6.40%)</u></b>
Kingsway Regional School District Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Kingsway Regional School District	<u>98,046,296</u>	<u>83,470,867</u>	<u>71,368,409</u>
	<u>\$ 98,046,296</u>	<u>\$ 83,470,867</u>	<u>\$ 71,368,409</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, 2020 and 2019:

**Balances at June 30, 2021 and June 30, 2020**

	<u>6/30/2020</u>	<u>6/30/2019</u>
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.12676%	0.12789%

**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;

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 8. Pension Plans (continued)**

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

- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 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, 2021, employee contributions totaled \$28,103, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$46,378.

**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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**General Information about the OPEB Plan**

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.

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 is 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, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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.

Total Nonemployer OPEB Liability:                   \$     67,809,962,608

**Inflation Rate:**   2.5%

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.45% 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 - 4.45% 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-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Total Nonemployer OPEB Liability**

table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 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, 2020 was \$87,893,280. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.1296%, which was a decrease of 0.0022% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$4,873,531 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, 2020 measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. 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, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate Plan**

	<b>June 30, 2020</b>		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 105,959,886	\$ 87,893,280	\$ 73,766,934
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

The following presents the total nonemployer OPEB liability as of June 30, 2020, 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:

	<b>June 30, 2020</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 70,950,420	\$ 87,893,280	\$ 108,068,461
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

\* See Healthcare Cost Trend Assumptions for details of rates.

**Additional Information**

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	\$ 21,829,570,000	\$ (16,908,204,442)



**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

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

\*\* Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,		
2021	\$	43,440,417
2022		43,440,417
2023		43,440,417
2024		43,440,417
2025		43,440,417
Thereafter		4,704,163,473
	<b>\$</b>	<b>4,921,365,558</b>

**Plan Membership**

At June 30, 2019, the Program membership consisted of the following:

	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	149,304
	366,108

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

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

**Changes in the Total OPEB Liability**

**Total OPEB Liability**

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u><u>\$ 67,809,962,608</u></u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

**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 \$4,077,586, \$1,236,764, \$1,277,852 and \$3,648, 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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 11. Risk Management (continued)**

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>
2020-2021	\$ -	\$ -	\$ -	\$ -	\$ 95,923
2019-2020	-	-	-	-	95,923
2018-2019	7,422	-	-	-	95,923

**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, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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

**Note 14. Deferred Compensation**

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc. Siracusa 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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 15. Compensated Absences (continued)**

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, 2021 is \$1,334,009.

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, 2021 the liability for compensated absences in the proprietary fund types is \$45,210.

**Note 16. Tax Abatements**

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

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

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

**Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$0.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 18. Fund Balance**

**General Fund** – Of the \$3,570,597 General Fund fund balance at June 30, 2021, \$2,812,953 has been reserved in the Capital Reserve Account; \$1,058,244 is restricted for excess surplus – designated for subsequent year’s expenditures; \$294,921 has been reserved for encumbrances; \$74,037 has been assigned as designated for subsequent year’s expenditures; 95,924 has been reserved in the Unemployment Reserve and \$(765,482) is unassigned.

**Special Revenue Fund-** Of the \$365,341 Special Revenue Fund fund balance at June 30,2021, \$181,565 has been restricted for Scholarships; \$ 183,776 is restricted for Student Activities.

**Capital Projects Fund** – Of the \$710,447 Capital Projects Fund fund balance at June 30, 2021, \$617,829 is restricted for capital projects; \$92,618 has been reserved for encumbrances.

**Debt Service Fund** – Of the \$65,533 Debt Service Fund fund balance at June 30, 2020, \$65,533 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 \$(16,132,674) at June 30, 2021. 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, 2021. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**Note 20. Prior Period Restatement**

As discussed in Note 1, the School District has implemented GASB Statement No. 84 – *Fiduciary Activities* in the School District’s financial statements for the year ended June 30, 2021. As a result, net position and fund balances as of July 1, 2020 has been restated as follows:

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 20. Prior Period Restatement (continued)**

Governmental Activities (Exhibit A-2):

Net Position as previously reported at June 30, 2020	\$	11,933,201
Prior Period Adjustment:		
Unemployment Fund		95,924
Scholarship Fund		185,566
Student Activities Fund		<u>184,964</u>
Total Prior Period Adjustment		466,454
Net Position as restated, July 1, 2020	\$	<u><u>12,399,655</u></u>

General Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$	2,437,191
Prior Period Adjustment:		
Unemployment Fund		<u>95,924</u>
Fund Balance as restated, July 1, 2020	\$	<u><u>2,533,115</u></u>

Special Revenue Fund (Exhibit B-2):

Fund Balance as previously reported at June 30, 2020	\$	-
Prior Period Adjustment:		
Scholarship Fund		185,566
Student Activities Fund		<u>184,964</u>
Total Prior Period Adjustment		370,530
Fund Balance as restated, July 1, 2020	\$	<u><u>370,530</u></u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2021**

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 3, 2022, 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.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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C. Budgetary Comparison Schedules

