

BAYSHORE JOINTURE COMMISSION

Tinton Falls, New Jersey
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

BAYSHORE JOINTURE COMMISSION

TINTON FALLS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by

BAYSHORE JOINTURE COMMISSION

Finance Department

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	7
Roster of Officials	8
Consultants and Advisors	9

FINANCIAL SECTION

Independent Auditors' Report	13
------------------------------	----

Required Supplementary Information - Part I

Management's Discussion & Analysis	19
---	----

Basic Financial Statements

A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	31
A-2 Statement of Activities	32
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	37
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	38
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	39
Proprietary Funds:	
B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
Fiduciary Funds:	
B-7 Statement of Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A

Notes to Financial Statements	45
--------------------------------------	----

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	81
C-2 Budgetary Comparison Schedule - Special Revenue Fund	85

Notes to the Required Supplementary Information:

C-3 Budget-to-GAAP Reconciliation	89
-----------------------------------	----

(continued)

OUTLINE OF ACFR (continued)

PAGE

Required Supplementary Information - Part III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability	93
L-2 Schedule of the District Contributions (PERS)	94
L-3 Schedule of the District Proportionate Share of the Net Pension Liability	95

M. Schedules Related to Accounting and Reporting for Other Post Employment Benefits (GASB 75)	
M-1 Schedule of Changes in the Net OPEB Liability and Related Ratios - OPEB	99

Notes to the Required Supplementary Information - Part III

Notes to the Required Supplementary Information	103
D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	111
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	N/A
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Payroll Agency Fund Schedule of Receipts & Disbursements	N/A
H-3 Student Activity Fund Schedule of Receipts & Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Financing Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

(continued)

OUTLINE OF ACFR (continued)

PAGE

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Position by Component	123
J-2 Changes in Net Position	124
J-3 Fund Balances - Governmental Funds	126
J-4 Changes in Fund Balance - Governmental Funds	127
J-5 Other Local Revenue by Source - General Fund	128

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	N/A
J-7 Direct & Overlapping Property Tax Rates	N/A
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies & Collections	N/A

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	N/A
J-11 Ratios of General Bonded Debt Outstanding	N/A
J-12 Direct & Overlapping Governmental Activities Debt	N/A
J-13 Legal Debt Margin Information	N/A

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	N/A
J-15 Principal Employers	N/A

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	N/A
J-17 Operating Statistics	N/A
J-18 School Building Information	N/A
J-19 Schedule of Required Maintenance	N/A
J-20 Insurance Schedule	131

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	135
K-2 Independent Auditor's Report on Compliance for Each Major Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and New Jersey OMB Circular Letter 15-08	N/A
K-3 Schedule of Expenditures of Federal Awards, Schedule A	N/A
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	N/A
K-5 Notes to Schedule of Expenditures of Financial Assistance	N/A
K-6 Schedule of Findings & Questioned Costs:	
Section I - Summary of Auditor's Results	137
Section II - Financial Statement Findings	139
Section III - Federal Awards & State Financial Assistance Findings & Questioned Costs	140
K-7 Summary Schedule of Prior Audit Findings As Prepared by Management	141

INTRODUCTORY SECTION

This page intentionally left blank

Bayshore Jointure Commission
The Shore Center for Students with Autism



December 16, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Bayshore Jointure Commission (Commission) for the fiscal year ended June 30, 2022, is hereby submitted. This ACFR 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 are accurate in all material respects and are 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 Annual Comprehensive 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 not required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)* or the New Jersey State Treasury Circular Letter 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*.

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

Bayshore Jointure Commission and the Member Districts constitute the Commission's reporting entity. The Bayshore Jointure Commission, which was established by the State Board of Education upon the recommendation of Education Commissioner Gagliardi on August 1, 2001, included eight Bayshore Districts: Atlantic Highlands, Hazlet, Henry Hudson Regional, Highlands, Keansburg, Keyport, Union Beach and 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 that are unique to them. The following synopses have been provided by the participating school districts:

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.

HAZLET TOWNSHIP

Hazlet Township is a suburban community of approximately 22,000 residents located in Monmouth County in the coastal region of central New Jersey. The school community is a preschool through twelfth grade district comprised of almost 2,700 students. Our schools consist of an early child learning center for preschool and kindergarten, three first through fourth grade schools, two schools serving students in grades five and six, one middle school and one high school.

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.

HIGHLANDS

Highlands Borough, created in 1900 by an Act of the New Jersey Legislature, is 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.

KEANSBURG

The Keansburg area is beginning to experience increases in their property assessments, which is reflected in their taxing ability. Keansburg has experienced a loss of \$30 million in ratables which will affect the Borough's ability to raise tax revenue.

The future outlook for Keansburg School District financing continues to primarily depend 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 State tax revenues.

KEYPORT

The Keyport School District encompasses the Borough of Keyport located in northern Monmouth County, New Jersey. The Keyport School District received students from Union Beach 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.

MATAWAN/ABERDEEN REGIONAL

The Matawan-Aberdeen Regional School District has an enrollment of approximately 3,700 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 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 to Philadelphia. These municipalities are located near one of New Jersey's largest

commercial/industrial areas as well as proximity to air, train, highway and public transportation access.

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 is approximately 3,500. Housing in Ocean Township has been affected by the economy; the real estate market continues to be slowed. 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.

MIDDLETOWN TOWNSHIP

Middletown Township with a population of approximately 66,000 residents is the 16th largest township in the state. Portions of the original township were taken to form Colts Neck, Hazlet, Atlantic Highlands, Highlands and Keansburg townships.

The Middletown Township Public Schools serve students in pre-kindergarten through 12th grade in seventeen public schools, which are comprised of twelve elementary schools, three middle schools and two high schools.

UNION BEACH

The Union Beach School District services the educational needs of children in grades Pre-K through 8. The district offers a full day Kindergarten program and current enrollment is approximately 600 students in grades Pre-K through 8th grade. The Union Beach School district offers a half-day integrated pre-school program for three-and four-year olds who are residents of Union Beach. The program is designed to bring preschoolers, with and without special needs, together in an integrated environment. This educational program continues to achieve high academic, social and emotional benchmarks under the guidance and tutelage of our experienced faculty and staff. Our school district has recognized the importance of this early learning opportunity and has taken steps to ensure its continued viability for our families.

MAJOR INITIATIVES: The Bayshore Jointure Commission employs a guidance counselor, expand the use of behaviorist in connection with outside training for our staff and families, and increased student data collection, re-established field trips and pre-vocational services. Focus is being placed on expanded vocational services for older students, infused technology and offering all we can for our learners. Lecture programs for parents on topics related to autism and special education are very successful. Management of the school is handled daily by a principal and vice-principal while central office management is addressed through shared services agreements.

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.

The Commission has retained Strauss Esmay Associates to assist in the revision and adoption of the District Policy Manual and Regulations.

A Standard Operating Procedures Manual is maintained by the District.

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 (GAAP), 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 carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A schedule of Insurance Coverage is found in the support schedules.

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 Holman Frenia Allison, P.C. Certified Public Accountants and Consultants was selected by the Bayshore Jointure Commission. The audit was designed to meet the requirements set forth in State statutes and *Government Auditing Standards*. 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.

