

**THE BAYSHORE
JOINTURE COMMISSION**

**THE BAYSHORE JOINTURE COMMISSION
MONMOUTH COUNTY, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BAYSHORE JOINTURE COMMISSION

MONMOUTH COUNTY, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

PREPARED BY

**THE BAYSHORE JOINTURE COMMISSION
FINANCE DEPARTMENT**

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT

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INTRODUCTORY SECTION



100 Tornillo Way • Tinton Falls, NJ 07712
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MEMBER DISTRICTS:
 ATLANTIC HIGHLANDS
 HAZLET
 HENRY HUDSON
 HIGHLANDS
 KEANSBURG
 KEYPORT
 MATAWAN-ABERDEEN
 UNION BEACH

November 15, 2010

Honorable Members of the Board of Education
 The Bayshore Jointure Commission

Dear Jointure Members:

The Comprehensive Annual Financial Report of the Bayshore Jointure Commission for fiscal year ended June 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bayshore Jointure Commission. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the general fund of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter and a list of principal officials. The Financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Commission is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1997 and the U.S. Office of Management and Budget Circular Letter A-133 "Audit of State and Local Governments" and the State Treasury Circular 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. 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, includes eight Bayshore Districts: Atlantic Highlands, Hazlet, Henry Hudson Regional, Highlands, Keansburg, Keyport, Union Beach, Matawan-Aberdeen Regional. The Jointure was formed as an outgrowth of the Bayshore Consortium, which had been in existence for over 12 years. The Commission provided staff development including SRA Training, hosted a Bayshore Honors Band, transportation, nursing, parent and sibling groups, an autism conference and several other educational services. The Commission maintained one site at Matawan-Aberdeen Regional School District during the 2009-2010 school year called the Developmental Learning Center. This program addresses the needs for children on the autism spectrum. The Commission provided services to 47 students enrolled during the 2009-2010 school year.

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

ATLANTIC HIGHLANDS

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

Atlantic Highlands Elementary School continues to provide an exceptional educational experience for all students. The breadth of programs from special education to gifted and talented meets each child's unique needs. The school demonstrates a continuing emphasis on curriculum alignment to the core curriculum content standards, with a revision of the math curriculum. For the upcoming school year, the district has begun to embrace STEM (Science Technology Engineering Math) as one related discipline. As a member of the Bayshore Jointure Commission, our staff has received a wealth of professional development opportunities.

HAZLET TOWNSHIP

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

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

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

The Hazlet Public School district has an enrollment of 3,414 students. It is comprised of the following K-6 elementary schools: Beers Street, Cove Road, Lillian Drive, Middle Road, Sycamore Drive and Raritan Valley, Hazlet Middle School, grades 7 & 8 and Raritan High School, grades 9-12.

A 7.8 million dollar referendum was passed by the taxpayers on September 14, 1999. This referendum allowed the school district to improve its schools with a solution that provided funds for the renovating and upgrading of its schools, without a property tax increase.

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

The school district employed 331 certified employees and 112 non-certified employees.

Hazlet Township will not be experiencing a major period of expansion in the foreseeable future. There will be no major increase in business and the employment level will remain static.

HENRY HUDSON REGIONAL SCHOOL DISTRICT

The District, located in Monmouth County, is comprised of the towns of Atlantic Highlands and Highlands. These are settled residential communities with limited amounts of industry. Atlantic Highlands is a stable community with few apartments or condominiums. Highlands Borough is also a stable community with seventy-five percent (75%) of the condominiums owner occupied. Both towns have a large senior citizen population. The Borough of Highlands has developed a Highlands Business Improvement District, which is funded by the business taxpayers and is aggressively expanding its shops and businesses with an open air Farmers Market on weekends, and an Annual Clam Festival.

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

HIGHLANDS

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

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

Highlands, today is re-establishing the character of the town in promoting its seafood restaurants, ferry service, and water-dependent industries such as commercial and recreation fishing and clamming. In June 1995, after years of planning, the Highlands clam depurification plant was officially opened and has generated significant employment in the area. With regard to revitalizing the Highlands business area, a Commercial Loan and Grant Program, available through the Neighborhood Preservation Program, has assisted commercial property and business operators in financing physical improvements to their businesses, particularly façade improvements. Another program, Streetscape, provides assistance with improvements to streets, lighting, exterior benches, etc. The Highlands Bridge was targeted for improvement/replacement and after much controversy is being completed at this time.