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**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
<b>Revenues:</b>						
Local Tax Levy	10-1210	\$ 23,030,609	\$ -	\$ 23,030,609	\$ 23,030,609	\$ -
Tuition From Other LEAs Within the State	10-1320	3,104,479	-	3,104,479	3,097,863	(6,616)
Rents and Royalties	10-1910	50,000	-	50,000	1,225	(48,775)
Interest Earned on Capital Reserve		500	-	500	-	(500)
Miscellaneous Revenues	10-1XXX	209,500	-	209,500	285,997	76,497
<b>Total Local Sources</b>		<b>26,395,088</b>	<b>-</b>	<b>26,395,088</b>	<b>26,415,694</b>	<b>20,606</b>
<b>Federal Sources:</b>						
Medicaid Reimbursement (SEMI)	10-4200	26,832	-	26,832	16,134	(10,698)
<b>Total Federal Sources</b>		<b>26,832</b>	<b>-</b>	<b>26,832</b>	<b>16,134</b>	<b>(10,698)</b>
<b>State Sources:</b>						
Equalization Aid	10-3176	11,131,520	(1,466,612)	9,664,908	9,664,908	-
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	150,000	-	150,000	315,123	165,123
Other State Aid	10-3XXX	35,000	-	35,000	56,840	21,840
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contribution		-	-	-	4,077,586	4,077,586
On-Behalf Post Retirement Medical Contribution		-	-	-	1,277,852	1,277,852
On-Behalf Long-Term Disability Insurance		-	-	-	3,648	3,648
Reimbursed TPAF Social Security Contribution		-	-	-	1,236,794	1,236,794
<b>Total State Sources</b>		<b>15,215,958</b>	<b>(1,466,612)</b>	<b>13,749,346</b>	<b>20,532,189</b>	<b>6,782,843</b>
<b>Total Revenues</b>		<b>41,637,878</b>	<b>(1,466,612)</b>	<b>40,171,266</b>	<b>46,964,017</b>	<b>6,792,751</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Grades 6 - 8	11-130-100-101	3,813,466	(165,753)	3,647,713	3,598,279	49,434
Grades 9 - 12	11-140-100-101	7,359,457	(263,887)	7,095,570	7,020,311	75,259
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	39,000	(20,000)	19,000	7,844	11,156
Purchased Professional - Educational Services	11-150-100-320	33,000	25,533	58,533	39,346	19,187
Other Purchased Services	11-150-100-500	2,000	-	2,000	70	1,930
<b>Regular Programs - Undistributed Instruction:</b>						
Purchased Professional - Educational Services	11-190-100-320	257,875	75,923	333,798	320,679	13,119
Purchased Technical Services	11-190-100-340	51,180	20,175	71,355	59,965	11,390
Other Purchased Services	11-190-100-500	364,240	11,575	375,815	368,117	7,698
General Supplies	11-190-100-610	644,945	110,594	755,539	639,724	115,815
Textbooks	11-190-100-640	153,571	(28,637)	124,934	114,521	10,413
Other Objects	11-190-100-890	41,033	(18,000)	23,033	12,109	10,924
<b>Total Regular Programs</b>		<b>12,759,767</b>	<b>(252,477)</b>	<b>12,507,290</b>	<b>12,180,965</b>	<b>326,325</b>
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	353,774	-	353,774	348,792	4,982
Other Salaries for Instruction	11-212-100-106	123,285	(23,000)	100,285	99,785	500
Purchased Professional - Educational Services	11-212-100-320	2,290	5,376	7,666	5,244	2,422
Other Purchased Services	11-212-100-500	3,215	(3,215)	-	-	-
General Supplies	11-212-100-610	11,844	(2,404)	9,440	7,799	1,641
Textbooks	11-212-100-640	3,000	(2,376)	624	624	-
Other Objects	11-212-100-800	170	-	170	34	136
<b>Total Multiple Disabilities</b>		<b>497,578</b>	<b>(25,619)</b>	<b>471,959</b>	<b>462,278</b>	<b>9,681</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Resource Room:</b>						
Salaries of Teachers	11-213-100-101	2,456,923	(96,880)	2,360,043	2,359,904	139
Other Salaries for Instruction	11-213-100-106	245,570	(4,000)	241,570	239,136	2,434
Purchased Professional-Educational Services	11-213-100-320	6,530	(2,500)	4,030	1,550	2,480
Other Purchased Services	11-213-100-500	2,215	2,215	4,430	3,270	1,160
General Supplies	11-213-100-610	37,470	(2,975)	34,495	33,854	641
Other Objects	11-213-100-800	1,000	-	1,000	-	1,000
<b>Total Resource Room</b>		<b>2,749,708</b>	<b>(104,140)</b>	<b>2,645,568</b>	<b>2,637,714</b>	<b>7,854</b>
<b>Special Education - Home Instruction:</b>						
Salaries of Teachers	11-219-100-101	2,000	-	2,000	-	2,000
Purchased Professional Educational Services	11-219-100-320	42,000	(14,985)	27,015	12,508	14,507
Other Purchased Services	11-219-100-500	400	-	400	400	-
<b>Total Special Education - Home Instruction</b>		<b>44,400</b>	<b>(14,985)</b>	<b>29,415</b>	<b>12,908</b>	<b>16,507</b>
<b>Total Special Education</b>		<b>3,291,686</b>	<b>(144,744)</b>	<b>3,146,942</b>	<b>3,112,900</b>	<b>34,042</b>
<b>Basic Skills/Remedial:</b>						
General Supplies	11-230-100-610	9,387	(3)	9,384	9,015	369
<b>Total Basic Skills/Remedial</b>		<b>9,387</b>	<b>(3)</b>	<b>9,384</b>	<b>9,015</b>	<b>369</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	166,171	-	166,171	135,924	30,247
Other Purchased Services	11-401-100-500	25,550	(9,587)	15,963	15,885	78
Supplies and Materials	11-401-100-600	55,428	(38,073)	17,355	15,067	2,288
Other Objects	11-401-216-800	1,370	(1,125)	245	245	-
<b>Total School Sponsored Cocurricular Activities</b>		<b>248,519</b>	<b>(48,785)</b>	<b>199,734</b>	<b>167,121</b>	<b>32,613</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	583,958	(26,493)	557,465	550,967	6,498
Other Purchased Services	11-402-100-500	198,750	(46,708)	152,042	72,290	79,752
General Supplies	11-402-100-610	187,600	48,984	236,584	199,880	36,704
Other Objects	11-402-216-800	76,210	(6,277)	69,933	35,651	34,282
<b>Total School Sponsored Athletics Instruction</b>		<b>1,046,518</b>	<b>(30,494)</b>	<b>1,016,024</b>	<b>858,788</b>	<b>157,236</b>
<b>Before/After School Programs:</b>						
Salaries	11-421-100-101	1,480	-	1,480	167	1,313
<b>Total Before/Afterschool Programs</b>		<b>1,480</b>	<b>-</b>	<b>1,480</b>	<b>167</b>	<b>1,313</b>
<b>Total Instruction</b>		<b>17,357,357</b>	<b>(476,503)</b>	<b>16,880,854</b>	<b>16,328,956</b>	<b>551,898</b>
<b>Undistributed Expenditures:</b>						
<b>Instruction :</b>						
Tuition to Other LEAs Within the State - Regular	11-000-100-561	15,000	(2,715)	12,285	-	12,285
Tuition to Other LEAs Within the State - Special	11-000-100-562	60,000	(420)	59,580	43,360	16,220
Tuition to County Vocational School District - Regul	11-000-100-563	512,910	63,801	576,711	573,236	3,475
Tuition to County Vocational School District - Specic	11-000-100-564	78,895	420	79,315	78,895	420
Tuition to CSSD & Regional Day School	11-000-100-565	1,153,710	(139,903)	1,013,807	820,609	193,198
Tuition to Private School for the Handicapped - State	11-000-100-566	1,070,626	(64,711)	1,005,915	692,100	313,815
Tuition to Private School for the Disabled & Other L	11-000-100-567	85,000	-	85,000	84,324	676
Tuition - State Facilities	11-000-100-568	80,000	(80,000)	-	-	-
<b>Total Undistributed Expenditures - Instruction</b>		<b>3,056,141</b>	<b>(223,528)</b>	<b>2,832,613</b>	<b>2,292,524</b>	<b>540,089</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	128,094	88	128,182	128,159	23
Purchased Professional & Technical Services	11-000-211-300	1,500	-	1,500	-	1,500
Supplies and Materials	11-000-211-600	800	(40)	760	115	645
<b>Total Attendance &amp; Social Work Services</b>		<b>130,394</b>	<b>48</b>	<b>130,442</b>	<b>128,274</b>	<b>2,168</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	297,011	3,000	300,011	291,203	8,808
Purchased Professional & Technical Services	11-000-213-300	34,430	(88)	34,342	17,315	17,027
Other Purchased Services	11-000-213-500	3,000	(1,051)	1,949	1,832	117
Supplies and Materials	11-000-213-600	12,000	2,838	14,838	11,277	3,561
Other Objects	11-000-213-800	750	-	750	122	628
<b>Total Health Services</b>		<b>347,191</b>	<b>4,699</b>	<b>351,890</b>	<b>321,749</b>	<b>30,141</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	58,106	-	58,106	42,258	15,848
Purchased Professional Educational Services	11-000-216-320	104,250	69,440	173,690	150,594	23,096
Supplies and Materials	11-000-216-600	1,000	(50)	950	653	297
<b>Total Other Support Services-Students-Related Services</b>		<b>163,356</b>	<b>69,390</b>	<b>232,746</b>	<b>193,505</b>	<b>39,241</b>
<b>Other Support Services - Students - Extra Services:</b>						
Salaries	11-000-217-100	324,630	(57,185)	267,445	258,317	9,128
Purchased Professional Educational Services	11-000-217-320	355,375	37,940	393,315	383,858	9,457
Supplies and Materials	11-000-217-600	21,650	(9,583)	12,067	-	12,067
<b>Total Other Support Services - Students - Extra Services</b>		<b>701,655</b>	<b>(28,828)</b>	<b>672,827</b>	<b>642,175</b>	<b>30,652</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	769,991	(12,766)	757,225	753,246	3,979
Salaries of Secretarial & Clerical Assistants	11-000-218-105	125,880	14,445	140,325	128,987	11,338
Purchased Professional Educational Services	11-000-218-320	37,750	(8,350)	29,400	24,673	4,727
Other Purchased Professional & Technical Services	11-000-218-390	47,500	(242)	47,258	36,793	10,465
Other Purchased Services	11-000-218-500	12,750	(3,900)	8,850	6,640	2,210
Supplies and Materials	11-000-218-600	2,100	762	2,862	1,799	1,063
Other Objects	11-000-218-800	9,270	(900)	8,370	4,598	3,772
<b>Total Other Support Services - Students - Regular</b>		<b>1,005,241</b>	<b>(10,951)</b>	<b>994,290</b>	<b>956,736</b>	<b>37,554</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	604,396	(53,384)	551,012	550,901	111
Salaries of Secretarial & Clerical Assistants	11-000-219-105	85,628	-	85,628	80,658	4,970
Purchased Professional Educational Services	11-000-219-320	21,000	19,429	40,429	31,183	9,246
Other Purchased Professional & Technical Services	11-000-219-390	20,500	-	20,500	20,473	27
Other Purchased Services	11-000-219-500	12,050	(5,891)	6,159	5,310	849
Supplies and Materials	11-000-219-600	16,310	(24)	16,286	15,902	384
<b>Total Other Support Services-Students-Special Services</b>		<b>759,884</b>	<b>(39,870)</b>	<b>720,014</b>	<b>704,427</b>	<b>15,587</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Improvement of Instruction Services/Other						
Support Services - Instruction Staff:						
Salaries of Supervisor of Instruction	11-000-221-102	479,683	10,792	490,475	476,295	14,180
Salaries of Other Professional Staff	11-000-221-104	18,870	(16,095)	2,775	2,775	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	25,098	-	25,098	25,074	24
Purchased Professional - Educational Services	11-000-221-320	41,576	31,674	73,250	70,824	2,426
Other Purchased Services	11-000-221-500	15,200	280	15,480	10,746	4,734
Supplies and Materials	11-000-221-600	12,000	(5,862)	6,138	5,913	225
Other Objects	11-000-221-800	7,000	645	7,645	4,760	2,885
Total Improvement of Instruction Services/Other Support Services Instructional Staff		599,427	21,434	620,861	596,387	24,474
Educational Media Services/School Library:						
Salaries	11-000-222-100	214,259	-	214,259	208,232	6,027
Purchased Professional & Technical Services	11-000-222-300	17,738	-	17,738	17,195	543
Other Purchased Services	11-000-222-500	540	(540)	-	-	-
Supplies and Materials	11-000-222-600	28,026	3,998	32,024	29,473	2,551
Other Objects	11-000-222-800	284	-	284	195	89
Total Educational Media Services/School Library		260,847	3,458	264,305	255,095	9,210
Support Services Instructional Staff Training Service:						
Salaries of Supervisors of Instruction	11-000-223-102	75,262	-	75,262	74,530	732
Salaries of Other Professional Staff	11-000-223-104	11,063	-	11,063	962	10,101
Salaries of Secretarial & Clerical Assistants	11-000-223-105	25,098	-	25,098	25,074	24
Other Purchased Professional						
Purchased Professional & Technical Services	11-000-223-390	2,000	777	2,777	-	2,777
Other Purchased Services	11-000-223-500	29,616	(12,740)	16,876	13,615	3,261
Total Support Services Instructional Staff Training		143,039	(11,963)	131,076	114,181	16,895
Support Services General Administration:						
Salaries	11-000-230-100	204,010	-	204,010	203,961	49
Legal Services	11-000-230-331	50,000	1,493	51,493	32,004	19,489
Audit Services	11-000-230-332	38,000	1,250	39,250	36,524	2,726
Architectural/Engineering Services	11-000-230-334	5,000	(4,000)	1,000	450	550
Purchased Technical Services	11-000-230-340	10,000	(1,000)	9,000	8,130	870
Communications/Telephone	11-000-230-530	105,600	24,750	130,350	115,463	14,887
BOE Other Purchased Services	11-000-230-585	18,500	-	18,500	10,260	8,240
Other Purchased Services	11-000-230-590	69,800	31,500	101,300	82,852	18,448
Supplies and Materials	11-000-230-600	5,000	(250)	4,750	4,750	-
BOE In-House Training Supplies	11-000-230-630	500	-	500	410	90
Miscellaneous Expenditures	11-000-230-890	2,100	-	2,100	2,093	7
BOE Membership Dues & Fees	11-000-230-895	12,500	-	12,500	12,190	310
Total Support Services General Administration		521,010	53,743	574,753	509,087	65,666
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	811,451	83,000	894,451	774,860	119,591
Salaries of Other Professional Staff	11-000-240-104	392,559	(1,328)	391,231	388,436	2,795
Salaries of Secretarial & Clerical Assistants	11-000-240-105	262,759	13,555	276,314	270,547	5,767
Other Salaries	11-000-240-110	64,534	4,328	68,862	48,396	20,466
Purchased Professional & Technical Services	11-000-240-300	22,350	(10,555)	11,795	10,971	824
Other Purchased Services	11-000-240-500	35,600	(2,435)	33,165	27,204	5,961
Supplies and Materials	11-000-240-600	39,400	(4,911)	34,489	30,881	3,608
Other Objects	11-000-240-800	38,374	2,800	41,174	33,218	7,956
Total Support Services School Administration		1,667,027	84,454	1,751,481	1,584,513	166,968