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,

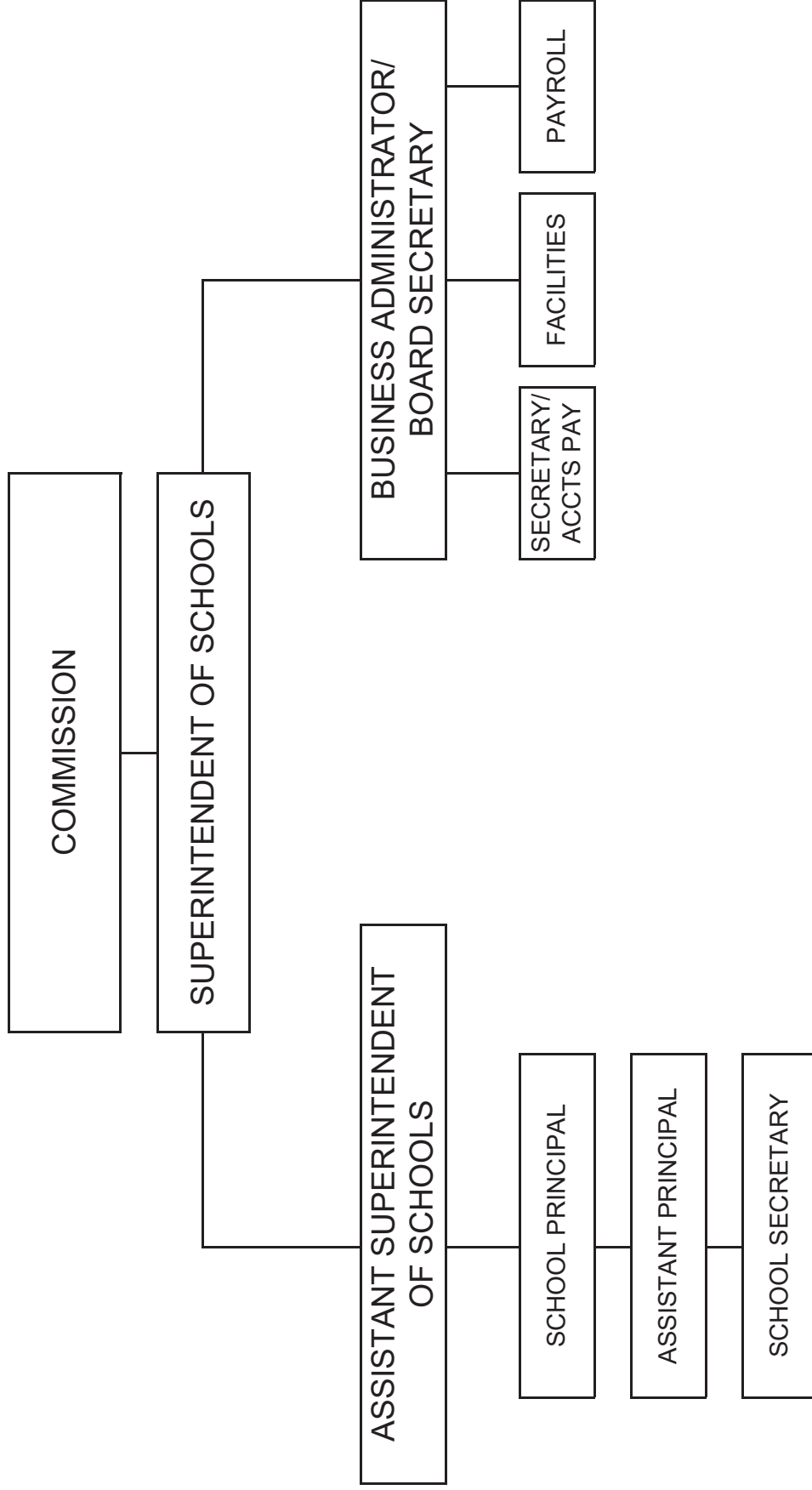


Dr. William O. George, III
Interim Superintendent



Christopher J. Mullins
School Business Administrator

BAYSHORE JOINTURE COMMISSION ORGANIZATIONAL CHART



**BAYSHORE JOINTURE COMMISSION
TINTON FALLS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2022**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Mr. Joseph Annibale, President	June 30, 2022
Dr. Lisa Savoia, Vice President	June 30, 2022
Dr. Tara Beams	June 30, 2022
Ms. Nelyda Perez	June 30, 2022
Dr. Jared Ramage	June 30, 2022
Ms. Mary Ellen Walker	June 30, 2022
Ms. Kathleen O'Hare	June 30, 2022
Mrs. Amanda Lewert	June 30, 2022
Mr. Scott McCue	June 30, 2022

OTHER OFFICIALS

William O. George Ed.D, Interim Superintendent

Mr. Christopher Mullins, Business Administrator/Board Secretary

Mr. Michael Gross, Attorney

**BAYSHORE JOINTURE COMMISSION
TINTON FALLS, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2022**

AUDITOR/AUDIT FIRM

Jerry W. Conaty, CPA, PSA, CFE, RMA
Holman Frenia Allison, P.C.
1985 Cedar Bridge Ave, Suite 3
Lakewood, New Jersey 08701

ATTORNEY

Michael Gross, Esq.
Kenney, Gross, Kovats & Parton
The Courts of Red Bank
130 Maple Avenue, Building 8
Red Bank, New Jersey 07701

OFFICIAL DEPOSITORY

Bank of America
Matawan, New Jersey

This page intentionally left blank

FINANCIAL SECTION

This page intentionally left blank



INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Bayshore Jointure Commission
County of Monmouth
Tinton Falls, NJ 07712

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bayshore Jointure Commission, County of Monmouth, New Jersey, as of and for the fiscal year ended, June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
General Fund	Unmodified
Special Revenue Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Bayshore Jointure Commission, as of June 30, 2022, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

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 Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on Governmental Activities

Governmental Accounting Standards Board (GASB) Statement No. 75 requires governmental entities to accrue and disclose certain information pertaining to other post-employment benefits. The New Jersey Division of Pension and Benefits has been unable to provide updated information in a timely manner to facilitate inclusion of this information in the financial statements and related footnotes for the year ended June 30, 2022. Management has elected to include the most recently available information provided, which was performed with a measurement date of June 30, 2020. The amount by which this departure would affect the expense and offsetting revenues of the Governmental Activities has not been determined.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the discal year ended June 30, 2022, Bayshore Jointure Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always deterct a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher that for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a resonable user based on the financial statements..

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements presecribed by the Office of school Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2407

December 16, 2022
Lakewood, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

This page intentionally left blank

**MD&A BAYSHORE JOINTURE COMMISSION
MONMOUTH COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

UNAUDITED

This discussion and analysis of Bayshore Jointure Commission's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2022 are as follows:

- ◆ General revenues and special items accounted for \$5,190,607 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$990,181 or 16% of total revenues of \$6,180,788.
- ◆ Total assets and deferred outflow of resources of governmental activities increased by \$1,147,591
- ◆ The Governmental Activities of the School District had \$5,330,013 in expenses; \$990,181 of these expenses were offset by program specific charges for services, grants or contributions. General revenues and special items of \$5,190,607 were adequate to provide for these programs.
- ◆ The General Fund had \$5,888,020 in revenues and \$5,326,825 in expenditures. The General Fund's balance increased \$561,195 over 2021.

Using this Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Bayshore Jointure Commission as a financial whole, an entire operating entity. The statements then proceeds to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the Bayshore Jointure Commission, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2021-22?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s student base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental Activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The District does not have any business-type activities.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds is included in the 2021-22 Annual Comprehensive Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund and Special Revenue Fund.

Governmental Funds

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary comparison of the School District's net position for 2022 and 2021.

TABLE I - STATEMENT OF NET POSITION

	<u>2022</u>		<u>2021</u>	
	<u>Governmental Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Total</u>
Current and other assets	\$ 5,231,019	\$ 5,231,019	\$ 4,310,211	\$ 4,310,211
Total Assets	5,231,019	5,231,019	4,310,211	4,310,211
Deferred outflow of resources	682,102	682,102	455,319	455,319
Long-term liabilities	1,385,228	1,385,228	1,536,832	1,536,832
Other liabilities	531,268	531,268	152,505	152,505
Total liabilities	1,916,496	1,916,496	1,689,337	1,689,337
Deferred inflow of resources	1,048,106	1,048,106	978,449	978,449
Net Investment in Capital Assets	31,845	31,845	-	-
Restricted	18,996	18,996	23,019	23,019
Unrestricted	2,897,678	2,897,678	2,074,725	2,074,725
	<u>\$ 2,948,519</u>	<u>\$ 2,948,519</u>	<u>\$ 2,097,744</u>	<u>\$ 2,097,744</u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2022 and 2021.

TABLE II – CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues				
Program Revenue				
Operating Grants	\$ 990,181	\$ 1,086,589	\$ 990,181	\$ 1,086,589
General Revenues:				
Tuition	5,065,833	4,302,739	5,065,833	4,302,739
Federal & State Aid Not Restricted	20,000		20,000	
Miscellaneous	104,774	100,398	104,774	100,398
Total Revenues	<u>6,180,788</u>	<u>5,489,726</u>	<u>6,180,788</u>	<u>5,489,726</u>
Expenses				
Instructional Services	3,207,248	3,184,675	3,207,248	3,184,675
Support Services	1,890,868	1,942,530	1,890,868	1,942,530
Special Schools	231,897	216,070	231,897	216,070
Total Expenses	<u>5,330,013</u>	<u>5,343,275</u>	<u>5,330,013</u>	<u>5,343,275</u>
Change in Net Position	<u>\$ 850,775</u>	<u>\$ 146,451</u>	<u>\$ 850,775</u>	<u>\$ 146,451</u>

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

TABLE III – GOVERNMENTAL ACTIVITIES

	2022		2021	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Expenses				
Instructional Services	\$ 3,207,248	\$ 3,207,248	\$ 3,184,675	\$ 2,109,579
Support Services				
Pupil & Instructional Staff	778,963	778,963	855,816	855,816
General School & Business Admin	680,772	680,772	665,023	665,023
Operation & Maintenance of Facilities	372,752	372,752	410,362	410,362
Pupil Transportation	69,942	69,942	-	-
Student Activities	5,885	5,885	11,328	(165)
Other	214,451	214,451	216,070	216,070
Total Expenses	\$ 5,330,013	\$ 5,330,013	\$ 5,343,274	\$ 4,256,685

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Other includes Special School expenses.