KEANSBURG

The Keansburg area is beginning a period of increases in their assessments, which is reflected in our ability to tax. Rateables have increased due to a rising real estate market throughout the county and the state. In order for the Keansburg School District to increase their working budget, the ratio is \$27,609 for each penny tax increase.

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

KEANSBURG (Continued)

The State of New Jersey increased state aid to the school district during the 2005-2006 school year by 4.01% the amount of the Consumer Price Index increase. The district did not increase the property tax burden to the community, but instead relied on the use of surplus to balance the budget.

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

KEYPORT

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

The Keyport School District has served the Borough of Keyport since 1871. The Keyport Grammar School was constructed in 1892. The High School was constructed in 1927. In 1937, 1952, and 1966 additions were made to the original building. In 1958, the Keyport Central School was constructed to provide educational opportunities to students in grades K-8. In September 1999, the eighth grade was moved to the high school building because of overcrowding at the Central School. In September 2001, the district opened a newly constructed two-story addition to Central School. To supplement this building, a new kindergarten room was added to Central School and a new Fitness Center was added to Keyport High School. Currently, the educational needs of the children of Keyport are provided by the Central School and Keyport High School.

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

The future outlook for District financing continues to depend on the Governor and State Legislature. The legislature is responsible for funding for K-12 education based upon availability of tax revenues to the State.

MATAWAN/ABERDEEN REGIONAL

The Matawan-Aberdeen Regional School District has an enrollment of approximately 3,830 students. It is comprised of the following K-3 elementary schools: Cliffwood Elementary, Ravine Drive and Strathmore Elementary. Lloyd Road Elementary serves grades 4-5, Matawan Avenue Middle serves grades 7-8 and Matawan Regional High School serves grades 9-12.

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

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

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

In December 2002, the District issued school bonds in the amount of \$25,960,000 in conjunction with a total referendum of \$36,847,000 that was passed by the taxpayers in September, 2002. The projects include a major addition to the middle school, additions to the high school and renovations to all schools. Construction resulting from this issue is complete.

UNION BEACH

The Union Beach School District services the educational needs of children in grades Pre-K through 8th. Our kindergarten program is a full day and our ½ day pre-kindergarten programs address the educational needs of 3 and 4 year old children with special needs as well as the needs of 4 year old preschool students. Presently our student population numbers are in and around the 750 mark.

During the 2004-2005 school year a 3.6 million dollar addition was put onto Memorial School which houses a state-of-the-art Media Center, four classrooms, two science labs, totally reconfigured administrative and nurse's offices, a commons area for viewing movies, four bathrooms, a small group instruction classroom, four conference rooms, computer lab and teachers' lounge. This wonderful addition was totally paid for through the School Construction Corp. and did not cost the taxpayers any money. This addition supplies us with the needed space to adequately address all of our students' educational needs for the next fifty years.

UNION BEACH (Continued)

Our students continue to improve academically. Our scores on the Dept. of Education's standardized testing instruments (NJ ASK 3/4 & GEPA) show a gradual and positive increase over the years. Union Beach School District, like many other school districts in New Jersey are actively working towards 100% student proficiency by the 2014 school year.

Many of our faculty has advanced degrees. The turnover rate for teachers is extremely small as many of our professional staff stay on for at least ten years or more. Student attendance rate is in the high ninetieth percentile.

The Union Beach area is roughly 1 1/2 miles square miles and is located along the Raritan Bay. This shore area is nearly fully developed. Presently many first time buyers are purchasing the smaller shore bungalows and enlarging them in order to take advantage of this town's wonderful location along the water and directly across from the Manhattan skyline. Property values continue to increase with the upgrades of these homes.

All in all the Union Beach School District and Borough are truly hidden gems along the Raritan Bay.