**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Central Services:</b>						
Salaries	11-000-251-100	479,908	8,075	487,983	452,310	35,673
Purchased Professional Services	11-000-251-330	4,500	850	5,350	5,350	-
Purchased Technical Services	11-000-251-340	63,500	6,000	69,500	68,920	580
Miscellaneous Purchased Services	11-000-251-592	14,500	(1,528)	12,972	10,659	2,313
Supplies & Materials	11-000-251-600	6,500	1,755	8,255	8,053	202
Miscellaneous Expenditures	11-000-251-890	1,600	3,740	5,340	5,065	275
<b>Total Central Services</b>		<b>570,508</b>	<b>18,892</b>	<b>589,400</b>	<b>550,357</b>	<b>39,043</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	266,975	6,177	273,152	260,655	12,497
Purchased Technical Services	11-000-252-340	127,105	(300)	126,805	126,795	10
Other Purchased Services	11-000-252-500	3,000	300	3,300	3,300	-
Supplies and Materials	11-000-252-600	26,000	7,571	33,571	32,470	1,101
Other Objects	11-000-252-800	900	-	900	695	205
<b>Total Administrative Information Technology</b>		<b>423,980</b>	<b>13,748</b>	<b>437,728</b>	<b>423,915</b>	<b>13,813</b>
<b>Allowance Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	203,384	9,218	212,602	210,681	1,921
Maintenance Services	11-000-261-420	198,000	29,452	227,452	206,954	20,498
General Supplies	11-000-261-610	85,000	18,133	103,133	92,130	11,003
Other Objects	11-000-261-800	2,900	(820)	2,080	-	2,080
<b>Total Allowance Maintenance for School Facilities</b>		<b>489,284</b>	<b>55,983</b>	<b>545,267</b>	<b>509,765</b>	<b>35,502</b>
<b>Other Operation &amp; Maintenance of Plant Services:</b>						
Salaries	11-000-262-100	1,092,992	(5,143)	1,087,849	1,075,248	12,601
Purchased Professional & Technical Services	11-000-262-300	93,000	5,614	98,614	84,061	14,553
Cleaning, Repair & Maintenance Services	11-000-262-420	3,000	121	3,121	942	2,179
Other Purchased Property Services	11-000-262-490	32,500	17,578	50,078	44,198	5,880
Insurance	11-000-262-520	165,000	6,343	171,343	171,343	-
Miscellaneous Purchased Services	11-000-262-590	37,334	-	37,334	36,694	640
General Supplies	11-000-262-610	131,000	4,959	135,959	113,198	22,761
Energy (Natural Gas)	11-000-262-621	162,000	34,100	196,100	182,662	13,438
Energy (Electricity)	11-000-262-622	600,000	14,391	614,391	587,410	26,981
Other Objects	11-000-262-800	750	-	750	393	357
<b>Total Other Operation &amp; Maintenance of Plant Services</b>		<b>2,317,576</b>	<b>77,963</b>	<b>2,395,539</b>	<b>2,296,149</b>	<b>99,390</b>
<b>Care &amp; Upkeep of Grounds</b>						
Salaries	11-000-263-100	286,460	(66,395)	220,065	215,019	5,046
Unused Vacation Payment	11-000-263-199	-	7,074	7,074	7,074	-
Purchased Professional & Technical Services	11-000-263-300	38,500	1,000	39,500	34,107	5,393
Cleaning, Repair & Maintenance Services	11-000-263-420	7,500	25,585	33,085	31,864	1,221
General Supplies	11-000-263-610	73,000	190	73,190	64,957	8,233
<b>Total Care &amp; Upkeep of Grounds</b>		<b>405,460</b>	<b>(32,546)</b>	<b>372,914</b>	<b>353,021</b>	<b>19,893</b>
<b>Security</b>						
Salaries	11-000-266-100	52,640	-	52,640	52,160	480
Purchased Professional & Technical Services	11-000-266-300	162,000	(50,000)	112,000	74,585	37,415
Cleaning, Repair & Maintenance Services	11-000-266-420	-	5,000	5,000	5,000	-
Supplies and Materials	11-000-266-610	12,000	-	12,000	11,597	403
<b>Total Security</b>		<b>226,640</b>	<b>(45,000)</b>	<b>181,640</b>	<b>143,342</b>	<b>38,298</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Student Transportation Services:</b>						
Salaries of Non-Instructional Aides	11-000-270-107	30,500	430	30,930	27,430	3,500
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	580,116	(128,151)	451,965	446,964	5,001
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	45,000	(10,000)	35,000	79	34,921
Salaries for Pupil Transportation (Other Than Between Home & School)	11-000-270-162	179,434	(133,234)	46,200	23,541	22,659
Other Purchased Professional & Technical Services	11-000-270-390	6,312	-	6,312	1,149	5,163
Cleaning, Repair & Maintenance	11-000-270-420	5,750	-	5,750	-	5,750
Lease Purchase Payments - School Buses	11-000-270-443	51,501	-	51,501	51,501	-
Aid in Lieu of Payments	11-000-270-503	225,000	(42,000)	183,000	131,621	51,379
Contracted Services (Between Home & School) - Ven	11-000-270-511	1,090,200	25,300	1,115,500	1,110,552	4,948
Contracted Services (Other Than Between School) - Vendors	11-000-270-512	21,690	72,534	94,224	79,441	14,783
Contracted Services (Special Education) - Vendors	11-000-270-514	119,800	7,340	127,140	51,503	75,637
Contracted Services (Special Education) - Joint Agreee	11-000-270-515	17,000	2,514	19,514	-	19,514
Contracted Services (Regular Education Students) - ESC	11-000-270-517	191,000	(24,000)	167,000	116,504	50,496
Contracted Services (Special Education Students) - ES	11-000-270-518	908,000	(6,629)	901,371	623,650	277,721
Miscellaneous Purchased Services - Transportation	11-000-270-593	46,250	166	46,416	43,421	2,995
Supplies and Materials	11-000-270-610	1,500	(75)	1,425	522	903
Transportation Supplies	11-000-270-615	150,000	(1,825)	148,175	68,689	79,486
Other Objects	11-000-270-800	1,000	-	1,000	-	1,000
<b>Total Student Transportation Services</b>		<b>3,670,053</b>	<b>(237,630)</b>	<b>3,432,423</b>	<b>2,776,567</b>	<b>655,856</b>
<b>Other Instructional Programs - Instruction:</b>						
Other Employee Benefits	11-4xx-100-290	200	(200)	-	-	-
<b>Total Other Instructional Programs</b>		<b>200</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Attendance &amp; Social Work Services:</b>						
Other Employee Benefits	11-000-211-290	400	(400)	-	-	-
<b>Total Attendance &amp; Social Work Services</b>		<b>400</b>	<b>(400)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Health Services:</b>						
Other Employee Benefits	11-000-213-290	200	(200)	-	-	-
<b>Total Health Services</b>		<b>200</b>	<b>(200)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Support Services - Students - Regular:</b>						
Other Employee Benefits	11-000-218-290	600	(600)	-	-	-
<b>Total Other Support Services - Students - Regular</b>		<b>600</b>	<b>(600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Support Services - Students - Special:</b>						
Other Employee Benefits	11-000-219-290	400	(400)	-	-	-
<b>Total Other Support Services - Students - Special</b>		<b>400</b>	<b>(400)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support Services - General Administration:</b>						
Other Employee Benefits	11-000-230-290	1,800	(1,800)	-	-	-
<b>Total Support Services - General Administration</b>		<b>1,800</b>	<b>(1,800)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Support Services - School Administration:						
Other Employee Benefits	11-000-240-290	1,200	(1,200)	-	-	-
Total Support Services - School Administration		1,200	(1,200)	-	-	-
Operation & Maintenance of Plant Services:						
Technology:						
Other Employee Benefits	11-000-261-290	1,100	(1,100)	-	-	-
Total Operation & Maintenance of Plant Services		1,100	(1,100)	-	-	-
Custodial Services						
Other Employee Benefits	11-000-262-290	8,800	(8,800)	-	-	-
Total Custodial Services		8,800	(8,800)	-	-	-
Care and Upkeep of Grounds						
Other Employee Benefits	11-000-263-290	825	(825)	-	-	-
Total Care and Upkeep of Grounds		825	(825)	-	-	-
Student Transportation Services:						
Other Employee Benefits	11-000-270-290	7,600	(7,600)	-	-	-
Total Student Transportation Services		7,600	(7,600)	-	-	-
Total Allocated Benefits		23,125	(23,125)	-	-	-
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	515,974	(4,686)	511,288	504,327	6,961
Other Retirement Contributions - PERS	11-000-291-241	493,364	27,241	520,605	520,605	-
Workmen's Compensation	11-000-291-260	220,000	-	220,000	216,856	3,144
Health Benefits	11-000-291-270	5,354,225	(472,023)	4,882,202	4,673,069	209,133
Tuition Reimbursement	11-000-291-280	80,000	7,410	87,410	66,498	20,912
Other Employee Benefits	11-000-291-290	320,000	25,200	345,200	314,440	30,760
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	67,440	6,390	73,830	73,830	-
Total Unallocated Benefits - Employee Benefits		7,051,003	(410,468)	6,640,535	6,369,625	270,910
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	4,077,586	(4,077,586)
On-Behalf Post Retirement Medical Contribution		-	-	-	1,277,852	(1,277,852)
On-Behalf Long-Term Disability Insurance		-	-	-	3,648	(3,648)
Reimbursed TPAF Social Security Contribution		-	-	-	1,236,794	(1,236,794)
Total Undistributed Expenditures		24,532,841	(660,097)	23,872,744	28,317,274	(4,444,530)
Total Expenditures - Current Expense		41,890,198	(1,136,600)	40,753,598	44,646,230	(3,892,632)
Capital Outlay:						
Equipment:						
Regular Programs - Instruction:						
Grades 6 - 8	12-130-100-730	2,000	-	2,000	1,800	200
Regular Programs - Instruction:						
Grades 6 - 8	12-130-100-730	2,500	(2,500)	-	-	-
Special Education - Instruction:						
Custodial Services	12-000-262-730	25,000	(25,000)	-	-	-
Care and Upkeep of Grounds	12-000-263-730	174,000	(174,000)	-	-	-
Non-Instructional Equipment	12-000-270-732	100,000	48,750	148,750	29,750	119,000
Total Equipment		303,500	(152,750)	150,750	31,550	119,200

**KINGSWAY REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Construction Services	12-000-400-450	458,674	(458,674)	-	-	-
Assessment for Debt Service on SDA Funding	12-000-400-896	116,737	-	116,737	116,737	-
Total Facilities Acquisition & Construction Services		575,411	(458,674)	116,737	116,737	-
Interest Deposit to Capital Reserve	10-604	500	-	500	-	500
Total Capital Outlay		879,411	(611,424)	267,987	148,287	119,700
Total Expenditures		42,769,609	(1,748,024)	41,021,585	44,794,517	(3,772,932)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,131,731)	281,412	(850,319)	2,169,500	3,019,819
Other Financing Sources/(Uses):						
Operating Transfers In/(Out)		-	-	-	(82,873)	(82,873)
Transfer to Capital Projects Fund		-	(458,674)	(458,674)	(878,762)	(420,088)
Transfer of Funds to Charter Schools		(129,000)	12,586	(116,414)	(76,413)	40,001
Total Other Financing Sources/(Uses)		(129,000)	(446,088)	(575,088)	(1,038,048)	(462,960)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(1,260,731)	(164,676)	(1,425,407)	1,131,452	2,556,859
Fund Balance, July 1, as restated		3,714,628	-	3,714,628	3,714,628	-
Fund Balances, June 30		2,453,897	(164,676)	2,289,221	4,846,080	2,556,859

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Encumbrances	<u>\$ 164,676</u>
Total	<u><u>\$ 164,676</u></u>

**RECAPITULATION OF FUND BALANCE:**

Restricted for:	
Capital Reserve	2,812,953
Unemployment Compensation	95,924
Excess Surplus Designated for Subsequent Year's Expenditures	1,058,244
Committed to:	
Year-End Encumbrances	294,921
Assigned to:	
Designated for Subsequent Year's Expenditures	74,037
Unassigned Fund Balance	<u>510,001</u>
Subtotal	4,846,080
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(1,275,483)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 3,570,597</u></u>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Federal Sources	\$ 625,000	\$ 457,244	\$ 1,082,244	\$ 1,050,891	\$ (31,353)
Local Sources	-	20,393	20,393	715,644	695,251
<b>Total Revenues</b>	<b>625,000</b>	<b>477,637</b>	<b>1,102,637</b>	<b>1,766,535</b>	<b>663,898</b>
Expenditures:					
Instruction:					
Salaries	135,000	(11,745)	123,255	123,254	1
Tuition	450,000	(450,000)	-	-	-
Purchased Educational Services	-	566,515	566,515	566,514	1
Supplies & Materials	-	290,632	290,632	278,300	12,332
Other Objects	-	-	-	-	-
<b>Total Instruction</b>	<b>585,000</b>	<b>395,402</b>	<b>980,402</b>	<b>968,068</b>	<b>12,334</b>
Support Services:					
Salaries of Other Professional Staff	-	44,268	44,268	44,268	-
Benefits	-	42,235	42,235	41,988	247
Purchased Professional Services	30,000	(7,190)	22,810	10,700	12,110
Other Purchased Service	10,000	2,287	12,287	9,000	3,287
Supplies	-	635	635	-	635
Scholarship	-	-	-	5,800	(5,800)
Student Activities	-	-	-	691,900	(691,900)
<b>Total Support Services</b>	<b>40,000</b>	<b>82,235</b>	<b>122,235</b>	<b>803,656</b>	<b>(681,421)</b>
<b>Total Expenditures</b>	<b>625,000</b>	<b>477,637</b>	<b>1,102,637</b>	<b>1,771,724</b>	<b>(669,087)</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(5,189)	(5,189)
Fund Balance, July 1 (Restated)	-	-	-	370,530	370,530
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 365,341	\$ 370,530

**RECAPITULATION OF FUND BALANCE**

**Restricted Fund Balance:**

Scholarships	\$ 181,565
Student Activities	183,776
	<u>\$ 365,341</u>

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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**KINGSWAY REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

**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)	\$ 46,964,017	\$ 1,766,535
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	-	28,651
Current Year	-	(23,804)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,181,513	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,275,483)	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 46,870,047	\$ 1,771,382
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 44,794,517	\$ 1,771,724
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	-	4,847
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 44,794,517	\$ 1,776,571

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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 EIGHT FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.06039%	0.05851%	0.06374%	0.06416%	0.06350%	0.05938%	0.05387%	0.051056%
District's proportionate share of the net pension liability (asset)	\$ 9,847,656	\$ 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	\$ 4,420,258	\$ 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	222.78%	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	58.32%	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 EIGHT FISCAL YEARS**