The School District's Funds

Information about the School District's major funds is included in the 2021-22 Annual Comprehensive Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and transfers of \$5,888,020, and expenditures of \$5,326,825 as demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2022, and the amount and percentage of increases and decreases in relation to prior year revenues.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 20/21</u>	<u>Percent Change</u>
Local Sources	5,183,033	87.21%	766,227	17.35%
State Sources	717,413	12.07%	172,748	31.72%
Federal Sources	42,834	0.72%	24,766	137.07%
Total Revenues	<u>5,943,280</u>	<u>100%</u>	<u>963,741</u>	<u>186.14%</u>

The increase in Local Sources is due to an increase in the number of enrolled students and tuition.

The increase in State Sources is due to an increase in on-behalf revenues related TPAF pensions and post-retirement medical contributions.

The increase in Federal Sources is due to Elementary and Secondary School Education Relief (ESSER) funding received during the year.

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2022.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 20/21</u>	<u>Percent Change</u>
Instruction	1,798,236	33.39%	111,320	6.60%
Undistributed Expenditures	3,555,210	66.01%	363,888	11.40%
Capital Outlay	32,662	0.00%	32,662	100.00%
Total Expenses	<u>5,386,108</u>	<u>99.39%</u>	<u>507,870</u>	<u>118.00%</u>

The increase in Current - Instruction is related to a increase in expenditures on salaries, supplies and other services.

The increase in Current - Undistributed Expenditures is attributed to an increase in Student and Instruction Related Services.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

General Fund Budgeting Highlights (continued)

During the course of the fiscal year 2022, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student expenses both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.
- ◆ Additional needs for technology and textbooks.

Capital Assets

At the end of the fiscal year 2022, the School District had \$31,845 in net capital assets, net of depreciations, which includes site improvements.

	<u>June 30, 2022</u> Governmental Activities	<u>June 30, 2021</u> Governmental Activities
Site Improvements	\$ 31,845	\$ -
Total	<u>\$ 31,845</u>	<u>\$ -</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration

At June 30, 2022 and 2021,, the School District had \$359,693 and \$706,391 in outstanding debt, which is the total of the lease liability.

Additional information on the District's debt can be found in Note 6 to the basic financial statements.

For the Future

The Bayshore Jointure Commission provides an autistic education program to member and non-member districts throughout the State of New Jersey.

During the budget process in the spring, it was a concern to the Administration and Board of Education how future budgets would be financed and affect our sending districts. Therefore, during the past year and continuing into the present, the Board of Education and Administration have conducted a program review of costs centers in the School District to determine where cost savings may be effectuated.

In conclusion, the Bayshore Jointure Commission has committed itself to financial excellence for many years. In addition, the Commission's system for financial planning, budgeting and internal financial

For the Future (continued)

controls is well-regarded. The Commission plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide member and non-member districts throughout the State of New Jersey with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Christopher J. Mullins, School Business Administrator/Board Secretary at Bayshore Jointure Commission, 100 Tornillo Way, Tinton Falls, New Jersey 07712.

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

A. Government-Wide Financial Statements

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2022

ASSETS	GOVERNMENTAL ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 4,729,250	\$ 4,729,250
Receivables - Other, Net (Note 3)	116,729	116,729
Capital Assets, Net (Note 4):		
Depreciable	31,845	31,845
Right to Use Leased Assets, Net of Amortization (Note 15):	353,195	353,195
	<hr/>	<hr/>
Total Assets	5,231,019	5,231,019
	<hr/>	<hr/>
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows Related to Pensions (Note 7)	682,102	682,102
	<hr/>	<hr/>
Total Deferred Outflow of Resources	682,102	682,102
	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	5,913,121	5,913,121
	<hr/>	<hr/>
LIABILITIES		
Payroll Deductions & Withholdings	21,101	21,101
Due to Other Governments	150,474	150,474
Noncurrent Liabilities (Note 6):		
Due Within One Year	359,693	359,693
Due Beyond One Year	1,385,228	1,385,228
	<hr/>	<hr/>
Total Liabilities	1,916,496	1,916,496
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Related to Pensions (Note 7)	1,048,106	1,048,106
	<hr/>	<hr/>
Total Deferred Inflows of Resources	1,048,106	1,048,106
	<hr/>	<hr/>
NET POSITION		
Net Investment in Capital Assets	31,845	31,845
Restricted For:		
Student Activities	18,996	18,996
Unrestricted	2,897,678	2,897,678
	<hr/>	<hr/>
Total Net Position	\$ 2,948,519	\$ 2,948,519
	<hr/> <hr/>	<hr/> <hr/>

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

**BAYSHORE JOINTURE COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	ACTIVITIES TOTAL
Governmental Activities:					
Instruction:					
Special Education	\$ 3,188,390	\$ -	983,671	\$ (2,204,719)	\$ (2,204,719)
Other Special Instruction	3,005	-	876	(2,129)	(2,129)
Other Instruction	15,853	-	4,621	(11,232)	(11,232)
Support Services & Undistributed Costs:					
Health Services	103,256	-	-	(103,256)	(103,256)
Student & Instruction Related Services	900,519	-	-	(900,519)	(900,519)
School Administrative Services	358,244	-	-	(358,244)	(358,244)
Other Administrative Services	322,528	-	-	(322,528)	(322,528)
Student Activities	6,364	-	1,013	(5,351)	(5,351)
Plant Operations & Maintenance	114,553	-	-	(114,553)	(114,553)
Pupil Transportation	75,632	-	-	(75,632)	(75,632)
Special Schools	231,897	-	-	(231,897)	(231,897)
Interest on Long-Term Debt	9,773	-	-	(9,773)	(9,773)
Total Governmental Activities	5,330,013	-	990,181	(4,339,832)	(4,339,832)
Total Primary Government	\$ 5,330,013	\$ -	990,181	(4,339,832)	(4,339,832)
General Revenues:					
Tuition				5,065,833	5,065,833
Federal & State Aid Not Restricted				20,000	20,000
Miscellaneous Income				104,774	104,774
Total General Revenues				5,190,607	5,190,607
Change In Net Position				850,775	850,775
Net Position - Beginning				2,097,744	2,097,744
Net Position - Ending				\$ 2,948,519	\$ 2,948,519

B. Fund Financial Statements

This page intentionally left blank

Governmental Funds

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL JUNE 30, 2022
ASSETS			
Cash & Cash Equivalents	\$ 4,737,483	\$ (8,233)	\$ 4,729,250
Accounts Receivable:			
Other	89,500	27,229	116,729
	<u>\$ 4,826,983</u>	<u>\$ 18,996</u>	<u>\$ 4,845,979</u>
LIABILITIES & FUND BALANCES			
Liabilities:			
Payroll Deductions & Withholdings Payable	\$ 21,101	\$ -	\$ 21,101
	<u>21,101</u>	<u>-</u>	<u>21,101</u>
Fund Balances:			
Restricted for:			
Student Activities Account	-	18,996	18,996
Committed for:			
Other Purposes	17,865	-	17,865
Assigned for:			
Designated for Subsequent Year's Expenditures	300,000	-	300,000
Unassigned	4,488,017	-	4,488,017
	<u>4,805,882</u>	<u>18,996</u>	<u>4,824,878</u>
Total Liabilities & Fund Balances	<u>\$ 4,826,983</u>	<u>\$ 18,996</u>	
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:			
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$32,662 and the accumulated depreciation is \$817.			31,845
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$706,391 and the accumulated amortization is \$353,196.			353,195
Accrued Pension contributions for the June 30, 2022 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in Accounts Payable in the Government-Wide Statement of Net Position.			(150,474)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and therefore are not reported in the funds.			
Deferred Outflows related to pensions			682,102
Deferred Inflows related to pensions			(1,048,106)
Long-term liabilities, including net pension liabilities, compensated absences, and lease liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.			(1,744,921)
Net Position of Governmental Activities			<u>\$ 2,948,519</u>

