COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BAYSHORE JOINTURE COMMISSION

BOARD OF DIRECTORS
TINTON FALLS, NEW JERSEY 07712

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY:

BAYSHORE JOINTURE COMMISSION
FINANCE DEPARTMENT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE BAYSHORE JOINTURE COMMISSION
FISCAL YEAR ENDED JUNE 30, 2011

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INTRODUCTORY SECTION

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The Shore Center
for Students with Autism

100 Tornillo Way • Tinton Falls, NJ 07712
(732) 695-7800

Kathleen Mandeville
Board Secretary/Business Administrator

December 19, 2011

Honorable President and
Members of the Board of Directors
Bayshore Jointure Commission

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the M-OESC (Commission) for the fiscal year ended June 30, 2011, is hereby submitted. This CAFR includes the Commission's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board (GASB) Statement 34. 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 Directors (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 Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Commission's organizational chart and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis, the basic financial statements and notes providing an overview of the Commission's financial position and operating results and other schedules. The statistical section includes selected financial information. The Commission is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act 1986 as amended in 2003 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the NJOMB Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: The Bayshore Jointure Commission is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the Commission are included in this report. The Bayshore Jointure Commission and the Member Districts constitute the Commission's reporting entity. The Bayshore Jointure Commission, which was established the State Board of Education upon the recommendation of Education Commissioner Gagliardi on August 1, 2001, includes eight Bayshore Districts: Atlantic Highlands, Hazlet, Henry Hudson Regional, Highlands, Keansburg, Keyport, Union Beach, Matawan-Aberdeen Regional. The Jointure was formed as an outgrowth of the Bayshore Consortium, which had been in existence for over 12 years. The Commission provided staff development including SRA Training, hosted a Bayshore Honors Band, transportation, nursing, parent and sibling groups, an autism conference and several other educational services. The Commission relocated to 100 Tornillo Way in July 2010. This program addresses the needs for children on the autism spectrum.

ECONOMIC CONDITION AND OUTLOOK: The communities involved in the Jointure Commission share many similarities yet are unique unto them. The following synopses have been taken from the participating school district's CAFR's.

ATLANTIC HIGHLANDS

Although Atlantic Highlands is a stable, older, year round community, we have witnessed a heightened interest in property ownership with property values remaining stable. This is also evidenced in an increase in the ratables and the renovation of the main business district. The appeal of this shoreline community is due in part, to its proximity to Manhattan and the prosperous harbor.

Atlantic Highlands Elementary School continues to provide an exceptional educational experience for all students. The breadth of programs from special education to gifted and talented meets each child's unique needs. The school demonstrates a continuing emphasis on curriculum alignment to the core curriculum content standards, with a revision of the math curriculum.

HAZLET TOWNSHIP

Hazlet Township, with a population of approximately 21,500 residents, has a land area of 5.6 square miles and is located in the Bayshore area of Monmouth County. For many years, Hazlet has attracted residents because of the convenient rail and highway access to New York City and its close proximity to the Shore Area.

The 88.5 acre Veteran's Park, which houses the Community Center and Swim and Tennis Club, offers a wide variety of recreational and social activities for residents.

Many corporate centers, offices and commercial enterprises have located in Hazlet along the Rt. 35 and Rt. 36 corridors.

The Hazlet School District is governed by a nine-member Board of Education and non-voting student member. Board members are elected by Hazlet residents and serve three-year terms.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

The District, located in Monmouth County, is comprised of the towns of Atlantic Highlands and Highlands. These are settled residential communities with limited amounts of industry. Atlantic Highlands is a stable community with few apartments or condominiums. Highlands Borough is also a stable community with seventy-five percent (75%) of the condominiums owner occupied. Both towns have a large senior citizen population. The Borough of Highlands has developed a Highlands Business Improvement District, which is funded by the business taxpayers.

An increased positive perception of the District in the communities has increased community support.

HIGHLANDS

Highlands Borough, created in 1900 by an Act of the New Jersey Legislature, is located in Monmouth County on the Shrewsbury River at the easterly tip of Central New Jersey encompassing .067 square miles. Adjacent to Sandy Hook Bay, Highlands offers magnificent views of the Atlantic Ocean, Sandy Hook, New York City, New York Harbor, and the Verazzano Narrows Bridge. The area of Highlands located along the waterfront is comprised mainly of marinas, restaurants, residences and seasonal homes many of which are being converted into year round homes. The mountainous areas contain mostly residences, condominiums and hotels; historic Twin Lights, located atop one of the hills of Highlands, is one of the highest points along the Atlantic Coast.

At one time Highlands residents relied solely on the clamming and commercial fishing industries for income. Later, these industries plus numerous restaurants (some of which are the most notable in the State), continued to represent a large share of resident employment. Clamming and fishing, however, are somewhat seasonal and many restaurants have fallen on hard times, thus making economic conditions somewhat unsteady. During the past two decades, improved land and water transportation services have resulted in a "commuter" segment of the population which resides mainly in townhouses and condominiums built during this time. This population does not have school age children.

Highlands, today is re-establishing the character of the town in promoting its seafood restaurants, ferry service, and water-dependent industries such as commercial and recreation fishing and clamming. In June 1995, after years of planning, the Highlands clam depurification plant was officially opened and has generated significant employment in the area. With regard to revitalizing the

Highlands business area, a Commercial Loan and Grant Program, available through the Neighborhood Preservation Program, has assisted commercial property and business operators in financing physical improvements to their businesses, particularly façade improvements.

KEANSBURG

The Keansburg area is beginning a period of increases in their assessments, which is reflected in our ability to tax.

Keansburg School District was designated one of the 31 Abbott Special Needs districts in the State of New Jersey and State Aid represents approximately 83% of our revenues. The socio-economic structure of Keansburg represents low-income households, which is evident by our free and reduced lunch count totaling an average of 62% of our student population.

The future outlook for Keansburg School District financing continues to depend primarily upon the ability and the willingness of the Governor and State legislature to provide adequate funding for Special Needs pre-K through grade 12 education and on the availability of tax revenues to the State.

KEYPORT

The Keyport School District encompasses the Borough of Keyport located in northern Monmouth County in New Jersey. The Keyport School District also serves students from Union Beach that attend Keyport High School. The Borough of Union Beach is situated on the eastern border of the Borough of Keyport.

The Keyport School District has served the Borough of Keyport since 1871. The Keyport Grammar School was constructed in 1892. The High School was constructed in 1927. In 1937, 1952, and 1966 additions were made to the original building. In 1958, the Keyport Central School was constructed to provide educational opportunities to students in grades K-8. In September 1999, the eighth grade was moved to the high school building because of overcrowding at the Central School. To supplement this building, a new kindergarten room was added to Central School and a new Fitness Center was added to Keyport High School. Currently, the educational needs of the children of Keyport are provided by the Central School and Keyport High School.

The District is governed by a ten-member Board of Education, including a representative from the Borough of Union Beach and a non-voting student representative. Keyport members are elected by the residents of the Borough. The Union Beach representative is appointed by the Union Beach Board of Education. The members serve alternating terms.

