

BAYSHORE JOINTURE COMMISSION

Tinton Falls, New Jersey
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

BAYSHORE JOINTURE COMMISSION

TINTON FALLS, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by

BAYSHORE JOINTURE COMMISSION

Finance Department

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INTRODUCTORY SECTION

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Bayshore Jointure Commission
The Shore Center for Students with Autism

November 2, 2023

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, 2023, 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 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 students and communities involved in the Jointure Commission share many similarities that are unique to them. Students attend from Monmouth, Ocean and Middlesex Counties where the services education provided by the Commission are essential. Enrollment is at an all-time high and the proposed renovations and addition to the facility will allow for growth and expansion of the program come September 2025.

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 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 now 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.

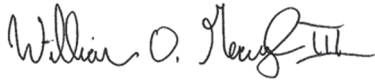
OTHER INFORMATION:

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,

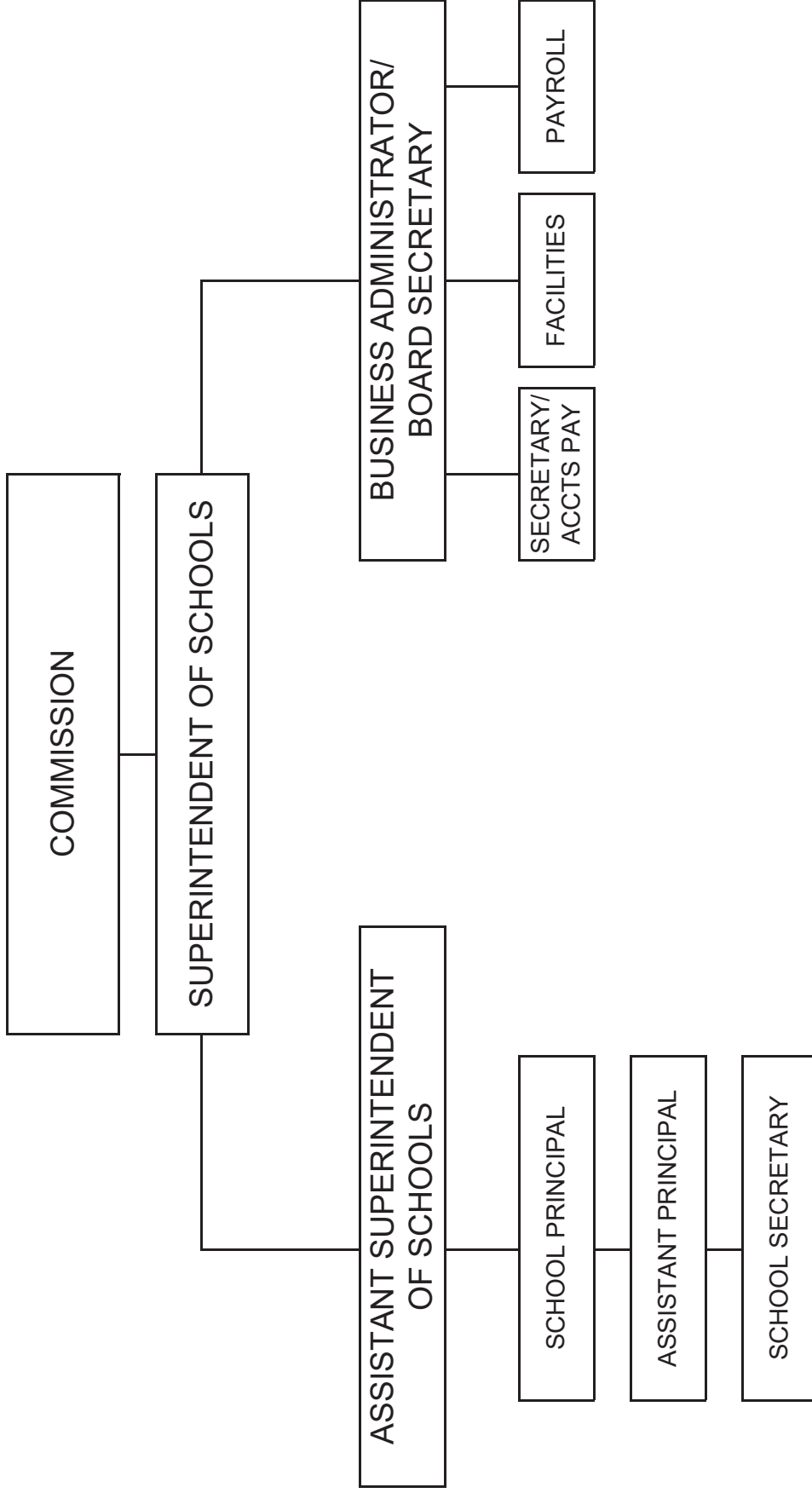


Dr. William O. George, III
Interim-Superintendent



Christopher J. Mullins
School Business Administrator

BAYSHORE JOINTURE COMMISSION ORGANIZATIONAL CHART



**BAYSHORE JOINTURE COMMISSION
TINTON FALLS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

MEMBERS OF THE BOARD OF DIRECTORS

TERM EXPIRES

Mr. Joseph Annibale, President	June 30, 2023
Dr. Lisa Savoia, Vice President	June 30, 2023
Dr. Tara Beams	June 30, 2023
Ms. Nelyda Perez	June 30, 2023
Mr. Scott McCue	June 30, 2023
Dr. Jared Rumage	June 30, 2023
Mrs. Amanda Lewert	June 30, 2023
Ms. Kathleen O'Hare	June 30, 2023
Mrs. Jessica Alfone	June 30, 2023

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, 2023**

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

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Directors
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 ("School District"), County of Monmouth, New Jersey, as of and for the fiscal year ended, June 30, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Bayshore Jointure Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 audit opinions.

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 detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 reasonable user based on the financial statements.

In performing an audit 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, 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. The accompanying schedule of expenditures of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is also presented for purposes of additional analysis and is 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 November 2, 2023 on our consideration of the Commission'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

November 2, 2023
Lakewood, New Jersey

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. 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 2023 are as follows:

- ◆ General revenues and special items accounted for \$5,231,968 in revenue or 82% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,182,368 or 18% of total revenues of \$6,414,336.
- ◆ Total assets and deferred outflow of resources of governmental activities increased by \$637,149.
- ◆ Net position in the current fiscal year increased \$143,632 from 2022 to \$3,092,151
- ◆ The Governmental Activities of the School District had \$6,270,704 in expenses; \$1,182,368 of these expenses were offset by program specific charges for services, grants or contributions. General revenues and special items of \$5,231,968 were adequate to provide for these programs.
- ◆ The General Fund had \$5,974,142 in revenues and \$5,965,051 in expenditures. The General Fund's balance increased \$9,091 over 2022.

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 2022-23?” 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 2022-23 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 2023 and 2022.