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

**BAYSHORE JOINTURE COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	GENERAL FUND	SPECIAL REVENUE FUND	<u>TOTALS</u> JUNE 30, 2022
Revenues:			
Local Sources:			
Tuition	\$ 5,065,833	\$ -	\$ 5,065,833
Miscellaneous	104,774	12,426	117,200
Total Local Sources	<u>5,170,607</u>	<u>12,426</u>	<u>5,183,033</u>
State Sources	717,413	-	717,413
Federal Sources	-	42,834	42,834
Total Revenues	<u>5,888,020</u>	<u>55,260</u>	<u>5,943,280</u>
Expenditures:			
Current Expense:			
Special Education Instruction	1,733,416	54,247	1,787,663
Other Special Instruction	1,685	-	1,685
Other Instruction	8,888	-	8,888
Support Services:			
Health Services	81,713	-	81,713
Student & Instruction Related Services	712,638	-	712,638
Educational Media Services/ School Administrative Services	283,501	-	283,501
Other Administrative Services	255,237	-	255,237
Student Activities	-	5,036	5,036
Plant Operations & Maintenance	372,752	-	372,752
Pupil Transportation	59,852	-	59,852
Employee Benefits	1,600,966	-	1,600,966
Special Schools	183,515	-	183,515
Capital Outlay	32,662	-	32,662
Total Expenditures	<u>5,326,825</u>	<u>59,283</u>	<u>5,386,108</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>561,195</u>	<u>(4,023)</u>	<u>557,172</u>
Fund Balance, July 1	<u>4,244,687</u>	<u>23,019</u>	<u>4,267,706</u>
Fund Balance - June 30	<u>\$ 4,805,882</u>	<u>\$ 18,996</u>	<u>\$ 4,824,878</u>

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

**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 YEAR ENDED JUNE 30, 2022**

Total Net Change in Fund Balances - Governmental Funds \$ 557,172

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

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

	\$	(817)	
Depreciation Expense		32,662	
Capital Outlays			31,845

Amortization expense for right to use leased assets (353,196)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. 275,537

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments on long-term debt 346,699

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-), when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (7,282)

Change in Net Position of Governmental Activities \$ 850,775

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

This page intentionally left blank

Proprietary Funds
Not Applicable

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The 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 School District’s reporting entity, as set forth in Section 2100 of the GASB *Codification of Governmental Accounting and Financial Reporting Standards*, is whether:

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

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

Component Units

GASB Statement No.14. *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The School District had no component units as of for the year ended June 30, 2022.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

Government-Wide Financial Statements

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

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (continued)

revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

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

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings,

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements (continued)

improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Proprietary Fund Financial Statements

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

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

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

The School District reports no Proprietary Funds.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The School District’s fiduciary funds include Custodial Funds which are used to report fiduciary activities where the School District controls assets that are collected on behalf of these entities. These assets are held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities*.

The School District had no fiduciary funds to report during the year.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Budgets/Budgetary Control

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

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

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

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Encumbrances (continued)

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

Cash, Cash Equivalents and Investments

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

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A.17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

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

Tuition Receivable/Payable

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

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District does not possess any infrastructure. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

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

Description	Governmental Activities Estimated Lives
Land Improvements	10-20 Years
Buildings and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

Compensated Absences

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

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

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Accrued Liabilities and Long-Term Obligations (continued)

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

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

Pensions

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

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balance

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Right to Use Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Net Position

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

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

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2022 and December 16, 2022, the date the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about government's leasing activities. The adoption of this statement resulted in additional disclosures in the notes to the financial statements and a restatement of beginning net position for the cumulative effect on prior periods.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Management has determined that implementation of the statement did not have a

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

Adopted Accounting Pronouncements (continued)

a significant impact on the District's financial statements.

Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases in addition to identifying appropriate benchmark interest rates for hedging derivative instruments. Requirements of this pronouncement related to paragraph 11b will be effective for reporting periods ending after December 31, 2021, and requirements related to paragraphs 13 and 14 will be effective for fiscal years beginning after June 15, 2021. Management has determined that implementation of the statement did not have a significant impact on the District's financial statements.

Statement No. 93, Replacement of Interbank Offered Rates. This Statement establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases in addition to identifying appropriate benchmark interest rates for hedging derivative instruments. Requirements of this pronouncement related to paragraph 11b will be effective for reporting periods ending after December 31, 2021, and requirements related to paragraphs 13 and 14 will be effective for fiscal years beginning after June 15, 2021. Statement No. 98, *The Annual Comprehensive Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Management has determined that implementation of the statement did not have a significant impact on the District's financial statements.

Statement No. 98, The Annual Comprehensive Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has determined these implementations of these statements did not have a significant impact on the District's financial statements.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

Adopted Accounting Pronouncements (continued)

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 99, *Omnibus 2022*. The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITA are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. The effective date is for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Statement No. 101, *Compensated Absences*. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose

only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has yet to determine the potential impact of these pronouncements on the District's financial statements.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2022, the School District’s bank balance of \$4,795,508 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	4,753,629
Uninsured and Uncollateralized		<u>41,880</u>
	\$	<u><u>4,795,508</u></u>

Investments

The School District had no investments at June 30, 2022.

Note 3. Accounts Receivable

Accounts receivable at June 30, 2022 consisted of intergovernmental accounts open for tuition services rendered as well as grants receivables. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities.

Accounts receivable in the School District’s governmental activities as of June 30, 2022, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>		<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Tuition	\$ 89,500	\$ -	\$ 89,500
Grants Receivable	-	27,229	27,229
Total	\$ 89,500	\$ 27,229	\$ 116,729

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2022 was as follows:

	<u>Governmental Activities</u>			
	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2022</u>
Governmental Activities:				
Capital Assets being depreciated:				
Buildings and Improvements	\$ -	\$ 32,662	\$ -	\$ 32,662
Total Capital Assets being depreciated	-	32,662	-	32,662
Less: Accumulated Depreciation:				
Buildings and Improvements	-	(817)	-	(817)
Total Accumulated Depreciation	-	(817)	-	(817)
Total Capital Assets being depreciated, net	-	31,845	-	31,845
Total Governmental Activities Capital Assets, net	\$ -	\$ 31,845	\$ -	\$ 31,845

Note 5. Interfund Receivables, Payables and Transfers

There were no interfund receivables/payables balances at June 30, 2022. There were no interfund transfers in and out as of June 30, 2022.

Note 6. Long-Term Obligations

During the fiscal year-ended June 30, 2022 the following changes occurred in long-term obligations for the governmental and business-type activities:

For governmental activities, compensated absences, net pension liability and right to use leased assets are liquidated by the general fund.

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2022</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 11,708	\$ 7,282	\$ -	\$ 18,990	\$ -
Net Pension Liability	1,525,124	-	158,886	1,366,238	-
Lease Liabilities	706,391	-	346,698	359,693	359,693
	\$ 2,243,223	\$ 7,282	\$ 505,584	\$ 1,744,921	\$ 359,693

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 6. Long-Term Obligations (continued)

Leases

The School District has entered into agreements to lease classrooms and office space. The lease agreements qualify as other than short-term leases under GASB 87, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The agreement was executed on September 24, 2018 for a term of five years and was amended on July 1, 2021 due to an increase in square footage. The lease is for classrooms and office space and requires monthly payments of \$29,706, increasing 2% annually. The lease liability is measured at a discount rate of 2%. As a result of the lease, the School District has recorded a lease liability with a net book value of \$359,963 at June 30, 2022. The right to use asset is described in more detail at Note 14.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending <u>June 30</u>	Principal <u>Payments</u>	Interest <u>Payments</u>	<u>Total</u>
2023	<u>\$ 359,693</u>	<u>\$ 3,909</u>	<u>\$ 363,602</u>
	<u>\$ 359,693</u>	<u>\$ 3,909</u>	<u>\$ 363,602</u>

Bonds Authorized but not Issued

As of June 30, 2022, the School District had no bonds authorized but not issued.

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At June 30, 2022, the School District reported a liability of \$1,366,238 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The School District's proportion measured as of June 30, 2021, was 0.0115328434%, which was an increase of 0.0021804927% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the School District recognized full accrual pension credit of (\$140,475) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2021 measurement date. At June 30, 2022 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 21,547	\$ 9,781
Changes of Assumptions	7,115	486,390
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	359,903
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	502,964	192,032
Contributions Subsequent to Measurement Date	150,476	
	\$ 682,102	\$ 1,048,106

\$150,474 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2021-2022 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2023 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

Year Ending		
<u>June 30,</u>		
2023	\$	(209,211)
2024		(120,155)
2025		(84,889)
2026		(99,167)
2027		(3,055)
	<u>\$</u>	<u>(516,477)</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

**BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)**

Note 7. Pension Plans (Continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following assumptions:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% - 6.00% Based on Age
Thereafter	3.00% - 7.00% Based on Age
Investment Rate of Return	7.00%
Mortality Rate of Return:	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 1,880,373	\$ 1,366,238	\$ 956,846

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Collective Deferred Outflows of Resources	\$ 1,164,738,169	\$ 2,347,583,337	
Collective Deferred Inflows of Resources	\$ 8,339,123,762	\$ 7,849,949,467	
Collective Net Pension Liability	\$ 11,972,782,878	\$ 16,435,616,426	
School District's portion	0.01153%	0.00935%	

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-reports.shtml.