MATAWAN/ABERDEEN REGIONAL

The Matawan-Aberdeen Regional School District has an enrollment of approximately 3,750 students. It is comprised of the following K-3 elementary

schools: Cliffwood Elementary, Ravine Drive and Strathmore Elementary. Lloyd Road Elementary serves grades 4-5, Matawan Avenue Middle serves grades 6-8 and Matawan Regional High School serves grades 9-12.

The Township of Aberdeen and the Borough of Matawan are located in the center of New Jersey, in the northern part of Monmouth County and are halfway between New York and Philadelphia. Within a forty-five minute drive to the north and the east is Manhattan Borough in New York City. Taking a westerly route, the semi-rural areas of New Jersey is a similar drive away. These municipalities are located near one of New Jersey's largest commercial/industrial areas as well as close proximity to plane, highway and public transportation access.

These very stable municipalities are almost completely developed and are primarily residential communities. The Garden State Parkway, which passes directly through the District, provided access to all parts of the State because of its connections with the New Jersey Turnpike, which is in close proximity. Commercial and mass transit rail services are provided by a station operated by the New Jersey transit located in the Borough of Matawan.

The Matawan-Aberdeen Regional School District is governed by a nine-member Board of Education and a non-voting student member. Three Board members are elected by Matawan Borough and six by Aberdeen residents. They all serve three-year terms.

OCEAN TOWNSHIP

Ocean Township became a member district in September, 2010. The District provides a full range of educational services appropriate to grade levels Pre-K through 12. District enrollment during 2010-2011 was 4,010. Housing in Ocean Township has been affected by the economy; the real estate market continues to be depressed as there are many homes for sale. There are also an increasing number of homes as seasonal rentals resulting in lower student enrollment. The district operates a high school, and intermediate school and three elementary schools.

UNION BEACH

The Union Beach School District services the educational needs of children in grades Pre-K through 8th. Our kindergarten program is a full day and our 1/2day pre-kindergarten programs address the educational needs of 3 and 4 year old children with special needs as well as the needs of 4 year old preschool students.

Our students continue to improve academically. Our scores on the Dept. of Education's standardized testing instruments (NJ ASK ¾ & GEPA) show a gradual and positive increase over the years. Union Beach School District, like many other school districts in New Jersey are actively working towards 100% student proficiency by the 2014 school year.

The Union Beach area is roughly 1 ½ square miles and is located along the Raritan Bay. The shore area is nearly fully developed. Presently many first time buyers are purchasing the smaller shore bungalows and enlarging them in order to take advantage of this town's wonderful location along the water and directly across from the Manhattan skyline. Property values continue to increase with the upgrades of these homes.

MAJOR INITIATIVES:

1. Hire a full time special education coordinator

2. Expand the use of the two behaviorists for out-of-district services to parents and other school districts

3. Expand the "Shore Town" experience to include a school store, movie theatre, barber/beauty shop

4. Create a lecture program for parents on topics related to autism and special education

5. Continue to raise funds for a school playground

6. Continue to raise funds to expand the technology used by students

7. Study the expansion of shared services

INTERNAL ACCOUNTING CONTROLS: Management of the Commission is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure 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 a 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 State assistance, the Commission also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by Commission management.

As part of the Commission's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including the portion related to Federal and State financial assistance programs, as well as to determine that the Commission has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the Commission maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, which is approved and funded by the districts comprising the Jointure Commission. Annual appropriated budgets are adopted for the General and Special Revenue funds. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance account system is used to record outstanding purchase commitments on a line item basis.

ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Commission is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

FINANCIAL INFORMATION AT FISCAL YEAR END

As demonstrated by the various statements and schedules listed in the financial section of this report, the Commission continues to meet its responsibility for sound financial management. Readers should refer to the Management Discussion and Analysis for a summary of the financial statements in relation to the prior.

CASH MANAGEMENT: The investment policy of the Jointure Commission is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The Commission 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 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 Jointure Commission will be covered by their own Workmen's Compensation Insurance in 2010-2011.

OTHER INFORMATION:

Independent Audit – State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of The Curchin Group, CPA's was selected by the Bayshore

Jointure Commission. In addition to meeting the requirements set forth in State statute, the audit also is designed to meet the requirements of the Single Audit Act of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Bayshore Jointure Commission for their concern in providing fiscal accountability to the citizens and taxpayers of the school districts it serves and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Timothy Nogueira
Superintendent

Kathleen Mandeville
Board Secretary/School
Business Administrator

BAYSHORE JOINTURE COMMISSION

ROSTER OF OFFICIALS

JUNE 30, 2011

Members of the Board of Directors	Term Expires
Mr. Joseph Annibale, President	June 30, 2011
Ms. Lisa Savoia, Vice President	June 30, 2011
Dr. Vincent Capraro	June 30, 2011
Dr. William George	June 30, 2011
Mr. David Healy	June 30, 2011
Mr. Gerald North	June 30, 2011
Dr. Denise Ricciardi	June 30, 2011
Dr. Jill Takacs	June 30, 2011
Ms. Janet Walling	June 30, 2011

Other Officials

Mr. Timothy P. Nogueira, Superintendent

Mrs. Kathleen Mandeville, Board Secretary/School Business Administrator

Mr. Richard McOmber, Attorney

BAYSHORE JOINTURE COMMISSION

CONSULTANTS AND ADVISORS

AUDIT FIRM

David L. Ferullo, CPA, PSA
The Curchin Group, LLC
200 Schulz Drive, Suite 400
Red Bank, NJ 07701

ATTORNEY

Richard McOmber
54 Shrewsbury Avenue
Red Bank, NJ 07701

OFFICIAL DEPOSITORY

Bank of America
1116 State Route 34
Matawan, NJ 07747

FINANCIAL SECTION

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CURCHIN

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bayshore Jointure Commission
100 Tornillo Way, Suite 1
Tinton Falls, NJ 07712

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Bayshore Jointure Commission, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ending June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. 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 *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bayshore Jointure Commission, in the County of Monmouth, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report, dated January 5, 2012, on our consideration of the Bayshore Jointure Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

THE CURCHIN GROUP LLC
ASSURANCE SERVICES :: TAX :: FINANCIAL PLANNING :: BUSINESS ADVISORY
200 Schulz Drive, Suite 400 - Red Bank, NJ 07701-6745 **(732) 747-0500** FAX (732) 747-7700 www.**curchin**.com

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 and 35 through 37 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

David J. Jerulis

Licensed Public School Accountant, No. 20900
THE CURCHIN GROUP, LLC

Red Bank, New Jersey
January 5, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

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The Shore Center for Students with Autism

100 Tornillo Way • Tinton Falls, NJ 07712
(732) 695-7800

Kathleen Mandeville
Board Secretary/Business Administrator

MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A), 2010-2011

The Jointure Commission provides an autistic program to member and non-member school districts throughout the state of New Jersey.