	2020	2019	2018	2017	2016	2015	2014	2013
School District's contractually required contribution	\$ 660,605	\$ 569,089	\$ 633,995	\$ 594,373	\$ 564,147	\$ 510,499	444,098	384,693
Contributions in relation to the contractually required contribution	(660,605)	(569,089)	(633,995)	(594,373)	(564,147)	(510,499)	(444,098)	(384,693)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 4,420,258	\$ 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	14.94%	13.09%	14.71%	14.69%	12.74%	11.80%	10.69%	**N/A

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



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

	2020	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%	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	83,470,867	78,488,888	82,851,403	85,772,712	96,997,063	72,207,218	59,999,348	\$ 57,910,947
	\$ 83,470,867	\$ 78,488,888	\$ 82,851,403	\$ 85,772,712	\$ 96,997,063	\$ 72,207,218	\$ 59,999,348	\$ 57,910,947
School District's covered payroll	\$ 16,312,450	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.95%	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 FOUR FISCAL YEARS\***

	2021	2020	2019	2018
Total OPEB Liability Associated with the District				
Service Cost	\$ 2,854,520	\$ 2,788,283	\$ 3,261,325	\$ 3,941,593
Interest Cost	1,935,498	2,362,155	2,581,610	2,222,996
Differences Between Expected and Actual	15,351,027	(10,212,197)	(8,116,632)	-
Changes of Assumptions	16,055,082	792,932	(6,774,430)	(9,835,019)
Contributions: Member	46,379	48,392	54,557	59,366
Gross Benefit Payments	(1,530,150)	(1,632,496)	(1,578,544)	(1,612,222)
Net Change in Total OPEB Liability Associated with the District	34,712,356	(5,852,931)	(10,572,114)	(5,223,286)
Total OPEB Liability Associated with the District (Beginning)	53,180,924	59,033,855	69,605,969	74,829,255
Total OPEB Liability Associated with the District (Ending)	\$ 87,893,280	\$ 53,180,924	\$ 59,033,855	\$ 69,605,969
District's Covered Employee Payroll	\$ 21,243,786	\$ 21,414,379	\$ 21,032,732	\$ 18,643,489
Net OPEB Liability Associated with the District as a Percentage of Payroll	413.74%	248.34%	280.68%	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, 2021**

**Teachers Pension and Annuity Fund (TPAF)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

**Public Employees' Retirement System (PERS)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 5.60% as of June 30, 2019, to 5.60% as of June 30, 2020.

**State Health Benefit Local Education Retired Employees Plan (OPEB)**

**Changes in Benefit Terms** - None.

**Changes in Assumptions** - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

**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, 2021**

	TITLE I PART A	TITLE II PART A	TITLE IV	REGULAR PROGRAM	CARES	CORONA VIRUS RELIEF	SAFETY GRANT	OTHER LOCAL	STUDENT ACTIVITIES	SCHOLARSHIP	TOTAL
<b>Revenues:</b>											
Local Sources	\$ 148,472	\$ 30,583	\$ 9,750	\$ 505,041	\$ 115,026	\$ 242,019	\$ 16,955	\$ 6,178	\$ 690,712	\$ 1,799	\$ 715,644
Federal Sources											1,050,891
<b>Total Revenues</b>	<b>148,472</b>	<b>30,583</b>	<b>9,750</b>	<b>505,041</b>	<b>115,026</b>	<b>242,019</b>	<b>16,955</b>	<b>6,178</b>	<b>690,712</b>	<b>1,799</b>	<b>1,766,535</b>
<b>Expenditures:</b>											
Instruction:											
Salaries	110,822	12,432	-	-	-	-	-	-	-	-	123,254
Other Purchased Services	-	-	-	505,041	61,473	-	-	-	-	-	566,514
General Supplies	-	-	7,250	-	5,898	242,019	16,955	6,178	-	-	278,300
<b>Total Instruction</b>	<b>110,822</b>	<b>12,432</b>	<b>7,250</b>	<b>505,041</b>	<b>67,371</b>	<b>242,019</b>	<b>16,955</b>	<b>6,178</b>	<b>-</b>	<b>-</b>	<b>968,068</b>
Support Services:											
Salaries	-	-	-	-	44,268	-	-	-	-	-	44,268
Personal Services - Employee Benefits	37,650	951	-	-	3,387	-	-	-	-	-	41,988
Purchased Professional Services	-	8,200	2,500	-	-	-	-	-	-	-	10,700
Other Professional Services	-	9,000	-	-	-	-	-	-	-	-	9,000
Student Activities	-	-	-	-	-	-	-	691,900	-	-	691,900
Scholarship	-	-	-	-	-	-	-	-	5,800	-	5,800
<b>Total Support Services</b>	<b>37,650</b>	<b>18,151</b>	<b>2,500</b>	<b>-</b>	<b>47,655</b>	<b>-</b>	<b>-</b>	<b>691,900</b>	<b>5,800</b>	<b>5,800</b>	<b>803,656</b>
<b>Total Expenditures</b>	<b>\$ 148,472</b>	<b>\$ 30,583</b>	<b>\$ 9,750</b>	<b>\$ 505,041</b>	<b>\$ 115,026</b>	<b>\$ 242,019</b>	<b>\$ 16,955</b>	<b>\$ 6,178</b>	<b>\$ 691,900</b>	<b>\$ 5,800</b>	<b>\$ 1,771,724</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,188)</b>	<b>(1,188)</b>	<b>(4,001)</b>	<b>(5,189)</b>
<b>Fund Balance, July 1 (Restated)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184,964</b>	<b>185,566</b>	<b>370,530</b>
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,776</b>	<b>\$ 181,565</b>	<b>\$ 365,341</b>

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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, 2021**

PROJECT TITLE	ORIGINAL DATE	BUDGETARY APPROPRIATIONS	EXPENDITURES		TRANSFER TO DEBT SERVICE	TRANSFER TO OTHER PROJECTS	UNEXPENDED BALANCE
			PRIOR YEAR	CURRENT YEAR			
Construction of Middle School Auxiliary Gyr.	01/06/12	\$ 5,350,012	\$ 4,919,588	\$ -	\$ -	\$ -	430,424
Additions and Renovations to Middle School	01/06/12	10,318,928	9,441,735	-	749,606	-	127,587
Stadium and Turf Project	07/01/19	4,419,952	3,502,240	765,276	-	-	152,436
Total		\$ 20,088,892	\$ 17,863,563	\$ 765,276	\$ 749,606	\$ -	\$ 710,447

**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, 2021**

<b>Revenues and Other Financing Sources:</b>	
Transfer from Capital Reserve	\$ 878,762
Interest	40
	<hr/>
Total Revenues	878,802
	<hr/>
<b>Expenditures and Other Financing Uses:</b>	
Purchased Professional & Technical Services	9,632
Construction Services	755,644
Transfer to Debt Service	749,606
	<hr/>
Total Expenditures	1,514,882
	<hr/>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(636,080)
Fund Balance - Beginning	1,346,527
	<hr/>
Fund Balance - Ending	\$ 710,447
	<hr/> <hr/>

**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, 2021**

	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	878,762	2,818,722	2,818,722
Interest	1,190	40	1,230	1,230
<b>Total Revenues</b>	<b>3,541,150</b>	<b>878,802</b>	<b>4,419,952</b>	<b>4,419,952</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	154,895	9,632	164,527	164,527
Construction Services	2,585,065	755,644	3,340,709	3,493,145
Equipment Purchases	762,280	-	762,280	762,280
<b>Total Expenditures</b>	<b>3,502,240</b>	<b>765,276</b>	<b>4,267,516</b>	<b>4,419,952</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 38,910	\$ 113,526	\$ 152,436	\$ -

**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	\$ 4,419,952
Revised Authorized Cost	\$ 4,419,952
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, 2021**

	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
<b>Total Revenues</b>	<b>5,350,012</b>	<b>-</b>	<b>5,350,012</b>	<b>5,350,012</b>
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
<b>Total Expenditures</b>	<b>4,919,588</b>	<b>-</b>	<b>4,919,588</b>	<b>5,350,012</b>
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, 2021**

	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
<b>Total Revenues</b>	<b>10,318,928</b>	<b>-</b>	<b>10,318,928</b>	<b>10,383,813</b>
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	749,606	1,474,606	-
<b>Total Expenditures</b>	<b>9,441,735</b>	<b>749,606</b>	<b>10,191,341</b>	<b>10,383,813</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 877,193	\$ (749,606)	\$ 127,587	\$ -

**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, 2021**

ASSETS	FOOD SERVICE FUND	COMMUNITY EDUCATION	2021
Current Assets:			
Cash & Cash Equivalents	\$ 481,169	\$ 6,630	\$ 487,799
Accounts Receivable:			
State	8,861	-	8,861
Federal	67,379	-	67,379
Other	9,066	-	9,066
Inventories	9,648	-	9,648
	<hr/>		
Total Current Assets	576,123	6,630	582,753
Noncurrent Assets:			
Furniture, Machinery & Equipment	862,428	-	862,428
Accumulated Depreciation	(718,451)	-	(718,451)
	<hr/>		
Total Noncurrent Assets	143,977	-	143,977
	<hr/>		
Total Assets	720,100	6,630	726,730
	<hr/>		
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	28,507	-	28,507
	<hr/>		
Total Current Liabilities	28,507	-	28,507
	<hr/>		
Noncurrent Liabilities:			
Compensated Absences	45,210	-	45,210
	<hr/>		
Total Noncurrent Liabilities	45,210	-	45,210
	<hr/>		
Total Liabilities	73,717	-	73,717
	<hr/>		
NET POSITION			
Investment in Capital Assets	143,977	-	143,977
Unrestricted Net Position	502,406	6,630	509,036
	<hr/>		
Total Net Position	\$ 646,383	\$ 6,630	\$ 653,013
	<hr/>		

**KINGSWAY REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2021**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	TOTAL
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 72	\$ -	\$ 72
Daily Sales - Nonreimbursable Programs	72,724	-	72,724
Vending Machine Sales	1,614	-	1,614
Special Function	7,918	-	7,918
Program Fees	-	7,055	7,055
Miscellaneous	-	-	-
<b>Total Operating Revenue</b>	<b>82,328</b>	<b>7,055</b>	<b>89,383</b>
Operating Expenses:			
Salaries	336,034	5,560	341,594
Employee Benefits	70,698	-	70,698
Supplies and Materials	5,318	1,296	6,614
Cleaning, Repair & Maintenance Services	12,309	-	12,309
Miscellaneous Expenses	2,665	-	2,665
Depreciation	18,505	-	18,505
Cost of Sales - Reimbursable Programs	241,933	-	241,933
<b>Total Operating Expenses</b>	<b>687,462</b>	<b>6,856</b>	<b>694,318</b>
<b>Operating (Loss)/Gain</b>	<b>(605,134)</b>	<b>199</b>	<b>(604,935)</b>
Nonoperating Revenues:			
State Sources:			
State School Lunch Program	38,675	-	38,675
Federal Sources:			
National School Lunch Program	749,982	-	749,982
Healthy Hunger-Free Kids Act	14,957	-	14,957
Food Distribution Program	57,790	-	57,790
<b>Total Nonoperating Revenues</b>	<b>861,404</b>	<b>-</b>	<b>861,404</b>
<b>Net Income/(Loss)</b>	<b>256,270</b>	<b>199</b>	<b>256,469</b>
Change in Net Position	256,270	199	256,469
Total Net Position - Beginning	390,113	6,431	396,544
<b>Total Net Position - Ending</b>	<b>\$ 646,383</b>	<b>\$ 6,630</b>	<b>\$ 653,013</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
AS OF JUNE 30, 2021**