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

The following represents the membership tiers for TPAF:

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

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2022 was \$5,409,299. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2021, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0112517478% which was an increase of 0.0011789868% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized a pension expense in the amount of \$127,283 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2021 measurement date.

**BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)**

Note 7. Pension Plans (Continued)

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

Actuarial Assumptions – The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55% - 4.45% Based on Years of Service
Thereafter	2.75% - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022 (Continued)

Note 7. Pension Plans (Continued)

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

	At 1% Decrease <u>(6.00%)</u>	At Current Discount Rate <u>(7.00%)</u>	At 1% Increase <u>(8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 6,400,104	\$ 5,409,299	\$ 4,577,085

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2022 and 2021:

Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,548,228
Collective Deferred Inflows of Resources	\$ 27,363,906	\$ 14,591,988,841
Collective Net Pension Liability	\$ 48,165,991,182	\$ 65,993,498,688

School District's portion	0.01125%	0.01007%
---------------------------	----------	----------

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;
- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2020 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A 43-15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School

For the year ended June 30, 2022, employee contributions totaled \$1,313 and the School District recognized an expense for payments made to the Defined Contributions Retirement Plan in the amount of \$716.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 8. Other Post-Retirement Benefits

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other post-employment obligations for the year ended June 30, 2021. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2020.

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on age
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2019. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PFRS and PERS, respectively.

OPEB Obligation and OPEB Expense - The State’s proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$5,581,970. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.00823178451265133%, which was an increase of 0.000708115355848309% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$700,979 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate:

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

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 6,729,353	\$ 5,581,970	\$ 4,684,827
State of New Jersey's Total Nonemployer OPEB Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Other Post-Retirement Benefits (continued)

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

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 4,505,954	\$ 5,581,970	\$ 6,863,265
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

Additional Information

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

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

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 8. Other Post-Retirement Benefits (continued)

Additional Information (continued):

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

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

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

Plan Membership

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

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

Changes in the Total OPEB Liability

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

Total OPEB Liability	
Service Cost	\$ 1,790,973,822.00
Interest Cost	1,503,341,357.00
Difference Between Expected & Actual Experience	11,544,750,637.00
Changes of Assumptions	12,386,549,981.00
Contributions: Member	35,781,384.00
Gross Benefit Payments	<u>(1,180,515,618.00)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u>\$ 67,809,962,608</u>
Total Covered Employee Payroll	14,267,738,657
Net OPEB Liability as a Percentage of Payroll	475%

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2022

Note 9. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers' Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$478,870, \$106,154, \$111,883 and \$506, respectively.

Note 10. Risk Management

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

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

Note 11. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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

Note 12. Compensated Absences

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

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

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022**

Note 12. Compensated Absences (continued)

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2022, the liability for compensated absences reported on the government-wide Statement of Net Position was \$18,990. As of June 30, 2022 there was no liability for compensated absences in proprietary fund types.

Note 13. Commitments

The School District has contractual commitments at June 30, 2022 to various vendors, which are recorded in the general fund as committed to other purposes in the amount of \$17,865.

Note 14. Right to Use Leased Assets

The School District has recorded a right to use leased asset. The assets are right to use assets for leased classrooms and office space. The related lease is discussed in the Leases subsection of Note 6, Long-Term Liabilities. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

Right to use asset activity for the School District for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets				
Leased classroom and office space	\$ 706,391	\$ -	\$ -	\$ 706,391
Total right to use assets	<u>706,391</u>	<u>-</u>	<u>-</u>	<u>706,391</u>
Less accumulated amortization:				
Leased classroom and office space	-	353,196	-	353,196
Total accumulated amortization	<u>-</u>	<u>353,196</u>	<u>-</u>	<u>353,196</u>
Right to use leased assets, net	<u>\$ 706,391</u>	<u>\$ 353,196</u>	<u>\$ -</u>	<u>\$ 353,195</u>

Note 15. Fund Balances

General Fund – Of the \$4,805,882 General Fund fund balance at June 30, 2022, \$17,865 has been committed to other purposes, \$300,000 has been assigned – designated for subsequent year’s expenditures, and \$4,488,017 has been unassigned.

Special Revenue Fund – Of the \$18,996 Special Revenue Fund fund balance at June 30, 2022, \$18,996 is restricted for student activities expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

This page intentionally left blank

C. Budgetary Comparison Schedules

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Tuition	10-1300	\$ 4,764,000	\$ -	\$ 4,764,000	5,065,833	\$ 301,833
Miscellaneous	10-1990	75,000	-	75,000	104,774	29,774
Total Local Sources		4,839,000	-	4,839,000	5,170,607	331,607
State Sources:						
Securing Our Children's Future Bond Act	10-3256	-	20,000	20,000	20,000	-
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	111,883	111,883
Normal Pension Contributions		-	-	-	478,870	478,870
Long-Term Disability Insurance		-	-	-	506	506
Reimbursed TPAF Social Security		-	-	-	106,154	106,154
Total State Sources		-	20,000	20,000	717,413	697,413
Total Revenues		4,839,000	20,000	4,859,000	5,888,020	1,029,020
Expenditures:						
Current Expense:						
Autism:						
Salaries of Teachers	11-214-100-101	883,960	(66,615)	817,345	746,676	70,669
Other Salaries for Instruction	11-214-100-106	920,469	20,000	940,469	915,536	24,933
Purchased Technical Services	11-214-100-340	500	3,000	3,500	3,500	-
General Supplies	11-214-100-610	56,649	18,314	74,963	51,911	23,052
Textbooks	11-214-100-640	13,700	(1,996)	11,704	10,751	953
Other Objects	11-214-100-891	13,500	(5,000)	8,500	5,042	3,458
Total Autism		1,888,778	(32,297)	1,856,481	1,733,416	123,065
Total Special Education		1,888,778	(32,297)	1,856,481	1,733,416	123,065
Vocational Programs - Local - Instruction:						
General Supplies	11-301-100-610	2,500	-	2,500	1,685	815
Total Vocational Programs - Local - Instruction		2,500	-	2,500	1,685	815
School Sponsored Cocurricular Activities:						
Supplies and Materials	11-401-100-600	5,525	-	5,525	5,391	134
Total School Sponsored Cocurricular - Activities		5,525	-	5,525	5,391	134
Total - Instruction		1,896,803	(32,297)	1,864,506	1,740,492	124,014
Undistributed Expenditures						
Instruction:						
Attendance and Social Work Services						
Salaries	11-000-211-100	-	8,000	8,000	3,497	4,503
Total Undistributed Expenditures - Instruction		-	8,000	8,000	3,497	4,503
Health Services:						
Salaries	11-000-213-100	62,770	-	62,770	59,770	3,000
Purchased Professional & Technical Services	11-000-213-300	17,000	2,852	19,852	19,452	400
Supplies and Materials	11-000-213-600	2,500	-	2,500	2,491	9
Total Health Services		82,270	2,852	85,122	81,713	3,409

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	182,505	2,510	185,015	182,707	2,308
Purchased Professional - Educational Services	11-000-216-320	300,000	26,000	326,000	319,034	6,966
Supplies and Materials	11-000-216-600	3,500	200	3,700	3,488	212
Total Other Support Services - Students - Related Services		486,005	28,710	514,715	505,229	9,486
Other Support Services - Guidance - Extraordinary Services:						
Salaries	11-000-217-100	151,414	(23,067)	128,347	128,347	-
Total Other Support Services - Students - Extraordinary Services		151,414	(23,067)	128,347	128,347	-
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	64,953	-	64,953	64,953	-
Total Other Support Services - Students - Regular		64,953	-	64,953	64,953	-
Instructional Staff Training Services:						
Purchased Professional - Educational Services	11-000-223-320	82,000	-	82,000	11,724	70,276
Other Purchased Services	11-000-223-500	4,000	-	4,000	2,385	1,615
Total Instructional Staff Training Services		86,000	-	86,000	14,109	71,891
Support Services General Administration:						
Salaries	11-000-230-100	57,500	184	57,684	29,064	28,620
Legal Services	11-000-230-331	17,500	-	17,500	5,301	12,199
Audit Services	11-000-230-332	15,000	-	15,000	12,300	2,700
Other Purchased Professional Services	11-000-230-339	31,000	(5,300)	25,700	19,263	6,437
Purchased Technical Services	11-000-230-340	7,000	-	7,000	6,252	748
Communications / Telephone	11-000-230-530	6,500	(4,000)	2,500	1,922	578
BOE Other Purchased Services	11-000-230-585	1,500	(1,500)	-	-	-
Other Purchased Services (400-500 Series)	11-000-230-590	9,000	11,400	20,400	9,344	11,056
Miscellaneous Expenditures	11-000-230-890	2,500	-	2,500	2,347	153
BOE Membership Dues & Fees	11-000-230-895	1,600	-	1,600	-	1,600
Total Support Services General Administration		149,100	784	149,884	85,793	64,091
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	240,845	-	240,845	240,845	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	39,000	188	39,188	39,188	-
Supplies and Materials	11-000-240-600	4,500	-	4,500	620	3,880
Other Objects	11-000-240-800	3,500	1,000	4,500	2,848	1,652
Total Support Services School Administration		287,845	1,188	289,033	283,501	5,532