The Commission recorded a net increase of $240,911 during the fiscal year ended 6/30/11. Broken down by fund, the increase was calculated as follows:

	Fund	Revenue	Expenditures	Transfers	+/-
General	(10)	2,461,848	2,202,737	0	259,111
Special Revenue	(20)	0	0	0	0
Internal Service	(70)	776,688	794,888		(18,200)
TOTAL		3,238,536	2,997,625	0	240,911

	Restricted	Unrestricted	Total
Total Net Assets at June 30, 2010	0	(10,287)	(10,287)
Net Change in Fund Balances during 2010-11	0	240,911	240,911
Adjustments to arrive at net assets per GASB34	0	0	0
Total Net assets at June 30, 2011	0	230,624	230,624

The increase of $240,911 during the most recent fiscal year was the result of many factors. The Commission relocated to 100 Tornillo Way, Tinton Falls by way of lease agreement with the Monmouth Ocean Educational Services Commission. The districts are in negotiations to engage in an Administration and Business Services Agreement to become effective July 1, 2011.

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BASIC FINANCIAL STATEMENTS

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COMMISSION-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the Commission. These statements include the financial activities of the overall commission, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Commission.

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BAYSHORE JOINTURE COMMISSION
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 135,793	$ -	$ 135,793
Receivables, Net	126,213	-	126,213
Interfund Receivable	57,490	-	57,490
Capital Assets, net	19,159	-	19,159
Total Assets	338,655	-	338,655
LIABILITIES			
Interfund Payable	57,490	-	57,490
Deferred Revenue	31,382	-	31,382
Total Liabilities	88,872	-	88,872
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	19,159	-	19,159
Unrestricted	230,624	-	230,624
Total Net Assets	$ 249,783	$ -	$ 249,783

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

BAYSHORE JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES			
Instruction:			
Regular Instruction	$ -	$ -	$ -
Special Education Instruction	943,324	-	-
Other Instruction	4,796	-	-
Support Services:			
Tuition	-	2,461,151	-
Student & Instruction Related Services	1,514,716	776,688	-
School Administrative Services	228,104	-	-
General and Business Administrative Services	129,843	-	-
Plant Operations and Maintenance	197,997	-	-
Pupil Transportation	7,701	-	-
Special Schools	99,892	-	-
Unallocated Depreciation and Amortization	3,483	-	-
Total Governmental Activities	3,129,856	3,237,839	-
BUSINESS-TYPE ACTIVITIES			
Business-type Activities	-	-	-
Total Business-type Activities	-	-	-
Total Primary Government	$ 3,129,856	$ 3,237,839	$ -

GENERAL REVENUES	
TPAF FICA reimbursement	
Miscellaneous income	
Transfers	
Total General Revenues and Transfers	
Change in Net Assets	
Net Assets - beginning	
Net Assets - ending	

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

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
$ -	$ -	$ -
(943,324)	-	(943,324)
(4,796)	-	(4,796)
2,461,151	-	2,461,151
(738,028)	-	(738,028)
(228,104)	-	(228,104)
(129,843)	-	(129,843)
(197,997)	-	(197,997)
(7,701)	-	(7,701)
(99,892)	-	(99,892)
(3,483)	-	(3,483)
107,983	-	107,983
-	-	-
-	-	-
107,983	-	107,983
128,748	-	128,748
697	-	697
-	-	-
129,445	-	129,445
237,428	-	237,428
12,355	-	12,355
$ 249,783	$ -	$ 249,783

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FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

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BAYSHORE JOINTURE COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 135,793	$ -	$ -	$ 135,793
Receivables From Other Governments	86,923	-	-	86,923
Interfund Receivable	57,490	31,382	-	88,872
Total Assets	$ 280,206	$ 31,382	$ -	$ 311,588
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	$ 31,382	$ -	$ -	$ 31,382
Deferred Revenue	-	31,382	-	31,382
Total Liabilities	31,382	31,382	-	62,764
Fund Balances:				
Unreserved:				-
Designated for Subsequent Year's				-
Expenditures	50,000	-	-	50,000
Unreserved, Undesignated, Reported in:				
General Fund	198,824	-	-	198,824
Total Fund Balances	248,824	-	-	248,824
Total Liabilities and Fund Balances	$ 280,206	$ 31,382	$ -	

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

Internal Service Fund assets and liabilities are included in the Statement of Net Assets but are not part of the Governmental Funds Balance (from B-1). The Internal Service Fund balance is added here to reconcile the net assets.	(18,200)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is $89,826 and the accumulated depreciation is $70,667.	19,159
Net Assets of Governmental Activities	$ 249,783

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Tuition Charges	$ 2,461,151	$ -	$ -	$ 2,461,151
Miscellaneous	697	-	-	697
Total - Local Sources	2,461,848	-	-	2,461,848
Federal Sources	-	-	-	-
State Sources	128,748	-	-	128,748
Total Revenues	2,590,596	-	-	2,590,596
EXPENDITURES				
Current:				
Regular Instruction	-	-	-	-
Special Education Instruction	629,475	-	-	629,475
Other Instruction	3,377	-	-	3,377
Support Services and Undistributed Costs:				
Student & Instruction Related Services	569,188	-	-	569,188
General and Business Admin. Services	100,377	-	-	100,377
School Administrative Services	152,322	-	-	152,322
Plant Operations and Maintenance	197,997	-	-	197,997
Pupil Transportation	7,701	-	-	7,701
Employee Benefits	603,663	-	-	603,663
Special Schools	67,385	-	-	67,385
Capital Outlay	-	-	-	-
Total Expenditures	2,331,485	-	-	2,331,485
Excess (Deficiency) of Revenues Over (Under) Expenditures	259,111	-	-	259,111
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balances	259,111	-	-	259,111
Fund Balance, July 1	(10,287)	-	-	(10,287)
Fund Balance, June 30	$ 248,824	$ -	$ -	$ 248,824

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total net change in fund balances - governmental funds (from B-2)		$259,111
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, on 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 current fiscal year.		
Depreciation Expense	(3,483)	
Capital Outlay	-	(3,483)
In the Statement of Activities, Internal Service Fund revenue and expenses are reported as a governmental activity. However, they are not included in the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds (from B-2).		(18,200)
Change in net assets of governmental activities		$237,428

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ -
Intergovernmental receivables	
Other	39,290
TOTAL ASSETS	$ 39,290
LIABILITIES	
Current liabilities:	
Interfund payable	$ 57,490
Total current liabilities	57,490
NET ASSETS	
Unrestricted	(18,200)
Total net assets	(18,200)
TOTAL LIABILITIES AND NET ASSETS	$ 39,290

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities Internal Service Fund
OPERATING REVENUES:	
Local sources:	
Tuition	$ 776,688
Total operating revenues	776,688
OPERATING EXPENSES:	
Salaries	541,484
Employee benefits	253,404
Total operating expenses	794,888
OPERATING INCOME/(LOSS)	(18,200)
INCOME/(LOSS) BEFORE TRANSFERS	(18,200)
TRANSFERS IN/(OUT)	-
CHANGE IN NET ASSETS	(18,200)
TOTAL NET ASSETS - BEGINNING	-
TOTAL NET ASSETS - ENDING	$ (18,200)

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 794,888
Payments to employees	(541,484)
Payments for employee benefits	(253,404)
Net cash provided by (used in) operating activities	-
Net increase (decrease) in cash and cash equivalents	-
Balances—beginning of year	-
Balances—end of year	$ -
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:	
Operating income (loss)	$ (18,200)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
(Increase)/decrease in accounts receivable	(18,871)
Increase in interfund payable	37,071
Total adjustments	18,200
Net cash provided by (used in) operating activities	$ -

See Notes to the Basic Financial Statements.