TABLE I - STATEMENT OF NET POSITION

	<u>2023</u>		<u>2022</u>	
	<u>Governmental Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Total</u>
Current and other assets	\$ 5,868,168	\$ 5,868,168	\$ 5,231,019	\$ 5,231,019
Total Assets	5,868,168	5,868,168	5,231,019	5,231,019
Deferred outflow of resources	490,617	490,617	682,102	682,102
Long-term liabilities	2,865,059	2,865,059	1,385,228	1,385,228
Other liabilities	200,160	200,160	531,268	531,268
Total liabilities	3,065,219	3,065,219	1,916,496	1,916,496
Deferred inflow of resources	201,415	201,415	1,048,106	1,048,106
Net Investment in Capital Assets	30,212	30,212	31,845	31,845
Restricted	18,380	18,380	18,996	18,996
Unrestricted	3,043,559	3,043,559	2,897,678	2,897,678
	<u>\$ 3,092,151</u>	<u>\$ 3,092,151</u>	<u>\$ 2,948,519</u>	<u>\$ 2,948,519</u>

Table 2 provides a comparison analysis of District-wide changes in net position from fiscal years 2023 and 2022.

TABLE II – CHANGES IN NET POSITION

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues				
Program Revenue				
Operating Grants	\$ 1,182,368	\$ 990,181	\$ 1,182,368	\$ 990,181
General Revenues:				
Tuition	5,124,412	5,065,833	5,124,412	5,065,833
Federal & State Aid Not Restricted	-	20,000	-	20,000
Miscellaneous	107,556	104,774	107,556	104,774
Total Revenues	<u>6,414,336</u>	<u>6,180,788</u>	<u>6,414,336</u>	<u>6,180,788</u>
Expenses				
Instructional Services	3,666,474	3,207,248	3,666,474	3,207,248
Support Services	2,268,139	1,890,868	2,268,139	1,890,868
Special Schools	336,091	231,897	336,091	231,897
Total Expenses	<u>6,270,704</u>	<u>5,330,013</u>	<u>6,270,704</u>	<u>5,330,013</u>
Change in Net Position	<u>\$ 143,632</u>	<u>\$ 850,775</u>	<u>\$ 143,632</u>	<u>\$ 850,775</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

	2023		2022	
	<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	\$ 3,666,474	\$ 3,666,474	\$ 3,207,248	\$ 3,207,248
Support Services				
Pupil & Instructional Staff	1,120,735	1,120,735	778,963	778,963
General School & Business Admin	807,324	807,324	680,772	680,772
Operation & Maintenance of Facilities	220,501	220,501	372,752	372,752
Pupil Transportation	108,392	108,392	69,942	69,942
Student Activities	11,186	11,186	5,885	5,885
Other	336,092	336,092	214,451	214,451
Total Expenses	\$ 6,270,704	\$ 6,270,704	\$ 5,330,013	\$ 5,330,013

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 2022-23 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 \$6,075,483, and expenditures of \$6,067,008 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, 2023, 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 21/22</u>	<u>Percent Change</u>
Local Sources	5,241,998	86.28%	58,965	1.14%
State Sources	751,588	12.37%	34,175	4.76%
Federal Sources	81,897	1.35%	39,063	91.20%
Total Revenues	<u>6,075,483</u>	<u>100%</u>	<u>132,203</u>	<u>97.10%</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, 2023.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 21/22</u>	<u>Percent Change</u>
Instruction	1,998,517	32.94%	200,281	11.14%
Undistributed Expenditures	4,068,491	67.06%	513,281	14.44%
Capital Outlay	-	0.00%	(32,662)	-100.00%
Total Expenses	<u>6,067,008</u>	<u>100.00%</u>	<u>680,900</u>	<u>-74.42%</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 2023, 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 2023, the School District had \$30,212 in net capital assets, net of depreciations, which includes site improvements.

	<u>June 30, 2023</u> Governmental Activities	<u>June 30, 2022</u> Governmental Activities
Site Improvements	\$ 30,212	\$ 31,845
Total	<u>\$ 30,212</u>	<u>\$ 31,845</u>

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

Lease Liabilities

At the end of the fiscal year 2023, the School District had \$979,443 recorded as a right to use leased asset and a liability of \$1,048,784 related to the leases. See below for comparison to the prior fiscal year. This amount is included as a part of “Noncurrent Liabilities” of Exhibit A-1 of the ACFR.

	<u>June 30, 2023</u> Governmental Activities	<u>June 30, 2022</u> Governmental Activities
Right to Use Leased Asset	\$ 979,443	\$ 353,195
	<u>\$ 979,443</u>	<u>\$ 353,195</u>
	<u>June 30, 2023</u> Governmental Activities	<u>June 30, 2022</u> Governmental Activities
Lease Liability	\$ 1,048,784	\$ 359,693
	<u>\$ 1,048,784</u>	<u>\$ 359,693</u>

Debt Administration

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 Directors how future budgets would be financed and affect our sending districts. Therefore, during the past year and continuing into the present, the Board of Directors 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 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.

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BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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BAYSHORE JOINTURE COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	GOVERNMENTAL ACTIVITIES	TOTALS TOTAL
Cash & Cash Equivalents	\$ 4,541,608	\$ 4,541,608
Receivables - State, Net	5,406	5,406
Receivables - Other, Net (Note 3)	311,499	311,499
Capital Assets, Net (Note 4):		
Depreciable	30,212	30,212
Right to Use Leased Assets, Net of Amortization (Note 15):	979,443	979,443
	5,868,168	5,868,168
Total Assets		
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows Related to Pensions (Note 7)	490,617	490,617
	490,617	490,617
Total Deferred Outflow of Resources		
	490,617	490,617
Total Assets and Deferred Outflow of Resources	6,358,785	6,358,785
LIABILITIES		
Payroll Deductions & Withholdings	25,160	25,160
Due to Other Governments	175,000	175,000
Noncurrent Liabilities (Note 6):		
Due Beyond One Year	2,865,059	2,865,059
	3,065,219	3,065,219
Total Liabilities		
	3,065,219	3,065,219
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Related to Pensions (Note 7)	201,415	201,415
	201,415	201,415
Total Deferred Inflows of Resources		
	201,415	201,415
Total Liabilities and Deferred Inflows of Resources	3,266,634	3,266,634
NET POSITION		
Net Investment in Capital Assets	30,212	30,212
Restricted For:		
Student Activities	18,380	18,380
Unrestricted	3,043,559	3,043,559
	3,043,559	3,043,559
Total Net Position	\$ 3,092,151	\$ 3,092,151