	FOOD SERVICE FUND	COMMUNITY EDUCATION	2021
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 3,667	\$ 7,055	\$ 10,722
Payments to Employees	(337,024)	(5,560)	(342,584)
Payments for Employee Benefits	(70,698)	-	(70,698)
Payments to Suppliers	(257,594)	(1,296)	(258,890)
	<hr/>	<hr/>	<hr/>
Net Cash Provided/(Used) by Operating Activities	(661,649)	199	(661,450)
Cash Flows From Noncapital Financing Activities:			
State Sources	38,675	-	38,675
Federal Sources	822,729	-	822,729
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Noncapital Financing Activities	861,404	-	861,404
Net Increase/(Decrease) in Cash & Cash Equivalents	199,755	199	199,954
Cash & Cash Equivalents, July 1	281,414	6,431	287,845
	<hr/>	<hr/>	<hr/>
Cash & Cash Equivalents, June 30	\$ 481,169	\$ 6,630	\$ 487,799

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

Cash Provided/(Used) by Operating Activities:			
Operating Income/(Loss)	\$ (605,134)	\$ 199	\$ (604,935)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	18,505	-	18,505
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	4,631	-	4,631
(Increase)/Decrease in Accounts Receivable, Net	(69,799)	-	(69,799)
Increase/(Decrease) in Unearned Revenue	(8,862)	-	(8,862)
Increase/(Decrease) in Compensated Absences	(990)	-	(990)
	<hr/>	<hr/>	<hr/>
Total Adjustments	(56,515)	-	(56,515)
Net Cash Provided/(Used) by Operating Activities	\$ (661,649)	\$ 199	\$ (661,450)

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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, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES					TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
Cash	\$ -	\$ 74,017	\$ 18,987	\$ -	\$ -	\$ 93,004
Accounts Receivable:						
Interfund Accounts Receivable	-	-	-	2,926	-	2,926
Intergovernmental - Other	235,361	3	-	63,761	-	299,125
Other Accounts Receivable	6	-	-	-	-	6
<b>Total Assets</b>	<b>235,367</b>	<b>74,020</b>	<b>18,987</b>	<b>66,687</b>	<b>395,061</b>	
<b>LIABILITIES</b>						
Cash Deficit	222,399	-	-	66,687	-	289,086
Accounts Payable	12,968	-	-	-	-	12,968
Interfund Accounts Payable	-	74,020	18,987	-	-	93,007
<b>Total Liabilities</b>	<b>235,367</b>	<b>74,020</b>	<b>18,987</b>	<b>66,687</b>	<b>395,061</b>	
<b>NET POSITION</b>						
Unrestricted Net Position	-	-	-	-	-	-
<b>Total Net Position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**KINGSWAY REGIONAL SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
AS OF JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES					TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES		
<b>OPERATING REVENUES:</b>						
Local Sources:						
Transportation Fees	\$ 1,769,346	\$ -	\$ -	\$ -	\$ -	\$ 1,769,346
Shared Service Fees	56,694	61,800	103,385	172,861	-	394,740
Total Operating Revenue	1,826,040	61,800	103,385	172,861	-	2,164,086
<b>OPERATING EXPENSES:</b>						
Salaries	609,809	61,800	103,325	156,476	-	931,410
Employee Benefits	113,494	-	-	-	-	113,494
Cleaning, Repair & Maintenance Services	-	-	-	-	-	-
Aid in Lieu of Transportation	1,047,472	-	-	-	-	1,047,472
Miscellaneous Purchased Services	92,593	-	-	-	-	92,593
Supplies & Materials	40,587	-	-	21,403	-	61,990
Total Operating Expenses	1,903,955	61,800	103,325	177,879	-	2,246,959
Net Income/(Loss)	(77,915)	-	60	(5,018)	-	(82,873)
Other Financing Sources/(Uses):						
Operating Transfer In/(Out):	77,915	-	(60)	5,018	-	82,873
Transfer to General Fund	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	77,915	-	(60)	5,018	-	82,873
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, 2021**

	GOVERNMENTAL ACTIVITIES				TOTAL
	TRANSPORTATION SERVICES	MAINTENANCE SERVICES	GENERAL ADMINISTRATION	TECHNOLOGY SERVICES	
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 1,782,761	\$ 62,008	\$ 103,385	\$ 144,810	\$ 2,092,964
Payments to Employees	(609,809)	(61,800)	(103,265)	(158,568)	(933,442)
Payments for Employee Benefits	(113,494)	-	-	-	(113,494)
Payments to Suppliers	(1,915,249)	-	-	(21,403)	(1,936,652)
Net Cash Provided/(Used) by Operating Activities	(855,791)	208	120	(35,161)	(890,624)
Cash Flows From Noncapital Financing Activities:					
Transfer to General Fund	77,915	-	(60)	5,018	82,873
Net Cash Provided by Noncapital Financing Activities	77,915	-	(60)	5,018	82,873
Net Increase/(Decrease) in Cash & Cash Equivalents	(777,876)	208	60	(30,143)	(807,751)
Cash & Cash Equivalents, July 1	555,477	73,809	18,927	(36,544)	611,669
Cash & Cash Equivalents, June 30	\$ (222,399)	\$ 74,017	\$ 18,987	\$ (66,687)	\$ (196,082)
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:</b>					
Reconciliation of Operating Income (Loss) to Cash Provided/(Used) by Operating Activities:	\$ (77,915)	\$ -	\$ 60	\$ (5,018)	\$ (82,873)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:					
Change in Assets & Liabilities:					
(Increase)/Decrease in Accounts Receivable	(43,279)	208	-	(25,125)	(68,196)
Increase/(Decrease) in Interfund Payable	(738,303)	-	60	(2,092)	(740,335)
Increase/(Decrease) in Accounts Payable	3,706	-	-	-	3,706
Total Adjustments	(777,876)	208	60	(30,143)	(807,751)
Net Cash Provided/(Used) by Operating Activities	\$ (855,791)	\$ 208	\$ 120	\$ (35,161)	\$ (890,624)

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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, 2021**

	DATE OF	AMOUNT OF	ANNUAL MATURITY	INTEREST	BALANCE JUNE 30, 2020	ISSUED	REFUNDED	REDEEMED	BALANCE JUNE 30, 2021
Series 2012 Additions & Renovations of Existing School	1/18/2012	22,659,000	02/01/2022	2.500%	\$ 17,274,000	\$ -	\$ 15,749,000	\$ 750,000	\$ 775,000
Series 2012 Refunding Bonds of 08/17/2004 Issue	1/27/2012	5,935,000	01/15/22 01/15/23 01/15/24	2.500% 3.000% 3.831%	2,390,000	-	-	615,000	1,775,000
Series 2014 Refunding Bonds of 05/15/05 Issue	12/4/2014	8,750,000	03/01/22 03/01/23 03/01/24	3.000% 4.000% 5.000%	4,300,000	-	-	1,025,000	3,275,000
Series 2016 Refunding Bonds of 11/21/06 Issue	10/20/2016	8,190,000	01/15/25 01/15/26 01/15/27 01/15/28 01/15/29 01/15/30 01/15/31	4.000% 4.000% 4.000% 3.000% 3.000% 3.000% 3.000%	8,170,000	-	-	-	8,170,000
Series 2020 Refunding Bonds of 1/18/2012 Issue	12/30/2020	16,625,000	02/01/22 02/01/23 02/01/24 02/01/25 02/01/26 02/01/27 02/01/28 02/01/29 02/01/30 02/01/31 02/01/32 02/01/33 02/01/34 02/01/35 02/01/36 02/01/37	0.469% 0.577% 0.773% 0.923% 1.198% 1.328% 1.633% 1.753% 1.833% 2.023% 2.093% 2.243% 2.323% 2.423% 2.673% 2.773%	-	16,625,000	-	165,000	16,460,000
<b>Total</b>					\$ 32,134,000	\$ 16,625,000	\$ 15,749,000	\$ 2,555,000	\$ 30,455,000

**KINGSWAY REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2021**

SERIES	DATE OF LEASE	TERM OF LEASE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2020	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2021
Technology Equipment	8/17/18	3 Years	3.27%	\$ 266,980	\$ 180,834	\$ -	\$ 88,963	\$ 91,871
Lease Purchase Agreement	7/01/19	5 Years	2.37%	\$ 1,600,000	1,600,000	-	304,278	1,295,722
<b>Total</b>					<b>\$ 1,780,834</b>	<b>\$ -</b>	<b>\$ 393,241</b>	<b>\$ 1,387,593</b>



**KINGSWAY REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,171,632	\$ -	\$ 2,171,632	\$ 2,171,632	\$ -
State Sources:					
Debt Service Aid Type II	526,965	-	526,965	526,965	-
Miscellaneous	749,606	-	749,606	758,724	9,118
Total Revenues	3,448,203	-	3,448,203	3,457,321	9,118
Expenditures:					
Regular Debt Service:					
Interest	1,058,597	(165,000)	893,597	837,183	56,414
Principal	2,390,000	165,000	2,555,000	2,555,000	-
Expense of Refunding Bonds	-	-	-	148,714	(148,714)
Total Expenditures	3,448,597	-	3,448,597	3,540,897	(92,300)
Other Financing Sources/(Uses):					
Proceeds of Refunding Bonds	-	-	-	16,625,000	16,625,000
Deposit to Refunding Escrow	-	-	-	(16,476,286)	(16,476,286)
Total Other Financial Sources/(Uses)	-	-	-	148,714	148,714
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(394)	-	(394)	65,138	65,532
Fund Balance July 1	395	-	395	395	-
Fund Balance June 30	\$ 1	\$ -	\$ 1	\$ 65,533	\$ 65,532

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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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 25,937,803	\$ 24,920,116	\$ 21,168,090	\$ 19,856,311	\$ 19,475,201	\$ 17,827,660	\$ 17,607,415	\$ 16,354,079	\$ 8,717,235	\$ 9,449,419
Restricted	5,108,442	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
Unrestricted	(16,132,674)	(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)
<b>Total Governmental Activities</b>	<b>\$ 14,913,571</b>	<b>\$ 11,933,201</b>	<b>\$ 11,443,367</b>	<b>\$ 10,882,428</b>	<b>\$ 12,884,169</b>	<b>\$ 22,334,190</b>	<b>\$ 22,473,081</b>	<b>\$ 19,991,798</b>	<b>\$ 10,419,108</b>	<b>\$ 11,121,207</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 143,977	\$ 162,482	\$ 132,102	\$ 123,469	\$ 100,476	\$ 10,215	\$ 10,762	\$ 41,293	\$ 74,322	\$ 106,667
Unrestricted	509,036	234,062	977,835	878,083	361,896	391,020	275,518	218,608	129,752	38,542
<b>Total Business-Type Activities</b>	<b>\$ 653,013</b>	<b>\$ 396,544</b>	<b>\$ 1,109,937</b>	<b>\$ 1,001,552</b>	<b>\$ 462,372</b>	<b>\$ 401,235</b>	<b>\$ 286,280</b>	<b>\$ 259,901</b>	<b>\$ 204,074</b>	<b>\$ 145,209</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 26,081,780	\$ 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
Restricted	5,108,442	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
Unrestricted	(15,623,638)	(16,592,242)	(14,136,934)	(13,864,230)	(9,508,141)	1,491,165	415,481	271,948	(902,088)	(1,198,362)
<b>Total District Net Position</b>	<b>\$ 15,566,584</b>	<b>\$ 12,329,745</b>	<b>\$ 12,553,304</b>	<b>\$ 11,883,980</b>	<b>\$ 13,346,541</b>	<b>\$ 22,735,425</b>	<b>\$ 22,759,361</b>	<b>\$ 20,251,699</b>	<b>\$ 10,623,182</b>	<b>\$ 11,266,416</b>