BAYSHORE JOINTURE COMMISSION
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Unemployment Compensation Trust	Payroll Agency Fund
ASSETS		
Cash and Cash Equivalents	$ -	$ 9,843
Interfund Receivable	-	-
Total Assets	-	$ 9,843
LIABILITIES		
Payroll Deductions and Withholdings	-	8,235
Accrued Salaries	-	1,608
Total Liabilities	-	9,843
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	-	-
Total Net Assets	$ -	$ -

See Notes to the Basic Financial Statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Directors of the Bayshore Jointure Commission (Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Bayshore Jointure Commission was established on August 1, 2001 and consists of nine Bayshore Districts: Atlantic Highlands, Hazlet, Henry Hudson Regional, Highlands, Keansburg, Keyport, Union Beach, Matawan-Aberdeen Regional and Ocean Township (Monmouth County). The Jointure was formed as an outgrowth of the Bayshore Consortium, which had been in existence for over twelve years.

The general purpose of the Commission is to provide services for the consortium of school districts comprising it that are more economically and efficiently provided on a collective basis. The Commission has been established pursuant to the laws of the State of New Jersey (NJSA 18A:6, et seq.).

The primary criterion for including activities within the Commission's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Commission. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the Commission over which the Commission exercises operating control.

B. Basis of Presentation, Basis of Accounting

The Commission's basic financial statements consist of Commission-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

"Commission-wide Statements": The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. These statements include the financial activities of the overall Commission except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the Commission. Governmental activities generally are financed through inter-governmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the Commission at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the Commission and for each function of the Commission's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the Commission.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

"Fund Financial Statements": During the fiscal year, the Commission segregates transactions related to certain Commission functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the Commission's fund, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require the Commission to follow New Jersey school districts in treating each governmental fund as a major fund in accordance with the option noted in GASB No. 34, Paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among Commission financial reporting models.

The Commission reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the Commission and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The Commission accounts for the proceeds of specific revenue sources, other than expendable trusts or major capital projects, that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Proprietary Fund Types:

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by the Commission to other local education agencies on a cost-reimbursement basis.

Fiduciary Fund Types:

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the Commission on behalf of outside parties.

Expendable Trust Fund - The Expendable Trust Fund is used to account for assets held under the terms of a formal trust agreement whereby the Commission may expend both principal and earnings.

Agency Funds (Payroll Agency) - Agency funds are used to account for the assets that the Commission holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting:

The Commission-wide financial statements are prepared using the accrual method of accounting.

The modified accrual basis of accounting is used for measuring financial position and operating results of the governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

The accrual basis of accounting is used for measuring financial position and operating results of Proprietary Fund Types and Expendable Trust Funds. Under this method revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the winter of each year for the General and Special Revenue Funds. The budgets are submitted to the County office. 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. 6:20-2A.2(m)1. All budget amendments must be approved by Commission resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget.

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 Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that it 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. At June 30, 2011 and 2010 the reconciling differences between the budgetary basis and GAAP basis in the Special Revenue Fund was equal to $0. The reconciliation is located on Schedule C-3 of the CAFR.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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 reservations of 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 Commission has received advances are reflected in the balance sheet as deferred revenues 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 at the current fiscal year end.

F. 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 Commission and that are due within one year.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded since all receivables are deemed collectible.

H. Capital Assets:

The Commission's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the governmental-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The Commission contracted with an outside service company during the 2005-2006 fiscal year to update its existing report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2005-2006 fiscal year and prior with a historical cost of $2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The cost of normal repairs and maintenance are not capitalized. The capitalization threshold is $2,000.

All reported capital assets except for land and construction-in-progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Buildings	50
Building improvements	20
Vehicles	5 - 20
Office and computer equipment	5 - 20
Furniture and fixtures	5 - 20

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (continued):

In the Fund Financial Statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the Fund Financial Statements.

I. Compensated Absences:

Commission employees are granted vacation and sick leave in varying amounts under the Commission's personnel policies. In the event of termination an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The Commission estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the Commission-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP for the governmental funds in the fund Financial Statements, all of the compensated absences are considered long term, and therefore, are not a fund liability and represent a reconciling item between the fund level and Commission-wide presentations. As of June 30, 2011 no liability existed for compensated absences in the Proprietary Fund types.

J. Deferred Revenue:

Deferred revenue in the General Fund, Special Revenue Fund and Enterprise Fund represents cash which has been received but not yet earned. See Note 1 E. regarding the Special Revenue Fund.

K. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported on the Commission-wide financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner, and in full, from current financial resources and are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

L. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the Proprietary Funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Allocation of Indirect Expenses:

The Commission reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security workers' compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

N. Management Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

O. Subsequent Events:

The Commission has evaluated events through January 5, 2012, which is the date the financial statements were available to be issued.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at cost which approximates market.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments:

The Commission did not make any investments during the year. Cash and cash equivalents at June 30, 2011 consisted of the following:

Checking and savings accounts	$135,793
Total cash and cash equivalents	$135,793

The carrying amount of the Commission's cash and cash equivalents at June 30, 2011 was $ 135,793 and the bank balance was $178,878. Of the bank balance, all was covered by Federal Deposit Insurance.

NOTE 3. CAPITAL (FIXED) ASSETS

The following schedule is a summarization of the changes in Capital Assets by source for the fiscal year ended June 30, 2011:

	Vehicles	Machinery and Equipment	Construction In Progress	Total
Balance, 6/30/10	$41,799	$48,027	$ -	$89,826
Expended from:				
Special Revenue	-	-	-	-
General Fund	-		-	
Capital Projects	-	-	-	-
	-	-	-	-
Disposals:				
Special Revenue	-		-	
General Fund	-		-	
Capital Projects	-	-	-	-
	-	-	-	-
Balance 6/30/11	41,799	48,027	-	89,826
Accumulated depreciation 6/30/10	19,157	48,027	-	67,184
2011 depreciation expense	3,483	-	-	3,483
2011 disposals	-	-	-	-
Accumulated depreciation 6/30/11	22,640	48,027	-	70,677
Net capital assets	$19,159	$ -	$ -	$19,159

NOTE 4. OPERATING LEASES

The Commission leases a digital copier under an operating lease that expires in 2013. Basic monthly rent is $220. The Commission is responsible for its own incidental costs.

The Commission also leases office and educational space from a related party. The lease term is for five years and expires in June 2015. The monthly rent is $15,792 and increases by 4% each year.

Total rent expense for 2010-2011 was $195,395.