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Central Services:						
Salaries	11-000-251-100	70,000	23,500	93,500	83,737	9,763
Purchased Technical Services	11-000-251-340	15,000	25,000	40,000	25,062	14,938
Supplies and Materials	11-000-251-600	2,000	(500)	1,500	833	667
Miscellaneous Expenditures	11-000-251-890	2,000	3,625	5,625	5,625	-
Total Central Services		89,000	51,625	140,625	115,257	25,368
Administration Information Technology:						
Purchased Technical Services	11-000-252-340	35,000	(300)	34,700	27,541	7,159
Supplies and Materials	11-000-252-600	21,856	4,799	26,655	26,646	9
Total Administration Information Technology		56,856	4,499	61,355	54,187	7,168
Other Operation & Maintenance of Plant:						
Cleaning, Repair & Maintenance Services	11-000-262-420	1,000	-	1,000	-	1,000
Rental of Land & Building	11-000-262-441	347,952	8,520	356,472	356,472	-
Insurance	11-000-262-520	5,000	(561)	4,439	3,308	1,131
General Supplies	11-000-262-610	19,944	4,100	24,044	12,972	11,072
Total Other Operation & Maintenance of Plant		373,896	12,059	385,955	372,752	13,203
Student Transportation Services:						
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	51,000	10,000	61,000	59,852	1,148
Total Student Transportation Services		51,000	10,000	61,000	59,852	1,148
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	40,000	(5,000)	35,000	28,163	6,837
Social Security	11-000-291-220	85,000	5,000	90,000	89,867	133
Other Retirement Contributions - PERS	11-000-291-241	110,000	27,856	137,856	137,856	-
Unemployment Compensation	11-000-291-250	20,000	-	20,000	122	19,878
Workmen's Compensation	11-000-291-260	50,000	9,585	59,585	59,585	-
Health Benefits	11-000-291-270	825,000	(93,422)	731,578	562,009	169,569
Tuition Reimbursements	11-000-291-280	6,000	-	6,000	-	6,000
Other Employee Benefits	11-000-291-290	9,000	25,250	34,250	25,951	8,299
Total Unallocated Benefits		1,145,000	(30,731)	1,114,269	903,553	210,716
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	111,883	(111,883)
Normal Pension Contributions		-	-	-	478,870	(478,870)
Long-Term Disability Insurance		-	-	-	506	(506)
Reimbursed TPAF Social Security		-	-	-	106,154	(106,154)
Total Undistributed Expenditures		3,023,339	65,919	3,089,258	3,370,156	(280,898)
Total Expenditures - Current Expense		4,920,142	33,623	4,953,765	5,110,648	(156,883)
Facilities acquisition and construction services:						
Construction Services	12-000-400-450	-	32,662	32,662	32,662	-
Total Increase in Capital Reserve		-	32,662	32,662	32,662	-

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	ACCOUNT NUMBER	JUNE 30, 2022			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Special Schools						
Summer School - Instruction:						
Instruction:						
Salaries	13-422-100-101	90,000	(20,734)	69,266	69,266	-
Other Salaries for Instruction	13-422-100-106	70,000	(14,345)	55,655	55,655	-
General Supplies	13-422-100-610	3,500	(1,278)	2,222	2,222	-
Support Services						
Salaries	13-422-200-100	9,000	9,763	18,763	18,763	-
Purchased Professional and Technical Services	13-422-200-300	52,500	(27,591)	24,909	24,909	-
Other Purchased Services	13-422-200-500	4,800	7,900	12,700	12,700	-
Total Special Schools		229,800	(46,285)	183,515	183,515	-
Total Expenditures		5,149,942	20,000	5,169,942	5,326,825	(156,883)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(310,942)	-	(310,942)	561,195	872,137
Fund Balances, July 1		4,244,687	-	4,244,687	4,244,687	-
Fund Balances, June 30		\$ 3,933,745	\$ -	\$ 3,933,745	\$ 4,805,882	\$ 872,137

RECAPITULATION OF FUND BALANCE

Committed Fund Balance:	
Year-End Encumbrances	\$ 17,865
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	300,000
Unassigned Fund Balance	<u>4,488,017</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,805,882</u>

**BAYSHORE JOINTURE COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2022**

	JUNE 30, 2022				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Local Sources	\$ 7,517	\$ -	\$ 7,517	\$ 3,494	\$ (4,023)
Federal Sources	68,518	-	68,518	42,834	(25,684)
Total Revenues	<u>76,035</u>	<u>-</u>	<u>76,035</u>	<u>46,328</u>	<u>(29,707)</u>
EXPENDITURES:					
Instruction:					
Purchased Professional and Technical Services	52,913	-	52,913	27,229	25,684
General Supplies	18,086	-	18,086	18,086	-
Total Instruction	<u>70,999</u>	<u>-</u>	<u>70,999</u>	<u>45,315</u>	<u>25,684</u>
Support Services:					
Student Activities	5,036	-	5,036	5,036	-
Total Support Services	<u>5,036</u>	<u>-</u>	<u>5,036</u>	<u>5,036</u>	<u>-</u>
Total Expenditures	<u>76,035</u>	<u>-</u>	<u>76,035</u>	<u>50,351</u>	<u>25,684</u>
Total Outflows	<u>76,035</u>	<u>-</u>	<u>76,035</u>	<u>50,351</u>	<u>25,684</u>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,023)</u>	<u>(4,023)</u>
Fund Balance, July 1	<u>23,019</u>	<u>-</u>	<u>23,019</u>	<u>23,019</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 23,019</u>	<u>\$ -</u>	<u>\$ 23,019</u>	<u>\$ 18,996</u>	<u>(4,023)</u>

RECAPITULATION OF FUND BALANCE

Restricted:	
Student Activities	<u>\$ 18,996</u>
Total Fund Balance	<u><u>\$ 18,996</u></u>

This page intentionally left blank

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2022**

**Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures**

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 5,888,020	\$ 46,328
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year	-	8,932
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 5,888,020	\$ 55,260
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,326,825	\$ 50,351
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	8,932
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	\$ 5,326,825	\$ 59,283

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.0115328434%	0.00935235%	0.01005988%	0.01060405%	0.00876474%	0.01097440%	0.00988436%	0.00805145%	0.00779000%
School District's Proportionate Share of the Net Pension Liability	\$ 1,366,238	\$ 1,525,124	\$ 1,812,638	\$ 2,087,884	\$ 2,040,292	\$ 3,250,302	\$ 2,218,841	\$ 1,507,452	\$ 1,489,685
School District's Covered Payroll	\$ 848,096	\$ 734,212	\$ 643,034	\$ 682,195	\$ 636,852	\$ 582,344	\$ 695,441	\$ 534,371	N/A
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	161.09%	207.72%	281.89%	306.05%	320.37%	558.14%	319.06%	282.10%	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

**BAYSHORE JOINTURE COMMISSION
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 LAST NINE FISCAL YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Contractually Required Contribution	\$ 135,063	\$ 102,310	\$ 97,853	\$ 105,476	\$ 81,196	\$ 97,495	\$ 84,979	\$ 66,375	\$ 66,375
Contributions in Relation to the Contractually Required Contribution	(135,063)	(102,310)	(105,476)	(81,196)	(97,495)	(84,979)	(66,375)	(66,375)	(66,375)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 752,612	\$ 848,096	\$ 734,212	\$ 643,034	\$ 682,195	\$ 636,852	\$ 582,344	\$ 695,441	\$ 695,441
Contributions as a Percentage of Covered Payroll	17.95%	12.06%	13.33%	16.40%	11.90%	15.31%	14.59%	9.54%	9.54%