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 15,513,255	\$ 14,771,794	\$ 14,265,494	\$ 12,871,811	\$ 14,702,463	\$ 12,536,245	\$ 11,978,588	\$ 11,243,222	\$ 7,878,158	\$ 8,763,250
Special Education	4,880,177	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
Other Instruction	9,015	9,191	49,609	45,609	5,352	5,992	401	4,850	56,162	31,261
School Sponsored	1,123,581	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
Support Services:										
Tuition	2,292,524	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
Student & Instruction Related Services	5,850,528	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
School Administrative Services	1,698,848	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
General & Business Administrative Services	712,212	721,731	830,930	756,642	857,522	717,954	682,990	618,884	537,466	439,397
Central Office & Technology Services	1,152,151	1,131,992	1,094,223	1,002,334	856,912	748,669	825,133	584,884	569,573	626,864
Plant Operations & Maintenance	4,026,537	3,894,938	3,638,924	3,474,201	3,840,177	3,790,087	3,137,022	3,171,687	2,528,095	2,711,376
Pupil Transportation	4,815,052	5,139,675	4,965,163	4,602,728	4,564,605	3,702,236	3,156,947	3,112,014	2,821,829	3,080,396
Allocated Benefits	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	11,180,310	7,669,931	9,855,809	13,142,094	-	-	-	-	4,408,279	4,716,007
On Behalf TPAP Pension and Social	-	-	-	-	231,294	417,609	(94,013)	265,957	1,940,708	1,686,111
Transfer to Charter School	76,413	83,215	-	3,720	-	-	-	-	-	-
Interest on Long-Term Debt	695,713	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
Unallocated Depreciation	1,681,705	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
Capital Asset Adjustment	-	-	-	-	-	-	-	72,143	-	-
Amortization of Debt Issuance Costs	-	-	-	-	-	-	102,268	75,192	-	-
Unallocated Compensated Absences	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	\$ 55,708,021	\$ 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
Business-Type Activities:										
Community Education Program	6,856	535,781	200,567	169,482	42,755	13,266	16,409	13,832	2,912	-
Food Service	687,462	1,112,474	1,307,707	1,301,292	1,208,748	1,155,055	1,046,087	1,042,778	1,003,315	949,241
Total Business-Type Activities Expense	\$ 694,318	\$ 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
Total District Expenses	\$ 56,402,339	\$ 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
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Pupil Transportation	\$ 2,164,086	\$ 2,202,388	\$ 2,258,461	\$ 2,259,712	\$ 1,961,651	\$ 1,742,380	\$ 1,165,354	\$ 1,049,912	\$ 1,134,114	\$ 1,184,917
Operating Grants & Contributions	12,360,285	7,004,248	9,930,074	12,753,880	5,315,795	456,633	436,803	449,711	-	-
Capital Grants & Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	\$ 14,524,371	\$ 9,206,636	\$ 12,188,535	\$ 15,013,592	\$ 7,277,446	\$ 2,199,013	\$ 1,602,157	\$ 1,554,623	\$ 2,077,335	\$ 2,276,250
Business-Type Activities:										
Charges for Services:										
Community Education Program	7,055	20,455	294,655	266,865	93,098	30,026	28,854,000	26,378,000	13,615,000	-
Food Service	82,328	673,597	1,037,035	1,081,096	965,864	962,521	842,295	837,864	872,766	822,769
Technology Services	-	-	-	-	-	-	-	16,522,000	-	-
Operating Grants & Contributions	861,404	240,790	284,969	299,342	257,626	291,482	255,493	230,539	180,597	172,749
Total Business-Type Activities Program Revenues	\$ 950,787	\$ 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
Total District Program Revenues	\$ 15,475,158	\$ 10,141,478	\$ 13,805,194	\$ 16,660,895	\$ 8,594,034	\$ 3,483,042	\$ 2,728,799	\$ 2,665,926	\$ 3,144,313	\$ 3,271,768

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (41,183,650)	\$ (41,886,789)	\$ (39,222,840)	\$ (36,678,598)	\$ (34,741,563)	\$ (35,558,579)	\$ (32,098,491)	\$ (31,448,790)	\$ (29,566,115)	\$ (30,254,791)
Business-Type Activities	256,469	(713,413)	108,385	176,529	65,085	115,708	64,446	54,693	60,751	46,277
<b>Total District-Wide Net Expense</b>	<b>\$ (40,927,181)</b>	<b>\$ (42,600,202)</b>	<b>\$ (39,114,455)</b>	<b>\$ (36,502,069)</b>	<b>\$ (34,676,478)</b>	<b>\$ (35,442,871)</b>	<b>\$ (32,034,045)</b>	<b>\$ (31,394,097)</b>	<b>\$ (29,505,364)</b>	<b>\$ (30,208,514)</b>
<b>General Revenues &amp; Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 23,030,609	\$ 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
Taxes Levied for Debt Service	2,171,632	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
Unrestricted Grants & Contributions	13,858,473	13,035,628	11,804,253	9,770,230	9,970,427	11,491,582	11,779,848	18,533,839	8,883,640	7,343,432
Federal & State Aid Restricted	526,965	481,081	500,492	522,864	500,492	522,864	-	-	-	-
Tuition Received	3,097,863	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
Rents and Royalties	1,225	39,846	79,120	81,636	77,121	-	-	-	-	-
Investment Earnings	-	17,001	23,011	5,726	6,623	7,098	11,659	-	39,178	88,375
Miscellaneous Income	1,010,799	614,319	461,158	327,081	227,960	350,533	319,044	379,629	269,421	173,387
Transportation Fees from Other LEAs Within State	-	-	1,983	1,534	-	-	-	57,034	15,912	199,122
Transfers	-	-	-	-	-	-	-	-	-	425,600
Cancellation of Account Receivables/ Payables	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Compensated Absences	-	-	-	-	-	14,956	(583)	-	-	-
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	-	-	-	(32,419)	11,240
<b>Total Governmental Activities</b>	<b>43,697,566</b>	<b>41,195,384</b>	<b>39,783,779</b>	<b>36,912,810</b>	<b>35,049,068</b>	<b>35,695,856</b>	<b>35,163,252</b>	<b>39,980,714</b>	<b>28,864,016</b>	<b>28,514,707</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	50	948	1,627	1,383	850	867
Transfers	-	-	-	-	1,386	-	-	-	-	(425,600)
Net (Increase)/Decrease in Capital Assets	-	-	-	-	-	-	-	-	-	-
Net (Increase)/Decrease in Compensated Absences	-	-	-	-	(5,334)	(6,090)	(22,872)	(248)	(2,737)	(3,262)
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>(3,948)</b>	<b>(753)</b>	<b>(21,245)</b>	<b>1,135</b>	<b>(1,887)</b>	<b>(427,037)</b>
<b>Total District-Wide</b>	<b>\$ 43,697,566</b>	<b>\$ 41,195,404</b>	<b>\$ 39,783,779</b>	<b>\$ 36,912,860</b>	<b>\$ 35,045,120</b>	<b>\$ 35,695,103</b>	<b>\$ 35,142,007</b>	<b>\$ 39,981,849</b>	<b>\$ 28,862,129</b>	<b>\$ 28,087,670</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 2,513,916	\$ (691,405)	\$ 560,939	\$ 234,212	\$ 307,705	\$ 137,277	\$ 2,464,761	\$ 8,531,924	\$ (702,099)	\$ (1,740,084)
Business-Type Activities	256,469	(713,393)	108,385	176,579	61,137	114,955	42,901	55,828	58,864	(380,760)
<b>Total District</b>	<b>\$ 2,770,385</b>	<b>\$ (1,404,798)</b>	<b>\$ 669,324</b>	<b>\$ 410,791</b>	<b>\$ 368,842</b>	<b>\$ 252,232</b>	<b>\$ 2,507,662</b>	<b>\$ 8,587,752</b>	<b>\$ (643,235)</b>	<b>\$ (2,120,844)</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Fund:</b>										
Restricted	\$ 3,967,121	\$ 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
Assigned	74,037	58,884	-	-	87,149	87,149	319,627	-	-	-
Committed	294,921	164,676	254,820	185,393	-	-	-	-	-	-
Unassigned	(765,482)	(278,836)	(65,869)	(53,132)	-	-	-	-	759,943	552,731
<b>Total General Fund</b>	<b>\$ 3,570,597</b>	<b>\$ 2,437,191</b>	<b>\$ 3,542,177</b>	<b>\$ 3,782,910</b>	<b>\$ 3,639,778</b>	<b>\$ 3,961,125</b>	<b>\$ 4,725,703</b>	<b>\$ 3,584,379</b>	<b>\$ 3,488,452</b>	<b>\$ 3,411,423</b>
<b>All Other Governmental Funds:</b>										
Restricted	\$ 983,170	\$ 926,439	\$ 2,032,617	\$ 2,137,781	\$ 2,392,330	\$ 2,513,829	\$ 3,777,425	\$ 25,422,409	\$ 5,204	\$ 50,000
Committed	92,618	420,088	-	-	-	131,008	4,424,528	-	-	-
Unassigned, Reported in:										
Capital Projects Fund	-	-	-	-	-	-	-	-	(299,600)	(449,600)
Debt Service Fund	65,533	395	4,203	-	111,017	47,162	47,162	-	-	5,204
<b>Total All Other Governmental Funds</b>	<b>\$ 1,141,321</b>	<b>\$ 1,346,922</b>	<b>\$ 2,036,820</b>	<b>\$ 2,137,781</b>	<b>\$ 2,503,347</b>	<b>\$ 2,691,999</b>	<b>\$ 8,249,115</b>	<b>\$ 25,422,409</b>	<b>\$ (294,396)</b>	<b>\$ (394,396)</b>



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues:</b>										
Taxes Local	\$ 25,202,241	\$ 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
Tuition Charges	3,097,863	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
Transportation	1,225	40,425	81,103	83,170	77,121	-	-	57,034	15,912	199,122
Miscellaneous	1,010,799	281,320	484,169	332,807	234,583	357,631	330,703	379,629	308,599	261,762
Local Sources	-	-	-	-	-	-	-	-	9,625	8,407
State Sources	20,965,184	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
Federal Sources	1,071,872	637,429	648,235	602,026	547,794	454,004	431,001	729,186	717,516	1,673,401
<b>Total Revenue</b>	<b>51,349,184</b>	<b>46,537,142</b>	<b>45,259,437</b>	<b>41,755,011</b>	<b>37,753,981</b>	<b>36,137,533</b>	<b>35,600,638</b>	<b>40,430,425</b>	<b>31,014,737</b>	<b>29,290,493</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	12,180,965	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
Special Education Instruction	4,085,815	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
Other Instructional	9,015	9,191	49,609	45,609	5,352	5,992	401	4,850	56,162	31,261
School Sponsored	1,026,076	1,117,848	1,068,922	988,330	1,075,858	1,078,460	1,047,621	970,645	663,092	804,335
Support Services:										
Tuition	2,292,524	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
Student & Instruction Related Services	4,716,185	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
School Administrative Services	1,584,513	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
General & Business Administration Services	1,483,359	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
Plant Operations & Maintenance	3,302,277	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
Pupil Transportation	2,776,567	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
Allocated Benefits	-	-	-	5,145,365	4,891,551	4,037,238	4,037,238	4,489,690	4,408,279	4,716,007
Unallocated Benefits	6,369,625	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
On Behalf TPAF Pension and Social Security Contributions	6,595,880	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)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenditures (continued):										
Capital outlay	796,826	3,538,996	1,342,528	706,935	883,562	7,003,439	18,356,424	6,160,542	2,233,077	776,393
Debt service:										
Principal	2,555,000	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
Interest & Other Charges	1,102,634	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
Total Expenditures	50,877,261	50,170,831	45,954,307	38,966,357	38,456,562	42,621,621	51,902,853	36,817,537	32,340,334	31,326,373
Excess (Deficiency) of Revenues Over/(Under) Expenditures	471,923	(3,633,689)	(694,870)	2,788,654	(702,581)	(6,484,088)	(16,302,215)	3,612,888	(1,325,597)	(2,035,880)
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	(16,476,286)	1,600,000	266,980	-	(9,638,664)	14,956	15,550	-	-	-
Proceeds Refunding Bond	16,625,000	-	-	-	9,736,442	-	(16,133)	-	-	-
Transfers to Charter School	(76,413)	(83,215)	-	(3,720)	-	-	-	-	-	-
Transfers in	1,628,368	2,986,980	86,196	33,940	94,804	147,438	151,392	-	150,001	480,803
Transfers Out	(1,711,241)	(2,664,960)	-	-	-	-	(34,164)	-	(1)	(55,203)
Total Other Financing Sources/ (Uses)	(10,572)	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	\$ 461,351	\$ (1,794,884)	\$ (341,694)	\$ 2,818,874	\$ (509,999)	\$ (6,321,694)	\$ (16,031,970)	\$ 26,417,888	\$ 324,403	\$ (1,610,280)
Debt Service as a Percentage of Noncapital Expenditures	7.30%	7.46%	7.98%	9.25%	9.77%	10.09%	11.07%	8.24%	8.39%	7.76%