Future minimum lease payments are as follows:

Year Ended June 30,	Amount
2012	$243,150
2013	252,500
2014	260,379
2015	270,794
	$1,026,823
Less interest	308
Net lease	$1,026,515

NOTE 5. PENSION PLANS

Plan Descriptions:

Substantially all of the Commission's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teacher's Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation. Under current statute, all employer contributions are made by the State of New Jersey on behalf of the Commission and the system's other related non-contributing employers. The Public Employees Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund:

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage, including post-retirement health care, to substantially all full-time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula, but at a reduced rate (one-quarter of one percent for each month the member lacks of attaining age 55).

NOTE 5. PENSION PLANS (CONTINUED)

Public Employees' Retirement System:

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State, or any county, municipality, school district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service.

Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one-quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P. O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation:

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems.

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market related value to full market value. This legislation also contains a provision to reduce the employee contribution rates under TPAF and PERS by 1/2 of 1% to 4.5% for the calendar years 1998 and 1999, and to allow for a similar reduction in the employee's rate after calendar year 1999 providing excess valuation assets are available. The legislation also provided that the Commission's normal contributions to the Fund may be reduced based on the revaluation of assets. Because of the recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated except for the unfunded liability for the local early retirement incentive benefits. Accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy:

The contribution policy is set by New Jersey State Statutes, and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Commission is a noncontributing employer of the TPAF. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Commission is a noncontributing employer of the TPAF.

NOTE 5. PENSION PLANS (CONTINUED)

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional $500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Commission will assume the increased cost for the early retirement.

The Commission's contribution to PERS for the year ended June 30, 1998 was $11,034 equal to the required contribution for that year; no contributions were made for the years ended June 30, 1999 through June 30, 2010.

During the year ended June 30, 2011, the State of New Jersey contributed $66,394 to the TPAF for normal pension contributions on behalf of the Commission. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the Commission $62,354 during the year ended June 30, 2011 for the employer's share of Social Security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the basic financial statements as revenues and expenditures in accordance with GASB 24.

NOTE 6. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 7. DEFERRED COMPENSATION

The Commission offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit 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 administrator is as follows:

Lincoln Investment Planning

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables consist of expenses advanced on behalf of other funds. At June 30, 2011 the balances in interfund accounts consisted of:

	Receivable	Payable
General	$57,490	$31,382
Special Revenue	31,382	-
Internal Service	-	57,490
	$88,872	$88,872

NOTE 9. CONTINGENT LIABILITIES (RISK MANAGEMENT)

The Commission 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 Commission 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 Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Commission is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and to charge its account with the State. The Commission is billed quarterly for amounts due to the State. Following is a summary of Commission contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Commissions' Expendable Trust Fund for the current and previous two years:

Fiscal Year	Commission Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010 – 2011	$ -	$ -	$ -	$ -
2009 – 2010	-	-	-	-
2008 – 2009	-	-	-	-

NOTE 11. FUND BALANCE APPROPRIATED

General Fund (Exhibit B-1) – Of the $248,824 General Fund balance at June 30, 2011, all is unreserved.

NOTE 12. SUBSEQUENT EVENTS

Effective July 1, 2011, the Commission entered into a shared services agreement for management duties with the Monmouth Ocean Educational Services Commission.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

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BUDGETARY COMPARISON SCHEDULES

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Tuition	$ 2,246,500	$ -	$ 2,246,500	$ 2,461,151	$ 214,651
Miscellaneous	25,000	-	25,000	697	(24,303)
Total Local Sources	2,271,500	-	2,271,500	2,461,848	190,348
State Sources:					
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	66,394	66,394
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	62,354	62,354
Total State Sources	-	-	-	128,748	128,748
Total Revenues	2,271,500	-	2,271,500	2,590,596	319,096
EXPENDITURES:					
Current Expense:					
SPECIAL EDUCATION - INSTRUCTION					
Autism					
Salaries of Teachers	347,900	50,356	398,256	398,256	-
Other Salaries for Instruction	190,033	(45,812)	144,221	127,348	16,873
Purchased Professional-Educational Services	33,500	3,670	37,170	40,320	(3,150)
General Supplies	29,000	1,548	30,548	30,557	(9)
Other Objects	751	363	1,114	1,114	-
Total Behavorial Disabilities	601,184	10,125	611,309	597,595	13,714
Special Education Home Instruction					
Salaries of Teachers	36,000	(4,120)	31,880	31,880	-
Total Special Education Home Instruction	36,000	(4,120)	31,880	31,880	-
TOTAL SPECIAL EDUCATION - INSTRUCTION	637,184	6,005	643,189	629,475	13,714
Vocational Programs - Local - Instruction					
Other Salaries for Instruction	9,850	(9,850)	-	-	-
General Supplies	1,555	(350)	1,205	857	348
Total Vocational Programs - Local - Instruction	11,405	(10,200)	1,205	857	348
School-Sponsored Extra-Curr. Activities - Instruction					
Salaries	6,000	(3,000)	3,000	2,520	480
Total School-Sponsored Extra-Curr. Activities - Instruction	6,000	(3,000)	3,000	2,520	480
TOTAL INSTRUCTION	654,589	(7,195)	647,394	632,852	14,542
UNDISTRIBUTED EXPENDITURES					
Undistributed Expend. - Attend. & Social Work					
Salaries	77,545	-	77,545	77,545	-
Total Undistributed Expend. - Attend. & Social Work	77,545	-	77,545	77,545	-
Undist. Expend. - Health Services					
Salaries	54,200	300	54,500	54,500	-
Other Purchased Services (400-500 series)	1,000	(1,000)	-	-	-
Supplies and Materials	2,000	1,629	3,629	3,629	-
Total Undistributed Expenditures - Health Services	57,200	929	58,129	58,129	-
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	202,422	(63,500)	138,922	135,534	3,388
Purchased Professional - Educational Services	205,000	99,560	304,560	297,513	7,047
Total Undist. Expend. - Speech, OT, PT and Related Services	407,422	36,060	443,482	433,047	10,435
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Servic	5,000	(1,995)	3,005	467	2,538
Total Undist. Expend. - Instructional Staff Training Serv.	5,000	(1,995)	3,005	467	2,538