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, 2023**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Special Education	\$ 3,635,595	\$ -	\$ 1,155,820	\$ (2,479,775)	\$ -	\$ (2,479,775)
Other Special Instruction	767	-	226	(541)	-	(541)
Other Instruction	30,112	-	8,878	(21,234)	-	(21,234)
Support Services & Undistributed Costs:						
Health Services	126,889	-	-	(126,889)	-	(126,889)
Student & Instruction Related Services	1,120,735	-	9,414	(1,111,321)	-	(1,111,321)
School Administrative Services	386,190	-	-	(386,190)	-	(386,190)
Other Administrative Services	294,245	-	-	(294,245)	-	(294,245)
Student Activities	11,186	-	8,030	(3,156)	-	(3,156)
Plant Operations & Maintenance	220,501	-	-	(220,501)	-	(220,501)
Pupil Transportation	108,392	-	-	(108,392)	-	(108,392)
Special Schools	336,091	-	-	(336,091)	-	(336,091)
Total Governmental Activities	6,270,704	-	1,182,368	(5,088,336)	-	(5,088,336)
Total Primary Government	\$ 6,270,704	\$ -	\$ 1,182,368	(5,088,336)	-	(5,088,336)
General Revenues:						
Tuition				5,124,412		5,124,412
Miscellaneous Income				107,556		107,556
Total General Revenues				5,231,968		5,231,968
Change In Net Position				143,632		143,632
Net Position - Beginning				2,948,519		2,948,519
Net Position - Ending				\$ 3,092,151	\$ -	\$ 3,092,151

B. Fund Financial Statements

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Governmental Funds

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**BAYSHORE JOINTURE COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	<u>TOTAL</u> JUNE 30, 2023
ASSETS			
Cash & Cash Equivalents	\$ 4,604,928	\$ -	\$ 4,604,928
Accounts Receivable:			
State	5,406	-	5,406
Federal Aid	-	81,700	81,700
Other	229,799	-	229,799
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 4,840,133	\$ 81,700	\$ 4,921,833
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES & FUND BALANCES			
Liabilities:			
Cash Deficit	\$ -	\$ 63,320	\$ 63,320
Payroll Deductions & Withholdings Payable	25,160	-	25,160
	<hr/>	<hr/>	<hr/>
Total Liabilities	25,160	63,320	88,480
	<hr/>	<hr/>	<hr/>
Fund Balances:			
Restricted for:			
Student Activities Account	-	18,380	18,380
Committed for:			
Other Purposes	9,018	-	9,018
Assigned for:			
Designated for Subsequent Year's Expenditures	362,000	-	362,000
Unassigned	4,443,955	-	4,443,955
	<hr/>	<hr/>	<hr/>
Total Fund Balances	4,814,973	18,380	4,833,353
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balances	\$ 4,840,133	\$ 81,700	
	<hr/> <hr/>	<hr/> <hr/>	
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 \$2,450.			30,212
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 \$1,632,405 and the accumulated amortization is \$652,962.			979,443
Accrued Pension contributions for the June 30, 2023 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.			(175,000)
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			490,617
Deferred Inflows related to pensions			(201,415)
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.			<hr/> (2,865,059) <hr/>
Net Position of Governmental Activities			<hr/> <u>\$ 3,092,151</u> <hr/>

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, 2023**

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS <u>JUNE 30, 2023</u>
Revenues:			
Local Sources:			
Tuition	\$ 5,124,412	\$ -	\$ 5,124,412
Miscellaneous	107,556	10,030	117,586
Total Local Sources	<u>5,231,968</u>	<u>10,030</u>	<u>5,241,998</u>
State Sources	742,174	9,414	751,588
Federal Sources	-	81,897	81,897
Total Revenues	<u>5,974,142</u>	<u>101,341</u>	<u>6,075,483</u>
Expenditures:			
Instruction:			
Special Education Instruction	1,897,789	83,897	1,981,686
Other Special Instruction	418	-	418
Other Instruction	16,413	-	16,413
Support Services:			
Health Services	98,083	-	98,083
Student & Instruction Related Services	856,900	9,414	866,314
Educational Media Services/ School Administrative Services	298,520	-	298,520
Other Administrative Services	227,448	-	227,448
Student Activities	-	8,646	8,646
Plant Operations & Maintenance	414,355	-	414,355
Pupil Transportation	83,787	-	83,787
Employee Benefits	1,811,544	-	1,811,544
Special Schools	259,794	-	259,794
Total Expenditures	<u>5,965,051</u>	<u>101,957</u>	<u>6,067,008</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>9,091</u>	<u>(616)</u>	<u>8,475</u>
Fund Balance, July 1	<u>4,805,882</u>	<u>18,996</u>	<u>4,824,878</u>
Fund Balance - June 30	<u>\$ 4,814,973</u>	<u>\$ 18,380</u>	<u>\$ 4,833,353</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, 2023**

Total Net Change in Fund Balances - Governmental Funds	\$	8,475
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p>		
<p>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.</p>		
Depreciation Expense		(1,633)
Amortization expense for right to use leased assets		(326,481)
<p>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.</p>		
		144,242
<p>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.</p>		
Principal payments on long-term debt		315,542
<p>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 (+).</p>		
		3,487
Change in Net Position of Governmental Activities	\$	143,632

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

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Proprietary Funds
Not Applicable

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BAYSHORE JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 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, 2023.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023

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, 2023

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, 2023

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 Directors 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, 2023

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, 2023**

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, 2023

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, 2023

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 Directors or through the Board of Directors 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, 2023**

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, 2023 and November 2, 2023, 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, 2023:

Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Statement No. 99, *Omnibus 2022*.

Management has determined the implementation 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, 2023**

Note 1. Summary of Significant Accounting Policies (continued)

Impact of Recently Issued Accounting Principles (continued)

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*.

Statement No. 101, *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.

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, 2023, the School District's bank balance of \$4,740,089 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 4,696,481
Uninsured and Uncollateralized	43,609
	\$ 4,740,089

Investments

The School District had no investments at June 30, 2023.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 3. Accounts Receivable

Accounts receivable at June 30, 2023 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, 2023, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Federal Awards	\$ -	\$ 81,700	\$ 81,700
State Awards	5,406	-	5,406
Tuition	229,799	-	229,799
Total	\$ 235,205	\$ 81,700	\$ 316,905

Note 4. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Governmental Activities			
	Balance July 1, <u>2022</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2023</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)	(1,633)	-	(2,450)
Total Accumulated Depreciation	(817)	(1,633)	-	(2,450)
Total Capital Assets being depreciated, net	31,845	(1,633)	-	30,212
Total Governmental Activities Capital Assets, net	\$ 31,845	\$ (1,633)	\$ -	\$ 30,212

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 5. Interfund Receivables, Payables and Transfers

There were no interfund receivables/payables balances at June 30, 2023. There were no interfund transfers in and out as of June 30, 2023.