Source: District Records

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

FISCAL YEAR ENDING JUNE 30,	FACILITY USAGE	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	SPORTING EVENTS GATE RECEIPTS	DRIVER'S EDUCATION FEES	STUDENT PARTICIPATION FEES	MISCELLANEOUS	TOTAL
2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 285,997	\$ 285,997
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

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 VALUE	TOTAL DIRECT SCHOOL TAX RATE	ACTUAL (COUNTY EQUALIZED) VALUE
<b>East Greenwich Township</b>												
2021	\$ 31,792,100	\$ 1,099,269,000	\$ 22,182,500	\$ 1,828,700	\$ 38,725,600	\$ 34,705,700	\$ 1,299,000	\$ 1,229,802,600	\$ -	\$ 1,229,802,600	1.914	\$ 1,311,929,379
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	1,036,998,200	1,266,142	1,038,264,342	1.876	1,079,297,686
2013	17,930,100	910,807,400	23,975,400	2,749,200	54,269,400	16,952,500	2,159,800	1,030,313,997	1,470,197	1,031,784,194	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
<b>South Harrison Township</b>												
2021	6,995,800	318,576,400	38,673,100	3,233,900	22,808,600	-	-	390,287,800	-	390,287,800	1.870	453,401,255
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	-	-	371,817,900	506,452	372,324,352	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
<b>Borough of Swedesboro</b>												
2021	1,229,700	135,553,500	18,974,200	10,600	28,742,000	3,203,800	2,330,700	171,070,300	-	171,070,300	2.308	197,517,954
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	18,108,900	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	18,242,300	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	18,471,800	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	135,524,200	19,670,300	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
<b>Woolwich Township</b>												
2021	21,642,700	1,158,315,500	18,974,200	3,579,600	68,030,900	50,195,510	50,161,000	1,370,899,410	-	1,370,899,410	2.104	1,481,572,906
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	15,861,400	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	1,133,680,200	-	1,133,680,200	2.326	1,234,884,068
2016	13,795,200	956,623,700	19,670,300	4,242,400	51,386,700	42,884,800	32,801,500	1,121,404,600	1,719,044	1,123,123,644	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	1,163,596,438
2014	17,421,300	923,944,400	18,481,400	4,344,600	51,771,100	44,073,200	22,229,800	1,084,166,962	1,901,162	1,086,068,124	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

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	
<b>East Greenwich Township</b>								
2021	1.189	0.725	1.914	0.320	0.664	0.046	0.041	2.985
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
<b>South Harrison Township</b>								
2021	1.082	0.788	1.870	0.262	0.702	0.049	0.043	2.926
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
<b>Borough of Swedesboro</b>								
2021	1.324	0.984	2.308	1.090	0.717	0.050	0.044	4.209
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
<b>Woolwich Township</b>								
2021	1.243	0.861	2.104	0.531	0.664	0.046	0.041	3.386
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

Source: Gloucester County Abstract of Ratable;

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

	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
<b>EAST GREENWICH TOWNSHIP</b>				
South Shore Properties LLC	\$ 7,018,500	0.58%		
TA Operating LLC	5,680,000	0.47%		
Nar Farms LLC	4,358,700	0.36%		
Columbia Gas Transmission Co	3,606,400	0.30%		
Storage World of NJ LLC	3,550,000	0.29%		
Legacy at East Greenwich LLC	3,395,100	0.28%		
Saint Gobain Performance Plastics Co	3,000,000	0.25%		
Transcontinental Gas Pipeline Co	2,464,700	0.20%		
Kampgrounds of America Inc	2,386,200	0.20%		
Summer Skye LLC	2,244,600	0.19%		
Travelers Co of America			4,446,000	0.44%
Saint Gobain Performance Plastics Co			3,815,700	0.37%
Colonial Pipeline Co			3,538,200	0.35%
Columbia Gas Transmission Co			3,520,500	0.35%
Wilson & Wilson			3,211,100	0.32%
Mt Royal Plaza Real Estate Inc			2,587,200	0.25%
Transcontinental Gas Pipeline Co			2,351,500	0.23%
Storage World of NJ LLC			2,281,000	0.22%
Summer Skye LLC			2,066,700	0.20%
Beazer Homes			1,829,600	0.18%
<b>Total</b>	<b>\$ 37,704,200</b>	<b>3.11%</b>	<b>\$ 29,647,500</b>	<b>2.91%</b>
<b>SOUTH HARRISON TOWNSHIP</b>				
Mullica Hill Group Co LLC	\$ 3,115,000	0.80%		
Taxpayer #1	2,769,700	0.71%		
Mullica Hill Group Companies LLC	2,533,600	0.65%		
American Tower Asset Sub LLC TX Dep	2,416,900	0.62%		
Taxpayer #2	2,200,000	0.56%		
Taxpayer #3	2,171,000	0.56%		
South Harrison 500 Associates LLC	2,160,000	0.55%		
554 Route 538 LLC	2,021,300	0.52%		
Taxpayer #4	1,293,900	0.33%		
Taxpayer #5	1,188,000	0.30%		
Taxpayer #1			3,580,300	0.88%
C&F Family Limited Partnership			3,394,800	0.84%
Taxpayer #2			3,304,400	0.81%
Taxpayer #3			2,467,400	0.61%
Taxpayer #4			2,170,500	0.53%
Robert J. Pacilli Investment Inc			2,100,000	0.52%
Taxpayer #5			1,962,100	0.48%
American Tower Asset Sub LLC TX Dep			1,897,200	0.47%
Gres & Kaluzny Land Development			1,600,200	0.39%
Taxpayer #6			1,420,600	0.35%
<b>Total</b>	<b>\$ 21,869,400</b>	<b>5.60%</b>	<b>\$ 23,897,500</b>	<b>5.89%</b>

Source: Municipal Tax Assessor

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

TAXPAYERS	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUE
<b>BOROUGH OF SWEDESBORO</b>				
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	1,590,000	0.92%		
Russo Rentals	1,505,600	0.87%		
Botto Sons LLC	1,389,700	0.81%		
Green Bucket LLC	1,308,600	0.76%		
Swedesboro Housing LTD Partnership	1,275,000	0.74%		
Racoon Creek LLC	950,000	0.55%		
East Ocean Kingdom LLC	700,000	0.41%		
D&D Properties of Swedesboro Inc			2,988,500	1.56%
NJ Bell Telephone Co			2,354,496	1.23%
Botto Sons LLC			1,948,700	1.02%
Taxpayer #1			1,895,300	0.99%
Swedesboro Housing LTD Partnership			1,693,800	0.88%
Raccoon Creek LLC			1,634,800	0.85%
Russo Rentals			1,577,700	0.82%
Bank of America			1,191,600	0.62%
R&R Real Estate LLC			1,044,100	0.54%
Taxpayer #2			974,300	0.51%
<b>Total</b>	<b>\$ 17,034,700</b>	<b>9.89%</b>	<b>\$ 17,303,296</b>	<b>9.02%</b>
<b>WOOLWICH TOWNSHIP</b>				
Pond View @ Westbrook LLC	\$ 28,899,000	2.14%		
Westbrook at Weatherby LLC	21,262,000	1.58%		
Liberty Venture LP C/O Prologis LP	20,910,210	1.55%		
USF Propco II LLC	8,807,000	0.65%		
Liberty Property LP C/O Prologis L	8,123,800	0.60%		
Columbia Gas C/O Tax Dept	7,766,600	0.58%		
JMJ Warehouse Assoc & 52 Locke Ave	6,315,000	0.47%		
Raab Family Partnership LP	5,700,000	0.42%		
Columbia Gas C/O Tax Dept	5,585,300	0.41%		
SBF I Properties LLC	3,801,800	0.28%		
Westbrook at Weatherby LLC			\$ 7,701,100	1.22%
Columbia NJ Commodore Ind			7,209,600	1.14%
Columbia Gas Transmissions			3,913,000	0.62%
USF Propco LLC			3,740,300	0.59%
JMJ Warehouse Associates			3,549,400	0.56%
Pond View @ Westbrook LLC			3,429,100	0.54%
Liberty Property Limited Partnership			3,174,700	0.50%
Auburn Road Associates LLC			2,063,800	0.33%
Beazer Homes Corp			2,022,800	0.32%
K Hovnanian @ Woolwich Twp LLC			1,805,500	0.28%
<b>Total</b>	<b>\$ 117,170,710</b>	<b>8.70%</b>	<b>\$ 38,609,300</b>	<b>6.10%</b>

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	
<b>East Greenwich Township</b>				
2021	8,830,753	8,830,753	100.00%	-
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%	-
<b>South Harrison Township</b>				
2021	3,072,416	3,072,416	100.00%	-
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%	-
<b>Borough of Swedesboro</b>				
2021	1,630,672	1,630,672	100.00%	-
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%	-
<b>Woolwich Township</b>				
2021	11,668,400	11,668,400	100.00%	-
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%	-



**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			
2021	\$ 30,455,000	\$ -	\$ 1,387,593	\$ 31,842,593	N/A	N/A
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

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		
2021	\$ 30,455,000	\$ -	\$ 30,455,000	N/A	N/A
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

**KINGSWAY REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2021**

<u>Governmental Unit</u>	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
<b>Debt Repaid With Property Taxes:</b>			
East Greenwich Township	\$ 13,437,000	100.00%	\$ 13,437,000
South Harrison Township	-	100.00%	-
Swedesboro Borough	2,699,755	100.00%	2,699,755
Woolwich Township	37,155,306	100.00%	37,155,306
<b>Other Debt:</b>			
County of Gloucester	173,810,000	<u>Net County Apportioned</u>	
East Greenwich Township		1,229,802,600	4.600%
South Harrison Township		390,287,800	1.460%
Swedesboro Borough		171,070,300	0.640%
Woolwich Township		1,370,899,410	5.128%
			<u>8,912,817</u>
Subtotal, Overlapping Debt			73,849,997
Kingsway Regional School District Debt			<u>30,455,000</u>
		<u>County Total</u>	
		26,734,088,060	
Total Direct & Overlapping Debt			<u><u>\$ 104,304,997</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$ 110,760,382	\$ 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	30,455,000	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	\$ 80,305,382	\$ 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	27.50%	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 2021**

	Equalized Valuation Basis			Total
	East Greenwich	South Harrison	Swedesboro	
2021	1,229,802,600	390,287,800	171,070,300	\$ 3,161,860,110
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
				\$ 9,493,747,055
Average Equalized Valuation of Taxable Property				\$ 3,164,582,352
Debt Limit (3.5 % of Average Equalization Value)				\$ 110,760,382
Net Bonded School Debt				30,455,000
Legal Debt Margin				\$ 80,305,382

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

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

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
<b>East Greenwich</b>			
2021	N/A	N/A	N/A
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%
<b>South Harrison</b>			
2021	N/A	N/A	N/A
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%
<b>Swedesboro Borough</b>			
2021	N/A	N/A	N/A
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%
<b>Woolwich</b>			
2021	N/A	N/A	N/A
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%