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.					
Legal Services	5,000	(1,116)	3,884	2,282	1,602
Other Purchased Professional Services	4,500	-	4,500	4,000	500
Communications/Telephone	3,000	-	3,000	144	2,856
Other Purchased Services (400-500 series)	33,000	(10,743)	22,257	15,783	6,474
BOE Other Purchased Services	-	3,000	3,000	131	2,869
BOE Membership Dues and Fees	500	200	700	535	165
Total Undist. Expend. - Supp. Serv. - General Admin.	46,000	(8,659)	37,341	22,875	14,466
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	110,650	-	110,650	110,650	-
Salaries of Secretarial and Clerical Assistants	23,961	-	23,961	23,961	-
Purchases Professional and Technical Services	2,000	13,600	15,600	15,785	(185)
Supplies and Materials	9,000	(7,174)	1,826	1,826	-
Other Objects	1,000	-	1,000	100	900
Total Undist. Expend. - Support Serv. - School Admin.	146,611	6,426	153,037	152,322	715
Undist. Expend. - Central Services					
Salaries	52,340	-	52,340	52,340	-
Purchased Technical Services	13,500	(596)	12,904	11,945	959
Misc. Purchased Services (400-500 series)	3,500	(783)	2,717	2,442	275
Other Purchases Services - Postage	-	2,504	2,504	2,586	(82)
Supplies and Materials	5,000	-	5,000	4,248	752
Miscellaneous Expenditures	1,500	(974)	526	325	201
Total Undist. Expend. - Central Services	75,840	151	75,991	73,886	2,105
Undist. Expend. - Admin. Info. Tech.					
Purchased Technical Services	4,500	(884)	3,616	3,616	-
Total Undist. Expend. - Admin Info Technology	4,500	(884)	3,616	3,616	-
Undist. Expend. - Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance Services	-	6,000	6,000	6,000	-
General Supplies	3,000	(2,000)	1,000	757	243
Total Undist. Expend. - Req. Maintenance for School Facilities	3,000	4,000	7,000	6,757	243
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Rental of Land and Buildings	150,000	39,500	189,500	189,500	-
Purchases Professional Services	-	1,740	1,740	1,740	-
Total Undist. Expend. - Other Oper. & Maint. Of Plant	150,000	41,240	191,240	191,240	-
Undist. Expend. - Student Transportation Services					
Contracted Svcs. (Other than Bet. Home & School) - Vendors	5,000	2,608	7,608	7,701	(93)
Total Undist. Expend. - Student Transportation Services	5,000	2,608	7,608	7,701	(93)
Unallocated Benefits					
Social Security Contributions	66,000	2,562	68,562	67,694	868
Other Retirement Contributions - Regular	65,000	17,504	82,504	82,504	-
Unemployment Compensation	20,000	24,200	44,200	31,277	12,923
Worker's Compensation	30,000	-	30,000	28,544	1,456
Health Benefits	354,293	(99,834)	254,459	249,896	4,563
Tuition Reimbursement	15,000	-	15,000	15,000	-
Total Unallocated Benefits	550,293	(55,568)	494,725	474,915	19,810
On-behalf TPAF pension Contributions (non-budgeted)	-	-	-	66,394	(66,394)
Reimbursed TPAF Social Security (non-budgeted)	-	-	-	62,354	(62,354)
Total On-Behalf Payments	-	-	-	128,748	(128,748)
Total Personnel Services - Employee Benefits	550,293	(55,568)	494,725	603,663	(108,938)
Undistributed Expenditures - Food Service					
Transfers to Cover Deficit			-	-	-
Total Undistributed Expenditures - Food Service	-	-	-	-	-
TOTAL UNDISTRIBUTED EXPENDITURES	1,528,411	24,308	1,552,719	1,631,248	(78,529)
TOTAL GENERAL CURRENT EXPENSE	2,183,000	17,113	2,200,113	2,264,100	(63,987)

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Instruction - Autism	3,000		3,000	-	3,000
Total Equipment	3,000	-	3,000	-	3,000
TOTAL CAPITAL OUTLAY	3,000	-	3,000	-	3,000
SPECIAL SCHOOLS					
Summer School - Instruction					
Instruction:					
Salaries	43,000	(3,545)	39,455	39,455	-
Other Salaries for Instruction	15,000	(4,455)	10,545	9,643	902
General Supplies	1,000	(1,000)	-	-	-
Support Services:					
Salaries	26,500	(8,113)	18,387	18,287	100
Total Accredited Evening/Adult High School	85,500	(17,113)	68,387	67,385	1,002
TOTAL SPECIAL SCHOOLS	85,500	(17,113)	68,387	67,385	1,002
TOTAL EXPENDITURES	2,271,500	-	2,271,500	2,331,485	(59,985)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	259,111	259,111
Other Financing Sources/(Uses):					
Operating Transfer In	-	-	-	-	-
Operating Transfer Out	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures	-	-	-	259,111	259,111
Fund Balance, July 1	-	-	-	(10,287)	10,287
Fund Balance, June 30	$ -	$ -	$ -	$ 248,824	$ 248,824

Recapitulation:	
Reserve for Encumbrances	
Unreserved Fund Balance	248,824
	$ 248,824
Reconciliation to Governmental Funds Statements (GAAP):	
Fund Balance per Governmental Funds (GAAP)	$ 248,824

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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BAYSHORE JOINTURE COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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) "revenues" from the budgetary comparison schedules	$ 2,590,596	$ -
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 2,590,596	$ -
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	$ 2,331,485	$ -
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$ 2,331,485	$ -

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OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUND DETAIL STATEMENTS

N/A

The Special Revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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CAPITAL PROJECTS FUND
DETAIL STATEMENTS

N/A

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

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ENTERPRISE AND INTERNAL SERVICE FUNDS DETAIL STATEMENTS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Commission's board is that the costs of providing goods or services be financed through user charges.

ENTERPRISE FUNDS – N/A

INTERNAL SERVICE FUNDS – This fund is used to account for the financing of goods or services provided by the Commission to member districts.

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FIDUCIARY FUNDS
DETAIL STATEMENTS

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity.

Agency Funds are used to account for assets held by the Commission as an agent for individuals, private organizations, other governments and/or other funds.

UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND – This is an expendable trust fund whose purpose is to provide unemployment benefits under the direct reimbursement method.

PAYROLL FUND – This agency fund is used to account for the payroll transactions of the Commission.

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BAYSHORE JOINTURE COMMISSION
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2011

	Speech Services	District Aides	Total
ASSETS			
Current Assets:			
Accounts receivable	$ 469	$ 38,821	$ 39,290
Total Current Assets	469	38,821	39,290
Total Assets	$ 469	$ 38,821	$ 39,290
LIABILITIES			
Current liabilities			
Interfund payable	$ 469	$ 57,021	$ 57,490
Total current liabilities	469	57,021	57,490
NET ASSETS:			
Unrestricted	-	(18,200)	(18,200)
Total Liabilities and Net Assets	$ 469	$ 38,821	$ 39,290

BAYSHORE JOINTURE COMMISSION
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Speech Services	District Aides	Total Governmental Activities Internal Service Fund
OPERATING REVENUES:			
Charges for services:			
Tuition	$ 3,388	$ 773,300	$ 776,688
Total operating revenues	3,388	773,300	776,688
OPERATING EXPENSES:			
Salaries	3,388	538,096	541,484
Employee benefits	-	253,404	253,404
Purchased professional and educational services	-	-	-
Other purchased professional services	-	-	-
Cleaning, repair and maintenance services	-	-	-
Rentals	-	-	-
Insurance	-	-	-
General supplies	-	-	-
Miscellaneous	-	-	-
Total operating expenses	3,388	791,500	794,888
OPERATING INCOME/(LOSS)	-	(18,200)	(18,200)
NONOPERATING REVENUES:			
Interest and dividend revenue	-	-	-
TOTAL NONOPERATING REVENUES	-	-	-
CHANGE IN NET ASSETS	-	(18,200)	(18,200)
TOTAL NET ASSETS - BEGINNING	-	-	-
TOTAL NET ASSETS - ENDING	$ -	$ (18,200)	$ (18,200)