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

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST NINE FISCAL YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability associated with the School District	\$ 5,409,299	\$ 6,632,792	\$ 5,993,262	\$ 6,674,637	\$ 6,870,981	\$ 6,959,808	\$ 3,961,281	\$ 4,093,919	\$ 4,093,919
	\$ 5,409,299	\$ 6,632,792	\$ 6,674,637	\$ 6,870,981	\$ 6,959,808	\$ 3,961,281	\$ 4,093,919	\$ 4,093,919	\$ 4,093,919
School District's Covered Payroll	\$ 1,033,987	\$ 1,353,766	\$ 1,008,720	\$ 1,104,666	\$ 916,591	\$ 1,082,636	\$ 950,700	\$ 861,221	\$ 861,221
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

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

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

This page intentionally left blank

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST
EMPLOYMENT BENEFITS (GASB 75)**

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	\$ 455,060	\$ 517,229	\$ 566,310	\$ 566,310
Interest Cost	124,177	138,544	152,078	152,078
Differences Between Expected and Actual Experiences	937,774	(578,536)	(893,776)	(893,776)
Changes of Assumptions	1,019,634	46,811	(356,777)	(356,777)
Contributions: Member	2,945	2,857	2,873	2,873
Gross Benefit Payments	(97,178)	(96,375)	(83,134)	(83,134)
Net Change in District's Total OPEB Liability	2,442,412	30,530	(612,426)	(612,426)
District's Total OPEB Liability (Beginning)	3,139,558	3,109,028	3,721,454	3,721,454
District's Total OPEB Liability (Ending)	\$ 5,581,970	\$ 3,139,558	\$ 3,109,028	\$ 3,109,028
District's Covered Employee Payroll	\$ 1,008,720	\$ 1,104,666	\$ 916,591	\$ 1,082,636
District's Net OPEB Liability as a Percentage of Payroll	553%	284%	339%	287%

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

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

This page intentionally left blank

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

The June 30, 2021 measurement date includes one change in plan provisions as Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%
2019	6.28%	2016	3.98%		

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Teachers Pension and Annuity Fund (TPAF)

Changes of Benefit Terms

None noted.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	6.51%	2015	5.79%
2020	7.00%	2017	6.14 %	2014	6.32%
2019	6.85%	2016	5.55%		

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%
2019	7.00%	2016	7.65%		

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

**BAYSHORE JOINTURE COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Other Post-Employment Benefits (OPEB)

Changes of Benefit Terms –

None.

Changes of Assumptions -

The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank

D. School Based Budget Schedules

Not Applicable

This page intentionally left blank

E. Special Revenue Fund

This page intentionally left blank

**BAYSHORE JOINTURE COMMISSION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2022**

	NJSBIG- SAFETY GRANT	ARRA	CRRSA- ESSER II	ARP- ESSER	STUDENT ACTIVITIES	Totals
Revenues:						
Local Sources	\$ 2,481	\$ -	\$ -	\$ -	\$ 1,013	\$ 3,494
Federal Source	-	17,554	15,605	9,675	-	42,834
Total Revenues	2,481	17,554	15,605	9,675	1,013	46,328
Expenditures:						
Instruction:						
Purchased Professional and Technical Services	-	17,554	-	9,675	-	27,229
Supplies	2,481	-	15,605	-	-	18,086
Total Instruction	2,481	17,554	15,605	9,675	-	45,315
Support Services:						
Student Activities	-	-	-	-	5,036	5,036
Total Support Services	-	-	-	-	5,036	5,036
Total Expenditures	2,481	17,554	15,605	9,675	5,036	50,351
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	(4,023)	(4,023)
Fund Balance, July 1	-	-	-	-	23,019	23,019
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 18,996	\$ 18,996

This page intentionally left blank

F. Capital Projects Fund

Not Applicable

This page intentionally left blank

H. Fiduciary Fund

Not Applicable

This page intentionally left blank

I. Long-Term Debt

Not Applicable

This page intentionally left blank

STATISTICAL SECTION (Unaudited)

This page intentionally left blank

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the last ten fiscal years.

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 31,845	\$ -	\$ -	\$ -	\$ -	\$ 12,072	\$ 13,524	\$ 60,004	\$ 70,473	\$ 22,153
Restricted	18,996	23,019	-	-	-	-	-	-	-	-
Unrestricted	2,904,175	2,074,725	1,930,794	1,866,217	1,672,458	1,001,655	762,034	533,142	1,750,289	1,093,134
Total Governmental Activities	\$ 2,955,016	\$ 2,097,744	\$ 1,930,794	\$ 1,866,217	\$ 1,672,458	\$ 1,013,727	\$ 775,558	\$ 593,146	\$ 1,820,762	\$ 1,115,287
Government-Wide:										
Net Investment in Capital Assets	\$ 31,845	\$ -	\$ -	\$ -	\$ -	\$ 12,072	\$ 13,524	\$ 60,004	\$ 70,473	\$ 22,153
Restricted	18,996	23,019	-	-	-	-	-	-	-	-
Unrestricted	2,904,175	2,074,725	1,930,794	1,866,217	1,672,458	1,001,655	762,034	533,142	1,750,289	1,093,134
Total Net Position	\$ 2,955,016	\$ 2,074,725	\$ 1,930,794	\$ 1,866,217	\$ 1,672,458	\$ 1,013,727	\$ 775,558	\$ 593,146	\$ 1,820,762	\$ 1,115,287

BAYSHORE JOINTURE COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities										
Instruction:										
Special Education	\$ 3,018,444	\$ 3,157,860	\$ 3,289,164	\$ 2,980,880	\$ 3,080,790	\$ 2,033,731	\$ 1,863,855	\$ 1,764,636	\$ 1,321,652	\$ 1,187,469
Other Special Instruction	2,845	2,949	2,953	4,933	4,585	2,611	2,251	313	-	-
Other Instruction	15,007	23,865	7,177	10,778	16,449	3,791	994	1,636	77	-
Support Services & Undistributed Costs:										
Health Services	95,488	79,701	104,852	114,756	116,260	86,368	81,832	54,652	-	-
Student & Instruction Related Services	832,772	776,116	724,595	698,608	845,866	516,983	445,825	614,036	1,486,197	1,193,591
School Administrative Services	331,293	345,886	312,374	333,291	392,179	246,293	251,277	201,376	226,200	216,698
Other Administrative Services	298,264	319,136	275,771	336,419	325,752	192,679	165,913	154,883	132,695	152,409
Student Activities	5,885	11,328	-	-	-	-	-	-	-	-
Plant Operations & Maintenance	435,589	410,362	376,147	467,079	422,874	275,302	277,973	279,732	275,346	247,899
Pupil Transportation	69,942	-	22,318	7,433	26,142	18,202	15,054	15,546	12,115	10,752
Employee Benefits	-	-	-	-	-	1,023,004	877,740	884,385	-	-
Special Schools	214,451	216,070	162,634	265,618	259,214	145,754	158,377	156,522	248,726	201,526
Unallocated Increase/(Decrease) in Compensated Absences	-	-	-	-	-	-	-	(3,500)	-	-
Unallocated Depreciation	-	-	-	-	-	1,452	1,452	10,469	9,362	3,483
Total Governmental Activities Expenses	\$ 5,319,980	\$ 5,343,273	\$ 5,277,985	\$ 5,219,795	\$ 5,490,111	\$ 4,546,170	\$ 4,142,543	\$ 4,134,686	\$ 3,712,370	\$ 3,213,827
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 990,181	\$ 1,086,589	\$ 983,885	\$ 1,073,733	\$ 1,362,117	\$ 405,424	\$ 406,297	\$ 351,101	\$ 219,953	\$ 169,442
Total Governmental Activities Program Revenues	\$ 990,181	\$ 1,086,589	\$ 983,885	\$ 1,073,733	\$ 1,362,117	\$ 405,424	\$ 406,297	\$ 351,101	\$ 219,953	\$ 169,442
Net/(Expense)/Revenue: Governmental Activities	\$ (4,329,799)	\$ (4,256,684)	\$ (4,294,100)	\$ (4,146,062)	\$ (4,127,994)	\$ (4,140,746)	\$ (3,736,246)	\$ (3,783,585)	\$ (3,492,417)	\$ (3,044,385)
Total District-Wide Net Expense	\$ (4,329,799)	\$ (4,256,684)	\$ (4,294,100)	\$ (4,146,062)	\$ (4,127,994)	\$ (4,140,746)	\$ (3,736,246)	\$ (3,783,585)	\$ (3,492,417)	\$ (3,044,385)