Note 6. Long-Term Obligations

During the fiscal year-ended June 30, 2023 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</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Balance</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Compensated Absences	\$ 18,990	\$ -	\$ 3,488	\$ 15,503	\$ -
Net Pension Liability	1,366,238	1,493,049	1,058,515	1,800,772	-
Lease Liabilities	359,693	1,048,784	359,693	1,048,784	-
	<u>\$ 1,744,921</u>	<u>\$ 2,541,833</u>	<u>\$ 1,421,696</u>	<u>\$ 2,865,059</u>	<u>\$ -</u>

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 \$1,048,784 at June 30, 2023. The right to use asset is described in more detail at Note 14.

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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.

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$3,789.

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 2022, 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, 2023 (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 \$1,800,722 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The School District's proportion measured as of June 30, 2022, was 0.011932456%, which was an increase of 0.0003996126% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the School District recognized full accrual pension credit of (\$45,671) in the government-wide financial statements. This pension credit was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 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	\$ 12,997	\$ 11,462
Changes of Assumptions	5,579	269,647
Net Difference between Projected and Actual Earnings on Pension Plan Investments	74,532	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	397,506	95,306
Contributions Subsequent to Measurement Date	175,000	-
	\$ 665,614	\$ 376,415

\$175,000 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2024 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, 2023 (Continued)

Note 7. Pension Plans (Continued)

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

Year Ending <u>June 30,</u>		
2024	\$	(94,028)
2025		(18,256)
2026		22,061
2027		144,168
2028		60,254
	<u>\$</u>	<u>114,199</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, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
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	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between District Contributions		
Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
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
June 30, 2022	5.04	5.04

**BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Pension Plans (Continued)

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75-6.55%
	Based on Years of Service
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, 2018 - June 30, 2021

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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. 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, 2022) 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, 2022 are summarized in the following table:

**BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 100% 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, 2022, 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, 2023 (Continued)

Note 7. Pension Plans (Continued)

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

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 2,333,057	\$ 1,800,772	\$ 1,376,005

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	\$ 3,236,303,935	\$ 8,339,123,762
Collective Net Pension Liability	\$ 15,219,184,920	\$ 11,972,782,878
School District's portion	0.01193%	0.01153%

Special Funding Situation- Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

School District Special Fund Allocation Pension Expense for the year ending June 30, 2023 \$ 3,789

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, 2023 (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 2022, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation- Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation 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 related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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 \$5,918,225. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.0114706703% which was an increase of 0.0002189225% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$159,276 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, 2022 measurement date.

BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)

Note 7. Pension Plans (Continued)

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

Actuarial Assumptions – The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.75-5.65%
Thereafter	Based on Years of services
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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 are summarized in the following table

**BAYSHORE JOINTURE COMMISSION
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (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%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 7.00% 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, 2023 (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	\$ 6,939,245	\$ 5,918,225	\$ 5,058,144

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, 2023 and 2022:

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%
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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, 2023, employee contributions totaled \$1,721 and the School District recognized an expense for payments made to the Defined Contributions Retirement Plan in the amount of \$991.

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8. Other Post-Retirement Benefits

General Information about the OPEB Plan

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

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

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, 2023**

Note 8. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021. 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:	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%
	based on years of service	based on years of service	based on age

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, 2021 valuation were based on the results of the TPAF, PERS, and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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, 2022 was \$4,851,054. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.00957826808805308%, which was an decrease of 0.0002379668499632% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$808,389 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, 2021 measurement date.

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 8. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 6.25% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% 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, 2022 was 3.54%. 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, 2022, 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, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 5,701,904	\$ 4,851,054	\$ 4,169,141
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697	\$ 50,646,462,966	\$ 43,527,080,995

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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, 2022, 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, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 4,009,693	\$ 4,851,054	\$ 5,956,233
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291	\$ 50,646,462,966	\$ 62,184,866,635

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected & Actual Experience	\$ 9,042,402,619	\$ 15,462,950,679
Change in Assumptions	8,765,620,577	17,237,289,230
Contributions Made in Fiscal Year Year Ending 2023 After June 30, 2022 Measurement Date **	TBD	N/A
	<u>\$ 17,808,023,196</u>	<u>\$ 32,700,239,909</u>

BAYSHORE JOINTURE COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

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,	
2023	\$ (2,517,151,602)
2024	(2,517,151,602)
2025	(2,517,151,602)
2026	(2,175,449,761)
2027	(1,243,951,140)
Thereafter	<u>(3,921,361,006)</u>
	<u>\$ (14,892,216,713)</u>

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

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025
Interest Cost	1,342,187,139
Difference Between Expected & Actual Experience	1,399,200,739
Changes of Assumptions	(13,586,368,097)
Contributions: Member	42,650,252
Gross Benefit Payments	<u>(1,329,476,059)</u>
Net Change in Total OPEB Liability	(9,361,188,001)
Total OPEB Liability (Beginning)	<u>60,007,650,970</u>
Total OPEB Liability (Ending)	<u>\$ 50,646,462,969</u>
Total Covered Employee Payroll	14,753,355,408
Net OPEB Liability as a Percentage of Payroll	343%

BAYSHORE JOINTURE COMMISSION

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

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, 2023, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$497,991, \$112,864, \$130,821 and \$498, 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, 2023 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, 2023**

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, 2023, the liability for compensated absences reported on the government-wide Statement of Net Position was \$15,502. As of June 30, 2023 there was no liability for compensated absences in proprietary fund types.

Note 13. Commitments

The School District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the general fund as committed to other purposes in the amount of \$9,019.

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, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets				
Leased classroom and office space	\$ 706,391	\$ 926,014	\$ -	\$ 1,632,405
Total right to use assets	<u>706,391</u>	<u>926,014</u>	<u>-</u>	<u>1,632,405</u>
Less accumulated amortization:				
Leased classroom and office space	353,196	299,766	-	652,962
Total accumulated amortization	<u>353,196</u>	<u>299,766</u>	<u>-</u>	<u>652,962</u>
Right to use leased assets, net	<u>\$ 353,195</u>	<u>\$ 299,766</u>	<u>\$ -</u>	<u>\$ 979,443</u>

Note 15. Fund Balances

General Fund – Of the \$4,814,973 General Fund fund balance at June 30, 2023, \$9,018 has been committed to other purposes, \$362,000 has been assigned – designated for subsequent year’s expenditures, and \$4,443,954 has been unassigned.