BAYSHORE JOINTURE COMMISSION
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities Internal Services Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 794,888
Payments to employees	(541,484)
Payments for employee benefits	(253,404)
Net cash provided by (used in) operating activities	-
Net increase (decrease) in cash and cash equivalents	-
Balances—beginning of year	-
Balances—end of year	$ -
Reconciliation of operating income (loss) to net cash provided by (used in) by operating activities:	
Operating income (loss)	$ (18,200)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Increase in accounts receivable	(18,871)
Increase in interfund payable	37,071
Total adjustments	18,200
Net cash provided by (used in) operating activities	$ -

BAYSHORE JOINTURE COMMISSION
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and cash equivalents	$ -	$ 9,843	$ 9,843
Total Assets	$ -	$ 9,843	$ 9,843
LIABILITIES			
Payroll deductions and withholdings	-	8,235	8,235
Accrued salaries	-	1,608	1,608
Total liabilities	-	$ 9,843	9,843
NET ASSETS:			
Held in Trust for Unemployment Claims and Other Purposes	$ -		-
Total Net Assets			-
Total Liabilities and Net Assets			$ 9,843

BAYSHORE JOINTURE COMMISSION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ASSETS:				
Cash and cash equivalents	$ 18,882	$ 1,863,466	$ 1,872,505	$ 9,843
TOTAL ASSETS	$ 18,882	$ 1,863,466	$ 1,872,505	$ 9,843
LIABILITIES:				
Payroll deductions and withholdings	$ 18,882	$ 660,009	$ 670,656	$ 8,235
Accrued salaries	-	1,203,457	1,201,849	1,608
TOTAL LIABILITIES	$ 18,882	$ 1,863,466	$ 1,872,505	$ 9,843

LONG-TERM DEBT SCHEDULES

N/A

The Long-Term Debt group is used to record the outstanding principal balances of the long-term liabilities of the Commission. This includes the outstanding principal balance on capital leases.

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STATISTICAL SECTION

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BAYSHORE JOINTURE COMMISSION
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS ENDED JUNE 30, 2011
UNAUDITED

	2005	2006	2007	2008	2009	2010	2011
Governmental activities							
Invested in capital assets, net of related debt	$ 61,092	$ 49,484	$ 42,147	$ 34,114	$ 26,081	$ 22,642	$ 19,159
Restricted	162,259	28,639	50,262	225,104	136	-	-
Unrestricted	283,875	308,156	365,457	115,268	172,715	(10,287)	201,833
Total governmental activities net assets	$ 507,226	$ 386,279	$ 457,866	$ 374,486	$ 198,932	$ 12,355	$ 220,992
Business-type activities							
Invested in capital assets, net of related debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total business-type activities net assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District-wide							
Invested in capital assets, net of related debt	$ 61,092	$ 49,484	$ 42,147	$ 34,114	$ 26,081	$ 22,642	$ 19,159
Restricted	162,259	28,639	50,262	225,104	136	-	-
Unrestricted	283,875	308,156	365,457	115,268	172,715	(10,287)	201,833
Total district net assets	$ 507,226	$ 386,279	$ 457,866	$ 374,486	$ 198,932	$ 12,355	$ 220,992

BAYSHORE JOINTURE COMMISSION
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS ENDED JUNE 30, 2011
UNAUDITED

	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental activities							
Instruction							
Regular	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special education	649,192	595,300	684,917	707,702	822,857	834,312	943,324
Other special education	-	-	-	-	-	-	-
Other instruction	-	-	21,482	12,185	19,044	14,854	4,796
Nonpublic school programs	-	-	-	-	-	-	-
Support Services:							
Student & instruction related services	567,211	677,077	807,980	1,007,184	1,198,567	971,039	1,521,763
School Administrative services	118,621	126,166	118,469	124,557	133,411	138,081	228,104
General administration	97,904	93,470	103,099	106,836	102,910	100,386	129,843
Plant operations and maintenance	183,597	122,763	141,730	141,200	137,582	149,914	197,997
Pupil transportation	30,669	2,950	53,698	50,853	68,598	50,650	7,701
Unallocated benefits	287,941	276,237	350,880	582,707	585,963	921,402	-
Special Schools	68,711	65,242	71,119	101,562	118,186	123,281	99,892
Unallocated depreciation	9,170	11,608	7,337	8,033	8,033	3,483	3,483
Total governmental activities expenses	2,013,016	1,970,813	2,360,711	2,842,819	3,195,151	3,307,402	3,136,903
Business-type activities:							
Food service	-	-	-	-	-	-	-
Total business-type activities expense	-	-	-	-	-	-	-
Total district expenses	$ 2,013,016	$ 1,970,813	$ 2,360,711	$ 2,842,819	$ 3,195,151	$ 3,307,402	$ 3,136,903
Program Revenues							
Governmental activities:							
Charges for services:							
Instruction (tuition)	$ 1,823,608	$ 1,365,537	$ 1,702,353	$ 1,869,372	$ 2,037,413	$ 2,326,699	$ 2,449,074
Pupil transportation	13,144	-	49,787	49,026	54,921	56,675	-
Central and other support services	294,508	413,985	527,415	673,053	812,537	584,333	767,021
Operating grants and contributions	5,627	335	14,589	-	-	-	-
Total governmental activities program revenues	2,136,887	1,779,857	2,294,144	2,591,451	2,904,871	2,967,707	3,216,095

BAYSHORE JOINTURE COMMISSION
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS ENDED JUNE 30, 2011
UNAUDITED

	2005	2006	2007	2008	2009	2010	2011
Business-type activities:							
Charges for services							
Food service	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-
Total business type activities program revenues	-	-	-	-	-	-	-
Total district program revenues	$ 2,136,887	$ 1,779,857	$ 2,294,144	$ 2,591,451	$ 2,904,871	$ 2,967,707	$ 3,216,095
Net (Expense)/Revenue							
Governmental activities	$ 123,871	$ (190,956)	$ (66,567)	$ (251,368)	$ (290,280)	$ (339,695)	$ 79,192
Business-type activities	-	-	-	-	-	-	-
Total district-wide net expense	$ 123,871	$ (190,956)	$ (66,567)	$ (251,368)	$ (290,280)	$ (339,695)	$ 79,192
General Revenues and Other Changes In Net Assets							
Governmental activities:							
On-behalf and TPAF aid	$ 55,707	$ 40,738	$ 96,333	$ 105,679	$ 123,018	$ 131,666	$ 128,748
Investment earnings	1,967	-	-	-	-	-	-
Miscellaneous income	22,998	29,271	45,541	75,808	(8,292)	21,408	697
Transfers	-	-	-	-	-	-	-
Total governmental activities	80,672	70,009	141,874	181,487	114,726	153,074	129,445
Business-type activities:							
Transfers	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-
Total district-wide	$ 80,672	$ 70,009	$ 141,874	$ 181,487	$ 114,726	$ 153,074	$ 129,445
Change in Net Assets							
Governmental activities	$ 204,543	$ (120,947)	$ 75,307	$ (69,881)	$ (175,554)	$ (186,621)	$ 208,637
Business-type activities	-	-	-	-	-	-	-
Total district	$ 204,543	$ (120,947)	$ 75,307	$ (69,881)	$ (175,554)	$ (186,621)	$ 208,637