3. MAJOR INITIATIVES:

Program moved to a new location effective July 1, 2010. The program is now located at 100 Tornillo Way, Tinton Falls, NJ 07724. The new facility will allow for future expansion, provide access to a gymnasium, computer labs and a life skills room. The program will continue to serve autistic and pre-school disabled students ages 3-12.

Continue to expand enrollment and services to the Bayshore area.

Develop a professional development academy to assist in servicing the requirements put forth by the State Department of Education.

Implement an aftercare program that will service the Bayshore area starting September, 2010.

Continue to provide and improve age appropriate motor, fitness and recreational activities, community-based instruction, prevocational activities, job sampling and social skills training.

Implemented a 3-6-9 program to provide temporary behavioral modification at our site to students having difficulties in their home district in an attempt to keep them in a mainstream environment. This program also provides staff training so the new behavioral modifications and strategies created can be continued once the student is back in their home district.

Instructional strategies workshops provided to teachers new to the district

Mentoring Program to provide more ongoing support of new teachers

MAJOR INITIATIVES – (Continued)

Conference on Autism for educators and families of autistic children

The creation of a temporary life skills area in Union Beach to be used as a training tool in the development of our older population. The district will establish a new life skills room when it moves to the Tinton Falls location.

The development of a transitional program to help acclimate the students who are working toward moving back into mainstream education.

4. 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 assurances 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 estimated 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 the Commission management.

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

5. 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.
6. ACCOUNTING SYSTEM AND REPORTS: The Commission's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Commission is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. 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.
8. DEBT ADMINISTRATION: As of June 30, 2010 the Commission had no outstanding debt.
9. CASH MANAGEMENT: The investment policy of the 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 plant which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
10. RISK MANAGEMENT: The Jointure Commission will be covered by their own Workman's Compensation insurance in 2009-2010.
11. OTHER INFORMATION: Independent Audit: State of New Jersey statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPA's, was selected by the Bayshore Jointure Commission. In addition to meeting the requirements set forth in State statute, the audit also is designed to meet the requirements of the Single Audit Act of 1997 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
12. ACKNOWLEDGEMENTS: 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,

Craig A. Lorentzen, CPA
Business Administrator/Board Secretary

THE BAYSHORE JOINTURE COMMISSION

ROSTER OF OFFICIALS

JUNE 30, 2010

Members of Jointure

Dr. William George, President
Hazlet School District

Ms. Maryann Galassetti – Vice President
Highlands School District

Christopher Rooney
Atlantic Highlands School District

Ms. Lisa Savoia
Keyport School District

Dr. Kathryn Fedina
Henry Hudson School District

Mr. Nicholas Eremita
Keansburg School District

Dr. Richard O'Malley
Matawan-Aberdeen Regional School District

Mr. Joseph Annibale
Union Beach School District

Other Officials

Dr. Arthur Waltz, Superintendent
Craig Lorentzen, School Business Administrator
Bruce Quinn, Treasurer of School Monies
Robert A. Hulsart & Company, Auditor
McOmber & McOmber, Attorney

FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
The Bayshore Jointure Commission
County of Monmouth, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Bayshore Jointure Commission, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bayshore Jointure Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bayshore Jointure Commission, in the County of Monmouth, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2010, on our consideration of the Bayshore Jointure Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 15 through 21 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 15, 2010

Robert A. Hulsart and Company

13.

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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**REPORT ON COMPLIANCE AND 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**

K-1

Honorable President and Members
of the Board of Education
The Bayshore Jointure Commission
County of Monmouth, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Bayshore Jointure Commission, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated November 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bayshore Jointure Commission's general-purpose financial statements are free of 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 general-purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 15, 2010

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

The discussion and analysis of Bayshore Jointure Commission School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD & A is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement -and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits omission of the comparative information in the first year of adoption of the new reporting model, the School Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

District-wide financial statements. The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental and proprietary.