**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**

	2021		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Amazon	4,500	1	3.28%
Rowan University	3,500	2	2.55%
Inspira Health	2,051	3	1.50%
Jefferson Health	2,015	4	1.47%
Washington Township School District	1,515	5	1.11%
Shop Rite	1,300	6	95.00%
County of Gloucester	1,200	7	0.88%
US Foodservices	1,014	8	0.75%
Monrow Township School District	841	9	0.61%
Walmart - Turnersville	800	10	0.58%
	18,736		13.67%

EMPLOYER	2012		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK (OPTIONAL)	
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	10,989		N/A

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	177.5	173.0	160.5	151.5	148.0	149.0	149.0	144.0	136.0	127.0
Special Education	72.0	72.0	67.0	59.0	58.0	58.0	56.0	55.0	48.0	51.0
Other Instruction	0.0	0.0	0.0	0.0	8.0	8.0	8.0	8.0	2.0	3.0
Athletics & Extra-Curricular	2.0	2.0	3.0	2.0	3.0	3.0	3.0	3.0	3.0	
Support Services:										
Student & Instruction Related Services	42.0	43.5	37.0	36.5	36.0	37.0	35.0	36.0	40.0	27.5
School Administrative Services	16.0	16.0	15.0	17.0	18.0	18.0	17.0	15.0	16.0	15.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	2.0	2.0
Plant Operations & Maintenance	40.0	36.0	33.0	33.0	36.0	36.0	36.0	36.0	30.0	27.0
Pupil Transportation	32.0	42.0	49.0	47.0	48.0	48.0	48.0	44.0	42.0	33.0
Business & Other Support Services	13.0	12.0	12.0	10.0	11.0	11.0	11.0	10.0	10.0	8.0
Food Service	14.0	25.0	26.0	27.0	28.0	28.0	28.0	24.0	24.0	24.0
<b>Total</b>	<b>410.5</b>	<b>423.5</b>	<b>404.5</b>	<b>385.0</b>	<b>396.0</b>	<b>398.0</b>	<b>393.0</b>	<b>378.0</b>	<b>353.0</b>	<b>317.5</b>

**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				
2021	2,809	\$ 44,646,230	15,894	19.28%	224	1.13	1.13	1.13	2,793.6	2,628.0	-0.03%	94.10%
2020	2,810	37,444,509	13,325	-9.94%	219	1.13	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	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	1.17	2,706.2	2,562.5	1.60%	94.69%
2017	2,691	35,266,863	13,105	(0.02)	183	1.14	1.17	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	1.14	2,555.9	2,427.0	1.34%	94.96%
2015	2,534	33,342,831	13,158	0.03	183	1.13	1.14	1.14	2,522.0	2,407.0	3.27%	95.44%
2014	2,463	31,569,386	12,817	0.03	175	1.14	1.15	1.15	2,442.1	2,311.4	4.82%	94.65%
2013	2,365	29,468,444	12,460	0.03	167	1.22	1.23	1.23	2,329.9	2,189.9	3.03%	93.99%
2012	2,284	27,682,627	12,120	0.04	152	1.25	1.24	1.24	2,261.3	2,121.3	1.31%	93.81%

**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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
High School (Grades 9-12)										
Square Feet	259,484	259,484	259,484	259,484	259,484	259,484	259,484	222,351	222,351	222,351
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	2,000	2,000	1,454	1,454	1,454
Enrollment	1,784	1,774	1,740	1,750	1,771	1,685	1,664	1,597	1,540	1,504
Middle School (Grades 7-8)										
Square Feet	146,888	146,888	146,888	146,888	146,888	146,888	146,888	104,436	104,436	104,436
Capacity (Students)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	800	800	800
Enrollment	1,025	1,036	987	963	920	882	870	866	825	780

Number of Schools at June 30, 2021:  
 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,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District Facilities:										
Kingsway Regional Middle School	\$ 184,838	\$ 173,376	\$ 161,845	\$ 128,664	\$ 158,313	\$ 141,328	\$ 191,300	\$ 141,108	\$ 125,202	\$ 24,650
Kingsway Regional High School	324,927	383,674	256,600	234,421	227,482	269,720	278,942	320,229	202,997	73,535
<b>Total School Facilities</b>	<b>\$ 509,765</b>	<b>\$ 557,050</b>	<b>\$ 418,445</b>	<b>\$ 363,085</b>	<b>\$ 385,795</b>	<b>\$ 411,048</b>	<b>\$ 470,242</b>	<b>\$ 461,337</b>	<b>\$ 328,199</b>	<b>\$ 98,185</b>

\* 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, 2021**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy (1)</b>		
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
<b>Data Breach &amp; Privacy Security Liability (2)</b>	1,000,000	-
<b>Student Accident Insurance (3)</b>		
Base	25,000	500
Catastrophic	2,500,000	25,000
<b>Umbrella Liability (4)</b>	10,000,000	-
<b>Surety Bonds (5)</b>		
Business Administrator/Board Secretary	250,000	-
<b>Workmen's Compensation (6)</b>	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 High School District  
County of Gloucester  
Woolwhich, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Kingsway Regional High School District (the "School District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 3, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing 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 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 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 financial statements. 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 one instance 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 and are described in the accompanying schedule of findings and questioned costs as Finding 2021-001.

## **School District's Response to Findings**

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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  
March 3, 2022





**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Kingsway Regional High School District’s (the “School District”) 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, 2021. The 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 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.

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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 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, 2021.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the 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*

A handwritten signature in black ink that reads "Michael Holt". The signature is written in a cursive, slightly slanted style.

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

Medford, New Jersey  
March 3, 2022

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**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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, 2021	MEMO	
				JUNE 30, 2020	JUNE 30, 2021						BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b>State Department of Education:</b>												
General Fund:												
State Aid Public:												
Equalization Aid	495-034-5120-078	\$ 9,664,908	7/1/20-6/30/21	\$ -	\$ 9,664,908	\$ (9,664,908)	\$ -	\$ -	\$ -	\$ 908,811	\$ 9,664,908	
Special Education Categorical Aid	495-034-5120-089	2,148,364	7/1/20-6/30/21	-	2,148,364	(2,148,364)	-	-	-	202,015	2,148,364	
Security Aid	495-034-5120-084	232,812	7/1/20-6/30/21	-	232,812	(232,812)	-	-	-	21,892	232,812	
Total State Aid Public				-	12,046,084	(12,046,084)	-	-	-	1,132,718	12,046,084	
Transportation Aid	495-034-5120-014	1,518,262	7/1/20-6/30/21	-	1,518,262	(1,518,262)	-	-	-	142,765	1,518,262	
Extraordinary Aid	495-034-5120-044	315,123	7/1/20-6/30/21	-	-	(315,123)	-	-	(315,123)	-	315,123	
Extraordinary Aid	495-034-5120-044	250,253	7/1/19-6/30/20	(250,253)	-	-	-	-	-	-	-	
Additional Non-Public School Transportation Aid	495-034-5120-014	56,840	7/1/20-6/30/21	-	250,253	-	-	-	-	(56,840)	56,840	
Reimbursed TPAF Social Security Contribution	495-034-5094-003	1,236,794	7/1/19-6/30/20	(57,392)	57,392	-	-	-	-	(60,571)	1,236,794	
Reimbursed TPAF Social Security Contribution	495-034-5094-003		7/1/20-6/30/21	-	1,176,223	(1,236,794)	-	-	-	-	-	
Noncash Assistance:												
TPAF - Pension Contribution	495-034-5094-002	4,077,586	7/1/20-6/30/21	-	4,077,586	(4,077,586)	-	-	-	-	4,077,586	
TPAF - Post Retirement Medical Contribution	495-034-5094-001	1,277,852	7/1/20-6/30/21	-	1,277,852	(1,277,852)	-	-	-	-	1,277,852	
TPAF - Long-Term Disability Insurance	495-034-5094-003	3,648	7/1/20-6/30/21	-	3,648	(3,648)	-	-	-	-	3,648	
Total General Fund Assistance				(307,645)	20,407,300	(20,532,189)	-	-	(432,534)	1,275,483	20,532,189	
Debt Service Fund:												
Debt Service Aid	495-034-5120-075	526,965	7/1/20-6/30/21	-	526,965	(526,965)	-	-	-	-	526,965	
Total Debt Service Fund Assistance				-	526,965	(526,965)	-	-	-	-	526,965	
<b>State Department of Agriculture:</b>												
Enterprise Fund:												
National School Lunch Program	100-010-3350-023	38,675	7/1/20-6/30/21	-	29,814	(38,675)	-	-	(8,861)	-	38,675	
National School Lunch Program	100-010-3350-023	6,474	7/1/19-6/30/20	(100)	100	-	-	-	-	-	-	
Total Enterprise Fund Assistance				(100)	29,914	(38,675)	-	-	(8,861)	-	38,675	
Total State Financial Assistance				\$ (307,745)	\$ 20,964,179	\$ (21,097,829)	\$ -	\$ -	\$ (441,395)	\$ 1,275,483	\$ 21,097,829	

On-Behalf TPAF Pension Contributions \$ 4,077,586  
On-Behalf TPAF Post-Retirement 1,277,852  
On-Behalf TPAF Post-Retirement 3,648  
Total State Financial Assistance Reported on Single Audit Summary \$ (15,738,743)

**KINGSWAY REGIONAL HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 High 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, 2021. 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, 2021.

**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 HIGH SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 \$(93,970) for the general fund and \$4,847 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	\$ 16,134	\$ 20,438,219	\$ 20,454,353
Special Revenue Fund	1,055,738	-	1,055,738
Debt Service Fund	-	526,965	526,965
Food Service Fund	822,729	38,675	861,404
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,894,601</u>	<u>\$ 21,003,859</u>	<u>\$ 22,898,460</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 High School District had no loan balances outstanding at June 30, 2021.



**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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?   X   yes      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?   X   yes      no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>10.555</u>	<u>201NJ304N1009</u>	<u>National School Lunch Program Cluster</u>
<u>21.019</u>	<u>SLT0007</u>	<u>Covid-19 Coronavirus Relief Fund Cluster</u>
<u>    </u>	<u>    </u>	<u>    </u>
<u>    </u>	<u>    </u>	<u>    </u>
<u>    </u>	<u>    </u>	<u>    </u>

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

Auditee qualified as low-risk auditee?   X   yes      no

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021**

**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.

**Finding 2021-001 (see Federal Award Finding 2021-001):**

**Criteria or specific requirement:**

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Context:**

Utilizing the USA net cash resource calculation form, it was determined that the District's net cash resources exceeded the three months average expenditure by \$337,281, as of June 30, 2021.

**Effect:**

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

**Cause:**

The School District had remote learning for students in place during the school year due to the COVID-19 pandemic. This caused a sharp drop in operating expenditures and also an increase in revenues due student meals being classified as free meals for federal reimbursement.

**Recommendation:**

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditure or other improvements to the Food Service Program.

**Views of responsible officials and planned corrective actions:**

Management agrees with above finding and will take necessary corrective action.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

**FEDERAL AWARDS**

**Finding 2021-001:**

**Criteria or specific requirement:**

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

**Condition:**

Net cash resources in the Food Service Fund exceeded three months average expenditures.

**Questioned Costs:**

None.

**Context:**

Utilizing the USA net cash resource calculation form, it was determined that the District's net cash resources exceeded the three months average expenditure by \$337,281, as of June 30, 2021.

**Effect:**

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

**Cause:**

The School District had remote learning for students in place during the school year due to the COVID-19 pandemic. This caused a sharp drop in operating expenditures and also an increase in revenues due student meals being classified as free meals for federal reimbursement.

**Recommendation:**

The District should reduce net cash resources on hand in the Food Service Fund through capital expenditure or other improvements to the Food Service Program.

**Views of responsible officials and planned corrective actions:**

Management agrees with above finding and will take necessary corrective action.

**KINGSWAY REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs  
(continued)**

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.

**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, 2021**

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.