Special Revenue Fund – Of the \$18,380 Special Revenue Fund fund balance at June 30, 2023, \$18,380 is restricted for student activities expenditures.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Revenues:						
Local Sources:						
Tuition	10-1300	\$ 5,046,000	\$ -	\$ 5,046,000	\$ 5,124,412	\$ 78,412
Miscellaneous	10-1990	80,500	-	80,500	107,556	27,056
Total Local Sources		5,126,500	-	5,126,500	5,231,968	105,468
State Sources:						
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	130,821	130,821
Normal Pension Contributions		-	-	-	497,991	497,991
Long-Term Disability Insurance		-	-	-	498	498
Reimbursed TPAF Social Security		-	-	-	112,864	112,864
Total State Sources		-	-	-	742,174	742,174
Total Revenues		5,126,500	-	5,126,500	5,974,142	847,642
Expenditures:						
Current Expense:						
Autism:						
Salaries of Teachers	11-214-100-101	897,460	(99,580)	797,880	773,615	24,265
Other Salaries for Instruction	11-214-100-106	1,120,256	(50,127)	1,070,129	1,065,740	4,389
Purchased Technical Services	11-214-100-340	500	3,400	3,900	3,900	-
General Supplies	11-214-100-610	43,552	-	43,552	35,759	7,793
Textbooks	11-214-100-640	19,100	-	19,100	13,034	6,066
Other Objects	11-214-100-891	13,500	-	13,500	5,741	7,759
Total Autism		2,094,368	(146,307)	1,948,061	1,897,789	50,272
Total Special Education		2,094,368	(146,307)	1,948,061	1,897,789	50,272
Vocational Programs - Local - Instruction:						
General Supplies	11-301-100-610	2,500	-	2,500	418	2,082
Total Vocational Programs - Local - Instruction		2,500	-	2,500	418	2,082
School Sponsored Cocurricular Activities:						
Salaries	11-401-100-100	-	11,073	11,073	11,073	-
Supplies and Materials	11-401-100-600	5,500	-	5,500	5,340	160
Total School Sponsored Cocurricular - Activities		5,500	11,073	16,573	16,413	160
Total - Instruction		2,102,368	(135,234)	1,967,134	1,914,620	52,514
Health Services:						
Salaries	11-000-213-100	64,925	(3,000)	61,925	61,925	-
Purchased Professional & Technical Services	11-000-213-300	17,361	19,152	36,513	34,087	2,426
Supplies and Materials	11-000-213-600	2,500	-	2,500	2,071	429
Total Health Services		84,786	16,152	100,938	98,083	2,855

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	184,670	-	184,670	184,670	-
Purchased Professional - Educational Services	11-000-216-320	275,000	128,308	403,308	355,828	47,480
Supplies and Materials	11-000-216-600	3,663	14	3,677	2,792	885
Total Other Support Services - Students - Related Services		463,333	128,322	591,655	543,290	48,365
Other Support Services - Guidance - Extraordinary Services:						
Salaries	11-000-217-100	156,824	1,266	158,090	158,090	-
Total Other Support Services - Students - Extraordinary Services		156,824	1,266	158,090	158,090	-
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	67,221	-	67,221	67,221	-
Total Other Support Services - Students - Regular		67,221	-	67,221	67,221	-
Improvement of Instruction Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff	11-000-221-110	10,000	(2,000)	8,000	-	8,000
Total Improvement of Instruction Services		10,000	(2,000)	8,000	-	8,000
Instructional Staff Training Services:						
Salaries of Other Professional Staff	11-000-223-104	-	1,520	1,520	1,420	100
Purchased Professional - Educational Services	11-000-223-320	82,000	2,480	84,480	84,344	136
Other Purchased Services	11-000-223-500	4,000	-	4,000	2,535	1,465
Total Instructional Staff Training Services		86,000	4,000	90,000	88,299	1,701
Support Services General Administration:						
Salaries	11-000-230-100	54,600	(1,106)	53,494	50,722	2,772
Legal Services	11-000-230-331	15,000	(5,000)	10,000	4,604	5,396
Audit Services	11-000-230-332	15,000	-	15,000	12,700	2,300
Other Purchased Professional Services	11-000-230-339	24,500	1,806	26,306	26,306	-
Purchased Technical Services	11-000-230-340	27,215	3,000	30,215	12,000	18,215
District Insurance	11-000-230-520	-	6,600	6,600	6,249	351
Communications / Telephone	11-000-230-530	6,500	(4,100)	2,400	2,154	246
Travel and Fees	11-000-230-580	-	1,500	1,500	1,045	455
BOE Other Purchased Services	11-000-230-585	1,500	(1,500)	-	-	-
Other Purchased Services (400-500 Series)	11-000-230-590	9,000	3,000	12,000	9,475	2,525
Miscellaneous Expenditures	11-000-230-890	2,500	-	2,500	1,609	891
BOE Membership Dues & Fees	11-000-230-895	1,600	-	1,600	833	767
Total Support Services General Administration		157,415	4,200	161,615	127,697	33,918
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	240,845	8,435	249,280	249,280	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	40,600	351	40,951	40,951	-
Supplies and Materials	11-000-240-600	4,500	-	4,500	4,031	469
Other Objects	11-000-240-800	3,500	1,000	4,500	4,258	242
Total Support Services School Administration		289,445	9,786	299,231	298,520	711

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	JUNE 30, 2023			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Central Services:						
Salaries	11-000-251-100	18,000	5,000	23,000	20,318	2,682
Purchased Technical Services	11-000-251-340	65,000	(6,000)	59,000	52,531	6,469
Supplies and Materials	11-000-251-600	2,000	-	2,000	620	1,380
Other Objects	11-000-251-890	2,000	-	2,000	1,489	511
Total Central Services		87,000	(1,000)	86,000	74,958	11,042
Administration Information Technology:						
Purchased Technical Services	11-000-252-340	32,500	-	32,500	16,712	15,788
Supplies and Materials	11-000-252-600	12,000	2,986	14,986	8,081	6,905
Total Administration Information Technology		44,500	2,986	47,486	24,793	22,693
Other Operation & Maintenance of Plant:						
Cleaning, Repair & Maintenance Services	11-000-262-420	1,000	19,000	20,000	18,826	1,174
Rental of Land & Building	11-000-262-441	375,000	(11,399)	363,601	363,601	-
Insurance	11-000-262-520	5,000	-	5,000	3,447	1,553
General Supplies	11-000-262-610	23,041	5,500	28,541	28,481	60
Total Other Operation & Maintenance of Plant		404,041	13,101	417,142	414,355	2,787
Student Transportation Services:						
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	50,000	39,434	89,434	83,787	5,647
Total Student Transportation Services		50,000	39,434	89,434	83,787	5,647
Unallocated Benefits - Employee Benefits:						
Group Insurance	11-000-291-210	30,000	-	30,000	26,145	3,855
Social Security	11-000-291-220	90,000	14,098	104,098	104,098	-
Other Retirement Contributions - PERS	11-000-291-241	150,000	3,161	153,161	153,161	-
Unemployment Compensation	11-000-291-250	15,000	2,281	17,281	6,820	10,461
Workmen's Compensation	11-000-291-260	75,000	(17,231)	57,769	57,769	-
Health Benefits	11-000-291-270	803,931	(98,241)	705,690	697,024	8,666
Tuition Reimbursements	11-000-291-280	6,000	(6,000)	-	-	-
Other Employee Benefits	11-000-291-290	9,000	23,625	32,625	24,353	8,272
Total Unallocated Benefits		1,178,931	(78,307)	1,100,624	1,069,370	31,254
Nonbudgeted:						
On-Behalf TPAF:						
Post-Retirement Medical Contributions		-	-	-	130,821	(130,821)
Normal Pension Contributions		-	-	-	497,991	(497,991)
Long-Term Disability Insurance		-	-	-	498	(498)
Reimbursed TPAF Social Security		-	-	-	112,864	(112,864)
Total Undistributed Expenditures		3,079,496	137,940	3,217,436	3,790,637	(573,201)
Total Expenditures - Current Expense		5,181,864	2,706	5,184,570	5,705,257	(520,687)

**BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	ACCOUNT NUMBER	JUNE 30, 2023			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	(15,164)	74,836	74,836	-
Other Salaries for Instruction	13-422-100-106	70,000	(7,526)	62,474	62,474	-
Purchased Professional and Technical Services	13-422-100-300	-	12,731	12,731	12,731	-
General Supplies	13-422-100-610	3,500	(1,046)	2,454	2,454	-
Support Services						
Salaries	13-422-200-100	33,000	(21,766)	11,234	11,234	-
Purchased Professional and Technical Services	13-422-200-300	51,000	19,090	70,090	70,090	-
Other Purchased Services	13-422-200-500	15,000	10,975	25,975	25,975	-
Total Special Schools		262,500	(2,706)	259,794	259,794	-
Total Expenditures		5,444,364	-	5,444,364	5,965,051	(520,687)
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures After Other Financing Sources/(Uses)		(317,864)	-	(317,864)	9,091	326,955
Fund Balances, July 1		4,805,882	-	4,805,882	4,805,882	-
Fund Balances, June 30		\$ 4,488,018	\$ -	\$ 4,488,018	\$ 4,814,973	\$ 326,955

RECAPITULATION OF FUND BALANCE

Committed Fund Balance:	
Year-End Encumbrances	\$ 9,018
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	362,000
Unassigned Fund Balance	<u>4,443,955</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$ 4,814,973</u>

**BAYSHORE JOINTURE COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES					
Local Sources	\$ 12,000	\$ -	\$ 12,000	\$ 10,030	\$ (1,970)
State Sources	-	9,414	9,414	9,414	-
Federal Sources	-	131,489	131,489	95,455	(36,034)
Total Revenues	12,000	140,903	152,903	114,899	(38,004)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	-	4,940	4,940	4,940	-
Purchased Professional and Technical Services	-	53,954	53,954	46,523	7,431
Purchased Educational Services	-	7,815	7,815	2,588	5,227
Tuition	2,000	-	49,892	27,832	22,060
Total Instruction	2,000	66,709	133,489	97,455	34,718
Support Services:					
Purchased Professional and Technical Services	-	2,754	2,754	2,754	-
Construction Services	-	6,660	6,660	6,660	-
Student Activities	10,000	-	10,000	8,646	1,354
Total Support Services	10,000	9,414	19,414	18,060	1,354
Total Expenditures	12,000	76,123	152,903	115,515	36,072
Total Outflows	12,000	76,123	152,903	115,515	36,072
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	64,780	-	(616)	(1,932)
Fund Balance, July 1	18,996	-	18,996	18,996	-
Fund Balance, June 30	<u>\$ 18,996</u>	<u>\$ 64,780</u>	<u>\$ 18,996</u>	<u>\$ 18,380</u>	<u>(1,932)</u>

RECAPITULATION OF FUND BALANCE

Restricted:	
Student Activities	<u>\$ 18,380</u>
Total Fund Balance	<u><u>\$ 18,380</u></u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**BAYSHORE JOINTURE COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**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)	\$ 5,974,142	\$ 114,899	
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year	-	(13,558)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)			
	\$ 5,974,142	\$ 101,341	
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,965,051	\$ 115,515	
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.			
	-	(13,558)	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)			
	\$ 5,965,051	\$ 101,957	

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.0119324560%	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	\$ 1,800,772	\$ 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	\$ 752,612	\$ 848,096	\$ 734,212	\$ 643,034	\$ 682,195	\$ 636,852	\$ 582,344	\$ 695,441	\$ 695,441	N/A
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	239.27%	161.09%	207.72%	281.89%	306.05%	320.37%	558.14%	319.06%	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	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).

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's Contractually Required Contribution	\$ 150,474	\$ 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	(150,474)	(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	\$ 985,048	\$ 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	15.28%	17.95%	12.06%	13.33%	16.40%	11.90%	15.31%	14.59%	9.54%	9.54%

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

	2023	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%	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	\$ 5,918,225	\$ 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
School District's Covered Payroll	\$ 1,514,749	\$ 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%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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).

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

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 711,501	\$ 846,696	\$ 455,060	\$ 517,229	\$ 566,310	\$ 566,310
Interest Cost	128,558	152,806	124,177	138,544	152,078	152,078
Change of Benefit Terms	-	(6,270)	-	-	-	-
Differences Between Expected and Actual Experiences	(454,902)	(574,059)	937,774	(578,536)	(893,776)	(893,776)
Changes of Assumptions	(1,301,339)	5,811	1,019,634	46,811	(356,777)	(356,777)
Contributions: Member	4,085	3,906	2,945	2,857	2,873	2,873
Gross Benefit Payments	(127,341)	(120,368)	(97,178)	(96,375)	(83,134)	(83,134)
Net Change in District's Total OPEB Liability	(1,039,438)	308,522	2,442,412	30,530	(612,426)	(612,426)
District's Total OPEB Liability (Beginning)	5,890,492	5,581,970	3,139,558	3,109,028	3,721,454	3,721,454
District's Total OPEB Liability (Ending)	\$ 4,851,054	\$ 5,890,492	\$ 5,581,970	\$ 3,139,558	\$ 3,109,028	\$ 3,109,028
District's Covered Employee Payroll	\$ 1,514,749	\$ 1,353,766	\$ 1,008,720	\$ 1,104,666	\$ 916,591	\$ 1,082,636
District's Net OPEB Liability as a Percentage of Payroll	320%	435%	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.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**BAYSHORE JOINTURE COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

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>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

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>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

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>
2022	7.00%	2019	6.85%	2016	5.55%
2021	7.00%	2018	6.51%	2015	5.79%
2020	7.00%	2017	6.14 %	2014	6.32%

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>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

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, 2023

Other Post-Employment Benefits (OPEB)

Changes of Benefit Terms

The increase in benefit terms from June 30, 2021 to June 30, 2022 was a result of employers adopting and or changing Chapter 48 provisions which provide different levels of subsidy than in the prior year.