Governmental funds – are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual government funds: the general fund and special revenue fund. The general fund is considered to be a major fund. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary funds – The District maintains one proprietary fund type, an Internal Service Fund. The internal service fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. The internal service fund consists of a transportation, occupational and physical therapy, speech, nursing services, personal aides, professional development and home instruction. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Financial Highlights

Key Financial highlights for the 2009-2010 fiscal year are as follows:

- General revenues, including State Grants, accounted for \$2,479,773 in revenue or 77% percent of all revenues. The remaining \$641,008 in revenue or 23% was generated through the districts internal service fund.
- On the budgetary basis, the unreserved, undesignated general fund balance decreased by \$183,138.
- Total spending for all programs on an accrual basis was \$3,307,402 including a charge of \$3,483 for depreciation. General revenues (primarily tuition and administrative fees) were adequate to provide for the balance of these programs, exclusive of the charge for depreciation.
- The General Fund had \$2,479,773 in revenues and \$2,666,394 in expenditures on a budgetary basis. The General Fund's balance decreased \$186,621 from 2009.

The School District as a Whole

Table 1 provides a summary of the School District's net assets for the fiscal year 2010. Comparison data is presented for fiscal year 2009.

Table 1
Net Assets

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
Current and Other Assets	\$ 42,232	209,720
Capital Assets, Net	<u>22,642</u>	<u>26,081</u>
Total Assets	<u>\$ 64,874</u>	<u>235,801</u>
<u>Liabilities</u>		
Accounts Payable	\$ 21,137	1,868
Deferred Revenue	31,382	35,001
<u>Net Assets</u>		
Invested in Capital Assets, Net of Debt	22,642	26,081
Restricted		136
Unrestricted	<u>(10,287)</u>	<u>172,715</u>
Total Liabilities and Net Assets	<u>\$ 64,874</u>	<u>235,801</u>

Restricted assets represent resources that are subject to external restrictions on how they may be used. As of June 30, 2010 these assets consisted of encumbrances and designated surplus.

The district's investment in capital assets is shown net of any related debt associated with acquiring those assets.

Table 2 shows the changes in net assets for fiscal year 2010. Comparison data is presented for fiscal year 2009.

Table 2
Changes in Net Assets

	<u>2010</u>	<u>2009</u>
<u>Revenues</u>		
General Revenues		
Tuition	\$ 2,326,699	2,037,413
Grants and Entitlements	131,666	123,018
Other	<u>21,408</u>	<u>(8,292)</u>
Total Revenues	<u>2,479,773</u>	<u>2,152,139</u>
<u>Program Expenses</u>		
Support Services		
Instructional Services	849,166	841,901
Support Services/Undistributed Costs	1,690,234	1,345,896
Special Schools	123,281	118,186
Pupil Transportation	230	13,677
Unallocated Depreciation	<u>3,483</u>	<u>8,033</u>
Total Expenses	<u>2,666,394</u>	<u>2,327,693</u>
Increase (Decrease) in Net Assets	<u>\$ (186,621)</u>	<u>(175,554)</u>

Governmental Activities

The unique nature of the Bayshore Jointure Commission creates the need to pursue additional enrollments. Tuition made up 94% of revenues from governmental activities for the Bayshore Jointure Commission School District for fiscal year 2009. The District's total revenues were \$2,479,773 for the fiscal year ended June 30, 2010.

The School Board' Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from its member districts. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2010, it reported a combined net asset balance of \$12,355. The Reconciliation of the Statement of Revenue Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities presents the reader with a detailed explanation of the differences between the net change in fund balances and changes in net assets.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

Capital Assets

At June 30, 2010, the School Board had approximately \$22,642 invested in a district wide furniture and equipment. This amount is net of accumulated depreciation to date. Table II below shows the net book value of capital assets at the end of the 2010 fiscal year.

<u>Table II</u>	<u>2010</u>	<u>2009</u>
Capital Assets:		
Machinery and Equipment	\$ 0	0
Vehicle	<u>22,642</u>	<u>26,081</u>
Total	<u>\$ 22,642</u>	<u>26,081</u>

Debt Administration

At June 30, 2010, the School District had no outstanding debt.

Economic Factors and Next Year's Budget

The Bayshore Jointure Commission School District currently has a small operating deficit. Future finances are not without challenges as a majority of revenues needed to operate the District is derived from its participating Districts thorough tuition, dues and in-service programs.