BAYSHORE JOINTURE COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Tuition Received	\$ 5,065,833	\$ 4,302,739	\$ 4,335,324	\$ 4,290,828	\$ 4,735,746	\$ 4,363,247	\$ 4,003,109	\$ 4,116,923	\$ 4,192,012	\$ 3,771,328
Federal and State Aid	20,000	-	-	48,993	37,343	30,000	94,967	3,537	5,880	4,270
Miscellaneous Income	104,774	100,398	23,353	-	13,636	(14,332)	-	(74,806)	-	-
Cancellation of Prior Year Receivables	-	-	-	-	-	-	-	-	-	-
Non-Cash Contributions	-	-	-	-	-	-	-	-	-	11,067
Total Governmental Activities	\$ 5,190,607	\$ 4,403,137	\$ 4,358,677	\$ 4,339,821	\$ 4,786,725	\$ 4,378,915	\$ 4,098,076	\$ 4,045,654	\$ 4,197,892	\$ 3,786,665
Change in Net Position:										
Governmental Activities	\$ 860,808	\$ 146,453	\$ 64,577	\$ 193,759	\$ 658,731	\$ 238,169	\$ 361,830	\$ 262,069	\$ 705,475	\$ 742,280
Total District	\$ 860,808	\$ 146,453	\$ 64,577	\$ 193,759	\$ 658,731	\$ 238,169	\$ 361,830	\$ 262,069	\$ 705,475	\$ 742,280

**BAYSHORE JOINTURE COMMISSION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	FISCAL YEAR ENDING JUNE 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund:										
Committed	\$ 17,865	\$ 24,943	\$ 7,262	\$ 24,201	\$ 14,749	\$ 18,719	\$ 850	\$ 7,239	\$ -	\$ -
Assigned	300,000	286,000	286,000	268,000	-	240,000	-	-	-	-
Unassigned	4,488,017	3,933,744	1,473,605	1,316,590	1,467,212	704,748	613,075	453,661	610,406	484,479
Total General Fund	\$ 4,805,882	\$ 4,244,687	\$ 1,766,867	\$ 1,608,791	\$ 1,481,961	\$ 963,467	\$ 613,925	\$ 460,900	\$ 610,406	\$ 484,479
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ 18,996	\$ 16,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 18,996	\$ 16,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BAYSHORE JOINTURE COMMISSION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
District Charges	\$ 5,065,833	\$ 4,302,739	\$ 2,949,322	\$ 2,808,079	\$ 3,143,677	\$ 2,878,352	\$ 2,705,652	\$ 2,857,313	\$ 2,924,726	\$ 2,551,326
Miscellaneous	117,200	114,067	25,274	51,947	38,166	30,612	29,790	3,537	64,669	4,270
State Sources	717,413	544,665	401,311	369,514	346,251	290,186	235,259	164,694	161,164	169,442
Federal Sources	42,834	18,068	-	-	-	-	-	-	-	-
Total Revenue	5,943,280	4,979,539	3,375,907	3,229,540	3,528,094	3,199,150	2,970,701	3,025,544	3,150,559	2,725,038
Expenditures:										
Instruction	1,798,236	1,686,916	766,606	828,920	767,213	776,837	852,128	985,514	912,530	870,564
Undistributed Instruction	3,371,695	3,020,186	2,311,311	2,092,095	2,087,058	1,917,343	1,812,948	1,999,484	1,883,949	1,604,425
Special Schools	183,515	171,137	139,914	181,695	168,965	145,754	158,377	156,522	169,364	141,101
Capital Outlay	32,662	-	-	-	-	-	-	-	58,789	-
Total Expenditures	5,386,108	4,878,239	3,217,831	3,102,710	3,023,236	2,839,934	2,823,453	3,141,520	3,024,632	2,616,090
Excess (Deficiency) of Revenues Over/(Under) Expenditures	557,172	101,300	158,076	126,830	504,858	359,216	147,248	(115,976)	125,927	108,948
Other Financing Sources/(Uses):										
Cancellation of Prior Year Receivables	-	-	-	-	13,636	(9,674)	-	(33,530)	-	-
Transfers In	-	2,379,040	-	-	-	-	65,177	-	-	-
Total Other Financing Sources/(Uses)	-	2,379,040	-	-	13,636	(9,674)	65,177	(33,530)	-	-
Net Change in Fund Balances	\$ 557,172	\$ 2,480,340	\$ 158,076	\$ 126,830	\$ 518,494	\$ 349,542	\$ 212,425	\$ (149,506)	\$ 125,927	\$ 108,948
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: District records

BAYSHORE JOINTURE COMMISSION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDED JUNE 30,	INTEREST ON INVESTMENTS	MISCELLANEOUS	TOTAL
2022	\$ -	\$ 104,774	\$ 104,774
2021	-	100,398	100,398
2020	-	23,353	23,353
2019	-	48,993	48,993
2018	-	30,000	30,000
2017	-	29,790	29,790
2016	-	3,037	3,037
2015	-	64,669	64,669
2014	-	4,270	4,270
2013	-	3,820	3,820

Source: District Records

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

This page intentionally left blank

BAYSHORE JOINTURE COMMISSION
INSURANCE SCHEDULE
June 30, 2022

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Commercial Package Policy		
New Jersey School Boards Association		
Insurance Group:		
Building & Personal Property	\$ 500,000,000	\$ 1,000
Electronic Data Processing	50,000	1,000
Equipment Breakdown	100,000,000	25,000
Flood	75,000,000	10,000
Comprehensive General Liability	6,000,000	
Automobile	6,000,000	
Crime Coverage:		
Blanket Dishonesty	250,000	1,000
Forgery or Alteration	25,000	500
School Leaders' Errors and Omissions		
New Jersey School Boards Associations		
Insurance Group:		
Coverage A	5,000,000	5,000
Coverage B	Each Claim 100,000	5,000
	Each policy period 300,000	
Workers' Compensation		
New Jersey School Boards Association		
Insurance Group:	NJ Statutory	
Employers' Liability		
New Jersey School Boards Association		
Insurance Group:		
Bodily Injury by Accident	3,000,000 each accident	
Bodily Injury by Disease	3,000,000 each employee	
Bodily Injury by Disease	3,000,000 aggregate limit	
Employers' Liability		
New Jersey School Boards Association		
Insurance Group:	NJ Statutory	
Officials' Bonds		
New Jersey School Boards Association		
Insurance Group:		
Business Administrator, Christopher Mullins	75,000	

This page intentionally left blank

SINGLE AUDIT SECTION

This page intentionally left blank



EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable President and Members
of the Board of Education
Bayshore Jointure Commission
County of Monmouth
Tinton Falls, NJ 07712

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bayshore Jointure Commission as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bayshore Jointure Commission's internal control over financial reporting (internal control) as a basis to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bayshore Jointure Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designated to identify all deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

The Bayshore Jointure Commission's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2407

Lakewood, New Jersey
December 16, 2022

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Qualified	
<hr/>		
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ X _____ no
2) Significant deficiency(ies) identified?	_____ X _____ yes	_____ none reported
Noncompliance material to financial statements noted?	_____ yes	_____ X _____ no

Federal Awards

SECTION IS N/A - NOT APPLICABLE

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ no
2) Significant deficiency(ies) identified?	_____ yes	_____ none reported
Type of auditor's report issued on compliance for major programs	<hr/>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	_____ no

Identification of major programs:

ASL Number(s)

FAIN Number(s)

**Name of Federal Program
or Cluster**

NOT APPLICABLE

Dollar threshold used to determine Type A programs

Auditee qualified as low-risk auditee?

_____ yes _____ no

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

State Financial Assistance

SECTION IS N/A - NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

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

Internal control over major programs:

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

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

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

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

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

NOT APPLICABLE

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2022-001*

Criteria or Specific Requirement

Governmental Accounting Standards Board Statement No. 75 requires governmental entities to accrue and disclose certain information pertaining to other post-employment benefits.

Condition:

The School District did not accrue and disclose updated information pertaining to other post-employment benefits for the year ended June 30, 2022.

Context:

The New Jersey Division of Pension and Benefits has been unable to provide updated information in a timely manner to facilitate the inclusion of this information in the financial statements for the year ended June 30, 2022.

Effect or potential effect:

The School District did not comply with GASB Statement No. 75.

Recommendation:

The District will continue to urge the New Jersey Division of Pensions and Benefits to release updated information on a more timely basis for inclusion in the financial statements.

View of responsible officials and planned corrective actions:

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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

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

FEDERAL AWARDS

N/A - Not Applicable

STATE FINANCIAL ASSISTANCE

N/A - Not Applicable

**BAYSHORE JOINTURE COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2022**

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

Financial Statement Findings

Finding 2021-001

Condition

The School District did not accrue and disclose updated information pertaining to other post-employment benefits for the year ended June 30, 2021.

Current Status

This finding has not been corrected and is marked with an asterisk and repeated as Finding 2022-001.

Federal Awards

N/A - No Prior Year Federal Single Audit.

State Financial Assistance

N/A - No Prior Year State Single Audit.