Differences Between Expected and Actual Experiences

The increase in differences between expected and actual experiences from June 30, 2021 to June 30, 2022 was a result of changes to the census, claims and premiums experience.

Changes of Assumptions

The increase in changes in assumptions from June 30, 2021 to June 30, 2022 is a result of a change in the discount rate, trend update and the mortality projection scale update.

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>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**BAYSHORE JOINTURE COMMISSION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2023**

	NJSIG- SAFETY GRANT	SCHOOL CLIMATE GRANT	SDA EMERGENCY NEEDS & MAINTENANCE	SRSA ARRA	COMMUNITY PROJECT FUNDING	ARP ESSER	STUDENT ACTIVITIES	Totals
Revenues:								
Local Sources	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,030	\$ 10,030
State Sources	-	6,660	2,754	-	-	-	-	9,414
Federal Source	-	-	-	46,523	27,397	21,535	-	95,455
Total Revenues	\$ 2,000	\$ 6,660	\$ 2,754	\$ 46,523	\$ 27,397	\$ 21,535	\$ 8,030	\$ 114,899
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ 4,940	\$ -	\$ -	\$ 4,940
Purchased Professional and Technical Services	-	-	-	46,523	-	-	-	46,523
Purchased Educational Services	-	-	-	-	15,572	-	-	15,572
Tuition	-	-	-	-	2,588	-	-	2,588
Supplies	2,000	-	-	-	4,297	21,535	-	27,832
Total Instruction	2,000	-	-	46,523	27,397	21,535	-	97,455
Support Services:								
Purchased Professional and Technical Services	-	-	2,754	-	-	-	-	2,754
Construction Services	-	6,660	-	-	-	-	-	6,660
Student Activities	-	-	-	-	-	-	8,646	8,646
Total Support Services	-	6,660	2,754	-	-	-	8,646	18,060
Total Expenditures	2,000	6,660	2,754	46,523	27,397	21,535	8,646	115,515
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-	-	-	(616)	(616)
Fund Balance, July 1	-	-	-	-	-	-	18,996	18,996
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,380	\$ 18,380

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F. Capital Projects Fund

Not Applicable

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

Not Applicable

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STATISTICAL SECTION (Unaudited)

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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.

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 30,212	\$ 31,845	\$ -	\$ -	\$ -	\$ -	\$ 12,072	\$ 13,524	\$ 60,004	\$ 70,473
Restricted	18,380	18,996	23,019	-	-	-	-	-	-	-
Unrestricted	3,043,559	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
Total Governmental Activities	\$ 3,092,151	\$ 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
Government-Wide:										
Net Investment in Capital Assets	\$ 30,212	\$ 31,845	\$ -	\$ -	\$ -	\$ -	\$ 12,072	\$ 13,524	\$ 60,004	\$ 70,473
Restricted	18,380	18,996	23,019	-	-	-	-	-	-	-
Unrestricted	3,043,559	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
Total Net Position	\$ 3,092,151	\$ 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

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Governmental Activities										
Instruction:										
Special Education	\$ 3,635,595	\$ 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
Other Special Instruction	767	2,845	2,949	2,953	4,933	4,585	2,611	2,251	313	-
Other Instruction	30,112	15,007	23,865	7,177	10,778	16,449	3,791	994	1,636	77
Support Services & Undistributed Costs:										
Health Services	126,889	95,488	79,701	104,852	114,756	116,260	86,368	81,832	54,652	-
Student & Instruction Related Services	1,120,735	832,772	776,116	724,595	698,608	845,866	516,983	445,825	614,036	1,486,197
School Administrative Services	386,190	331,293	345,886	312,374	333,291	392,179	246,293	251,277	201,376	226,200
Other Administrative Services	294,245	298,264	319,136	275,771	336,419	325,752	192,679	165,913	154,883	132,695
Student Activities	11,186	5,885	11,328	-	-	-	-	-	-	-
Plant Operations & Maintenance	220,501	435,589	410,362	376,147	467,079	422,874	275,302	277,973	279,732	275,346
Pupil Transportation	108,392	69,942	-	22,318	7,433	26,142	18,202	15,054	15,546	12,115
Employee Benefits	-	-	-	-	-	-	1,023,004	877,740	884,385	-
Special Schools	-	-	216,070	162,634	265,618	259,214	145,754	158,377	156,522	248,726
Unallocated Increase/(Decrease) in	336,091	214,451	-	-	-	-	-	-	(3,500)	-
Compensated Absences	-	-	-	-	-	-	-	-	10,469	9,362
Unallocated Depreciation	-	-	-	-	-	-	1,452	1,452	-	-
Total Governmental Activities Expenses	\$ 6,270,704	\$ 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
Program Revenues:										
Governmental Activities:										
Operating Grants & Contributions	\$ 1,182,368	\$ 990,181	\$ 1,086,589	\$ 983,885	\$ 1,073,733	\$ 1,362,117	\$ 405,424	\$ 406,297	\$ 351,101	\$ 219,953
Total Governmental Activities Program Revenues	\$ 1,182,368	\$ 990,181	\$ 1,086,589	\$ 983,885	\$ 1,073,733	\$ 1,362,117	\$ 405,424	\$ 406,297	\$ 351,101	\$ 219,953
Net/(Expense)/Revenue: Governmental Activities	\$ (5,088,336)	\$ (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)
Total District-Wide Net Expense	\$ (5,088,336)	\$ (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)

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Tuition Received	\$ 5,124,412	\$ 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
Federal and State Aid	-	20,000	-	-	-	-	-	-	-	-
Miscellaneous Income	107,556	104,774	100,398	23,353	48,993	37,343	30,000	94,967	3,537	5,880
Cancellation of Prior Year Receivables	-	-	-	-	-	13,636	(14,332)	-	(74,806)	-
Total Governmental Activities	\$ 5,231,968	\$ 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
Change in Net Position:										
Governmental Activities	\$ 143,632	\$ 860,808	\$ 146,453	\$ 64,577	\$ 193,759	\$ 658,731	\$ 238,169	\$ 361,830	\$ 262,069	\$ 705,475
Total District	\$ 143,632	\$ 860,808	\$ 146,453	\$ 64,577	\$ 193,759	\$ 658,731	\$ 238,169	\$ 361,830	\$ 262,069	\$ 705,475