For the 2009-2010 school year, the School Board's general fund balance decreased due to a decrease in tuition revenue.. Approximately 94% of the Districts fund balance was generate through the collection of tuition revenues.

The deficit in unrestricted net assets for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's noncurrent liabilities such as compensated absences, the School Board would have a deficit of \$10,287

The School Board anticipates stable enrollment for the 2009-2010 fiscal year. The School Board cannot accurately forecast future enrollment, but most Districts in Monmouth County are facing increased enrollments.

In conclusion, the Bayshore Jointure Commission School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District 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 our citizens, taxpayers, investors and creditors 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 Craig A. Lorentzen, CPA, School Business Administrator/Board Secretary at Bayshore Jointure Commission, 100 Tornillo Way, Tinton Falls, NJ 07724.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET ASSETS

Exhibit A-1

JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Receivables, Net	\$ 42,232	20,419	62,651
Capital Assets, Net	22,642		22,642
Total Assets	<u>64,874</u>	<u>20,419</u>	<u>85,293</u>
<u>Liabilities</u>			
Accounts Payable	21,137	20,419	41,556
Deferred Revenue	31,382		31,382
	<u>52,519</u>	<u>20,419</u>	<u>72,938</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	22,642		22,642
Unrestricted	(10,287)		(10,287)
Total Net Assets	<u>\$ 12,355</u>	<u>-</u>	<u>12,355</u>

The accompanying notes to financial statements are an integral part of this statement.

BAYSHORE JOINTURE COMMISSION

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Special Education Instruction	\$ 834,312			(834,312)		(834,312)
Other Instructional Services	14,854			(14,854)		(14,854)
Support Services:						
Attendance and Social Work Services	75,287			(75,287)		(75,287)
Health Services	54,799			(54,799)		(54,799)
Student and Instruction Related Services	440,485			(440,485)		(440,485)
General Administrative Services	29,487			(29,487)		(29,487)
Operation and Maintenance of Plant Services	149,914			(149,914)		(149,914)
School Administrative Services	138,081			(138,081)		(138,081)
Pupil Transportation	230			(230)		(230)
Business and Other Support Services	70,899			(70,899)		(70,899)
Unallocated Benefits	731,282			(731,282)		(731,282)
Special Schools:						
Summer School - Instruction	93,904			(93,904)		(93,904)
Summer School - Support Services	29,377			(29,377)		(29,377)
Unallocated Depreciation	3,483			(3,483)		(3,483)
Total Government Activities	2,666,394		-	(2,666,394)	-	(2,666,394)
Business-Type Activities:						
Internal Service Fund	641,008	641,008				
Total Business-Type Activities	641,008	641,008	-	-	-	-
Total Primary Government	3,307,402	641,008	-	(2,666,394)	-	(2,666,394)

BAYSHORE JOINTURE COMMISSION
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Tuition Received				2,326,699		2,326,699
State Aid not Restricted				131,666		131,666
Member Dues/Miscellaneous				21,408		21,408
Total General Revenues, Special Items, Extraordinary Items and Transfers	-	-	-	2,479,773	-	2,479,773
Change in Net Assets				(186,621)	-	(186,621)
Adjustment for Fixed Assets				44		44
Net Assets - Beginning				198,932	-	198,932
Net Assets - Ending	\$ -			12,355	-	12,355

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Receivables from Other Governments	\$ 42,232		42,232
Due From Other Funds		31,382	31,382
Total Assets	<u>\$ 42,232</u>	<u>31,382</u>	<u>73,614</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 21,137		21,137
Interfunds Payable	31,382		31,382
Deferred Revenue		31,382	31,382
Total Liabilities	<u>52,519</u>	<u>31,382</u>	<u>83,901</u>
Fund Balances:			
Unreserved, Reported In:			
General Fund	(10,287)		(10,287)
Total Fund Balances	<u>(10,287)</u>	<u>-</u>	<u>(10,287)</u>
Total Liabilities and Fund Balances	<u>\$ 42,232</u>	<u>31,382</u>	
Amounts reported for governmental activities in the Statement of Net Assets (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 \$89,826 and the accumulated depreciation is \$67,184.			
			<u>22,642</u>
Net assets of governmental activities			<u>\$ 12,355</u>