BAYSHORE JOINTURE COMMISSION
FUND BALANCES, GOVERNMENTAL FUND
LAST SEVEN FISCAL YEARS ENDED JUNE 30, 2011
UNAUDITED

	2005	2006	2007	2008	2009	2010	2011
General Fund							
Reserved	$ 162,259	$ 28,639	$ 50,262	$ 225,104	$ 136	$ -	$ -
Unreserved	283,875	308,156	365,457	115,268	172,715	(10,287)	229,700
Total general fund	$ 446,134	$ 336,795	$ 415,719	$ 340,372	$ 172,851	$ (10,287)	$ 229,700
All Other Governmental Funds							
Unreserved, reported in:							
Special revenue fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Capital projects fund	-	-	-	-	-	-	-
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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BAYSHORE JOINTURE COMMISSION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS ENDED JUNE 30, 2011
UNAUDITED

	2003	2004	2005	2006
Revenues				
District charges	$ 1,105,976	$ 1,442,084	$ 1,823,608	$ 1,365,537
Miscellaneous	90,030	39,437	24,965	32,140
State sources	32,935	58,024	61,334	41,073
Federal sources	-	-	-	-
Total revenue	1,228,941	1,539,545	1,909,907	1,438,750
Expenditures				
Instruction				
Regular Instruction	-	-	-	-
Special education instruction	547,710	682,871	630,084	593,139
Other special instruction	-	-	-	-
Undistributed				
Student & inst. related services	64,657	186,503	268,767	263,092
General administration	22,847	84,597	41,121	93,470
School administrative services	98,588	75,285	118,621	126,166
Central services	44,371	48,777	56,783	-
Admin. information technology	-	-	-	-
Plant operations and maintenance	70,819	170,217	183,597	122,763
Pupil transportation	-	1,471	17,525	2,950
Other Support Services	-	-	-	-
Employee benefits	138,151	255,612	287,941	276,237
Miscellaneous	-	-	-	-
Special Schools	-	54,059	68,711	65,242
Capital outlay	35,535	18,297	60,907	4,130
Total expenditures	1,022,678	1,577,689	1,734,057	1,547,189
Excess (Deficiency) of revenues over (under) expenditures	206,263	(38,144)	175,850	(108,439)
Other Financing sources (uses)				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	$ 206,263	$ (38,144)	$ 175,850	$ (108,439)
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

Source: District records

2007	2008	2009	2010	2011
$ 1,702,353	$ 1,869,372	$ 2,037,413	$ 2,326,699	$ 2,449,074
71,838	75,808	8,028	21,408	697
100,402	105,679	123,018	131,666	128,748
-	-	-	-	-
1,874,593	2,050,859	2,168,459	2,479,773	2,578,519
-	-	-	-	-
670,328	707,702	822,857	834,312	629,475
21,482	12,185	19,044	14,854	3,377
295,154	334,131	386,030	570,571	576,235
41,114	37,635	24,546	29,487	22,875
180,454	124,557	133,411	135,345	152,322
-	69,201	78,364	73,635	73,886
-	-	-	-	3,616
141,730	141,200	137,582	149,914	197,997
3,911	1,827	13,677	230	7,701
-	-	-	-	-
350,880	582,707	582,981	731,282	603,663
-	-	-	-	-
71,119	101,562	118,186	123,281	67,385
3,720	13,499	2,982	-	-
1,779,892	2,126,206	2,319,660	2,662,911	2,338,532
94,701	(75,347)	(151,201)	(183,138)	239,987
(15,777)	17,818	(16,320)	-	-
$ 78,924	$ (57,529)	$ (167,521)	$ (183,138)	$ 239,987
0.00%	0.00%	0.00%	0.00%	0.00%

BAYSHORE JOINTURE COMMISSION
GENERAL FUND OTHER MISCELLANEOUS REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Miscellaneous	Total
2002	$ 471	$ 135	$ 606
2003	930	89,100	90,030
2004	283	39,154	39,437
2005	1,967	22,998	24,965
2006	4,235	27,905	32,140
2007	4,394	67,444	71,838
2008	1,724	74,084	75,808
2009	-	8,028	8,028
2010	-	21,408	21,408
2011	-	697	697

Source: Commission records

BAYSHORE JOINTURE COMMISSION
INSURANCE SCHEDULE
JUNE 30, 2011

		Coverage	Deductible
Commercial Package Policy -			
New Jersey School Boards Association			
Insurance Group:			
Property - Blanket real and personal		$ 360,000,000	$ 1,000
Electronic data processing		20,000	1,000
Boiler and machinery		100,000,000	1,000
Flood		1,000,000	10,000
Comprehensive general liability		6,000,000	-
Automobile		6,000,000	-
School Leaders' Errors and Ommissions -			
New Jersey School Boards Association			
Insurance Group		2,000,000	5,000
Officials' Bonds -			
Selective Insurance:			
Board Secretary/School Business Administrator		75,000	-
Treasurer		75,000	-
Workers' Compensation and Employers' Liability			
New Jersey School Boards Association			
Insurance Group	pro	1,568,640	
	non-pro	20,000	

Source: Commission records

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SINGLE AUDIT SECTION

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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*

Bayshore Jointure Commission
100 Tornillo Way, Suite 1
Tinton Falls, NJ 07712

We have audited the financial statements of the Bayshore Jointure Commission in the County of Monmouth, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated January 5, 2012. We conducted our audit in accordance with 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Bayshore Jointure Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses.

THE CURCHIN GROUP LLC
ASSURANCE SERVICES :: TAX :: FINANCIAL PLANNING :: BUSINESS ADVISORY
200 Schulz Drive, Suite 400 - Red Bank, NJ 07701-6745 **(732) 747-0500** FAX (732) 747-7700 www.**curchin**.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayshore Jointure Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey, and which are described in the accompanying schedule of findings and questioned costs as item.

We noted certain matters that we reported to management of the Bayshore Jointure Commission, in a separate letter dated January 5, 2012

This report is intended for the information of the Bayshore Jointure Commission's management, the New Jersey State Department of Education, other state and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Licensed Public School Accountant, No. 20900
THE CURCHIN GROUP, LLC

Red Bank, New Jersey
January 5, 2012

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BAYSHORE JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2010 Deferred Revenue (Accts Receivable)	Balance at June 30, 2010 Due to Grantor
State Department of Education						
General Fund:						
On Behalf TPAF Pension Contributions	10-100-034-5095-116	396,510	7/1/10	6/30/11	$ -	$ -
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	385,154	7/1/10	6/30/11	(3,426)	-
Total State Financial Assistance					$ (3,426)	$ -

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

				Balance at June 30, 2011			MEMO	
Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	(Accounts .Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
$ -	$ 66,394	$ 66,394	$ -	$ -	$ -	$ -	$ -	$ 66,394
-	65,780	62,354	-	-	-	-	-	62,354
$ -	$ 132,174	$ 128,748	$ -	$ -	$ -	$ -	$ -	$ 128,748

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

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