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Committed	\$ 9,019	\$ 17,865	\$ 24,943	\$ 7,262	\$ 24,201	\$ 14,749	\$ 18,719	\$ 850	\$ 7,239	\$ -
Assigned	362,000	300,000	286,000	286,000	268,000	-	240,000	-	-	-
Unassigned	4,443,954	4,488,017	3,933,744	1,473,605	1,316,590	1,467,212	704,748	613,075	453,661	610,406
Total General Fund	\$ 4,814,973	\$ 4,805,882	\$ 4,244,687	\$ 1,766,867	\$ 1,608,791	\$ 1,481,961	\$ 963,467	\$ 613,925	\$ 460,900	\$ 610,406
All Other Governmental Funds:										
Restricted, Reported in:										
Special Revenue Fund	\$ 18,380	\$ 18,996	\$ 16,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total All Other Governmental Funds	\$ 18,380	\$ 18,996	\$ 16,475	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
District Charges	\$ 5,124,412	\$ 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
Miscellaneous	117,586	117,200	114,067	25,274	51,947	38,166	30,612	29,790	3,537	64,669
State Sources	751,588	717,413	544,665	401,311	369,514	346,251	290,186	235,259	164,694	161,164
Federal Sources	81,897	42,834	18,068	-	-	-	-	-	-	-
Total Revenue	6,075,483	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
Expenditures:										
Instruction	1,998,517	1,798,236	1,686,916	766,606	828,920	767,213	776,837	852,128	985,514	912,530
Undistributed Instruction	3,808,697	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
Special Schools	259,794	183,515	171,137	139,914	181,695	168,965	145,754	158,377	156,522	169,364
Capital Outlay	-	32,662	-	-	-	-	-	-	-	58,789
Total Expenditures	6,067,008	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	8,475	557,172	101,300	158,076	126,830	504,858	359,216	147,248	(115,976)	125,927
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	\$ 8,475	\$ 557,172	\$ 2,480,340	\$ 158,076	\$ 126,830	\$ 518,494	\$ 349,542	\$ 212,425	\$ (149,506)	\$ 125,927
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
2023	\$ -	\$ 107,556	\$ 107,556
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

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.

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BAYSHORE JOINTURE COMMISSION
INSURANCE SCHEDULE
June 30, 2023

	<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	

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Directors
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, 2023, 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 November 2, 2023.

Report on 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. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bayshore Jointure Commission'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.

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
November 2, 2023

EXHIBIT K-2

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Bayshore Jointure Commission's compliance with types of compliance requirements identified as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2023. Bayshore Jointure Commissions' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bayshore Jointure Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Bayshore Jointure Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts of grant agreements applicable to the Bayshore Jointure Commission's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Bayshore Jointure Commission's compliance based on our audit. 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, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB's Circular 15-08. Accordingly, this report 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

November 2, 2023

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BAYSHORE JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENT	JUNE 30, 2023	
										UNEARNED REV/ (ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. Department of Education											
Special Revenue Fund:											
Passed Through New Jersey Department of Education American Rescue Plan (ESSER)	84.425U	S425D210027	100-034-5120-523	\$ 31,210	1/1/22-12/31/22	\$ (9,675)	\$ 27,426	(21,535)	-	\$ (3,784)	\$ -
Community Project Funding	20.534	Not Available	Not Available	60,000	7/1/21-6/30/23	-	-	(27,396)	-	(27,396)	-
Small, Rural School Achievement Program (SRSA)	84.358A	S358A222689	Not Available	73,920	7/1/22-9/30/23	(17,554)	-	(46,523)	-	(64,077)	-
Total Special Revenue Fund						(27,229)	27,426	(95,454)	-	(95,257)	-
Total U.S. Department of Treasury						(27,229)	27,426	(95,454)	-	(95,257)	-
Total Expenditures of Federal Awards						<u>(27,229)</u>	<u>27,426</u>	<u>(95,454)</u>	<u>-</u>	<u>(95,257)</u>	<u>-</u>

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2023**

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUB-RECIPIENTS	JUNE 30, 2023 (ACCOUNTS RECEIVABLE)	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
TPAF Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	\$ 130,821	7/1/22-6/30/23	\$ -	\$ 130,821	\$ (130,821)	\$ -	\$ -	\$ -	\$ 130,821
TPAF Pension Contributions (Noncash Assistance)	495-034-5094-002	497,991	7/1/22-6/30/23	-	497,991	(497,991)	-	-	-	497,991
TPAF Pension - Non-Contributory Insurance (Noncash Assistance)	495-034-5094-004	498	7/1/22-6/30/23	-	498	(498)	-	-	-	498
Reimbursed TPAF Social Security Contributions	495-034-5094-003	112,864	7/1/22-6/30/23	-	107,459	(112,864)	-	(5,405)	-	112,864
Total General Fund				-	736,769	(742,174)	-	(5,405)	-	742,174
Special Revenue Fund:										
School Climate Change Pilot Grant	23E00417	6,660	5/1/23-6/30/23	-	6,660	(6,660)	-	-	-	6,660
SDA Emergent Needs and Capital Maintenance	Not Available	2,754	7/1/22-6/30/23	-	2,754	(2,754)	-	-	-	2,754
Total Special Revenue Fund				-	9,414	(9,414)	-	-	-	9,414
Total State Financial Assistance				\$ -	\$ 746,183	\$ (751,588)	\$ -	\$ (5,405)	\$ -	\$ 751,588

Less: Grants Not Subject to Major Program Determination:

TPAF Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	130,821	7/1/22-6/30/23			130,821				
TPAF Pension Contributions (Noncash Assistance)	495-034-5094-002	497,991	7/1/22-6/30/23			497,991				
TPAF Pension - Non contributory Insurance (Noncash Assistance)	495-034-5094-004	498	7/1/22-6/30/23			498				
Total State Financial Assistance Subject to Major Program Determination						\$ (122,278)				

BAYSHORE JOINTURE COMMISSION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Bayshore Jointure Commission. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

BAYSHORE JOINTURE COMMISSION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$13,558) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general fund and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 742,174	\$ 742,174
Special Revenue Fund	81,897	9,414	91,311
Total Awards & Financial Assistance	<u>\$ 81,897</u>	<u>\$ 751,588</u>	<u>\$ 833,485</u>

Note 4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5. Federal and State Loans Outstanding

The Bayshore Jointure Commission had no loan balances outstanding at June 30, 2023.

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

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

Assistance Listing 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, 2023**

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

State Financial Assistance

Dollar threshold used to determine Type A programs	\$		750,000	
Auditee qualified as low-risk auditee?	_____ yes	_____ X	_____ no	
Internal control over major programs:				
1) Material weakness(es) identified?	_____ yes	_____ X	_____ no	
2) Significant deficiency(ies) identified?	_____ yes	_____ X	_____ none reported	
Type of auditor's report issued on compliance for major programs		_____ Unmodified		
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes	_____ X	_____ no	

Identification of major programs:

State Grant/Project Number(s)

495-034-5094-001

Name of State Program

Reimbursed TPAF Social Security Contributions

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

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

None.

**BAYSHORE JOINTURE COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

None.

**BAYSHORE JOINTURE COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

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 2022-001

Condition

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

Current Status

This finding has been corrected.

Federal Awards

N/A - No Prior Year Federal Single Audit.

State Financial Assistance

N/A - No Prior Year State Single Audit.