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESGOVERNMENTAL FUNDSFOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>			
Local Sources:			
Tuition Charges	\$ 2,326,699		2,326,699
Member Dues\Miscellaneous	17,789	3,619	21,408
Total Local Sources	<u>2,344,488</u>	<u>3,619</u>	<u>2,348,107</u>
State Sources	131,666		131,666
Total Revenues	<u>2,476,154</u>	<u>3,619</u>	<u>2,479,773</u>
<u>Expenditures</u>			
Current:			
Special Education Instruction	830,693	3,619	834,312
Other Instructional Programs	14,854		14,854
Support Services and Undistributed Costs:			-
Attendance and Social Work Services	75,287		75,287
Health Services	54,799		54,799
Student and Instruction Related Services	440,485		440,485
General Administrative Services	29,487		29,487
School Administrative Services	135,345		135,345
Central Services	70,899		70,899
Administrative Info. Tech. Services	2,736		2,736
Operation and Maintenance of Plant Services	149,914		149,914
Pupil Transportation	230		230
Unallocated Benefits	731,282		731,282
Special Schools:			
Summer School - Instruction	93,904		93,904
Summer School - Support Services	29,377		29,377
Total Expenditures	<u>2,659,292</u>	<u>3,619</u>	<u>2,662,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(183,138)</u>	<u>-</u>	<u>(183,138)</u>
Net Change in Fund Balances	(183,138)	-	(183,138)
Fund Balance - July 1	<u>172,851</u>		<u>172,851</u>
Fund Balance - June 30	<u>\$ (10,287)</u>	<u>-</u>	<u>(10,287)</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (183,138)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	<u>(3,483)</u>
Change in Net Assets of Governmental Activities	<u>\$ (186,621)</u>

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

BAYSHORE JOINTURE COMMISSION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

Exhibit B-5

PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Internal Service Fund</u>	<u>Total</u>
Operating Revenues:		
Charges for Services	\$ 641,008	641,008
Total Operating Revenue	<u>641,008</u>	<u>641,008</u>
Operating Expenses:		
Salaries	440,876	440,876
Employee Benefits	190,120	190,120
Purchased Professional Educational Services	3,500	3,500
Other Purchased Services	6,512	6,512
Total Operating Expenses	<u>641,008</u>	<u>641,008</u>
Operating (Loss)/Income	<u>-</u>	<u>-</u>
Change in Net Assets	-	-
Net Assets, July 1	<u>-</u>	<u>-</u>
Net Assets, June 30	<u><u>\$ -</u></u>	<u><u>-</u></u>

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

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2010

	<u>Internal Service Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:		
Receipts from Charges and Other Fees	\$ 645,401	645,401
Payments to Employees	(440,876)	(440,876)
Payments for Employee Benefits	(190,120)	(190,120)
Payments for Outside Purchased Services	(10,012)	(10,012)
Net Cash Provided by (Used for) Operating Activities	<u>4,393</u>	<u>4,393</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	4,393	4,393
Cash and Cash Equivalents July 1	<u>(6,995)</u>	<u>(6,995)</u>
Cash and Cash Equivalents June 30	<u>\$ (2,602)</u>	<u>(2,602)</u>
Cash Flows from Operating Activities:		
Operating (Loss)/Profit	\$ -	-
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:		
Change in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	<u>4,393</u>	<u>4,393</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 4,393</u>	<u>4,393</u>

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

BAYSHORE JOINTURE COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Exhibit B-8

	<u>Unemployment Compensation Trust</u>	<u>Total</u>
Net Assets - Beginning of Year	\$ 4,542	4,542
Less withdrawal to general account	\$ 4,542	4,542

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
THE BAYSHORE JOINTURE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2010

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

The Bayshore Jointure Commission 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, includes nine Bayshore Districts: Atlantic Highlands, Hazlet, Henry Hudson Regional, Highlands, Keansburg, Keyport, Union Beach, Matawan-Aberdeen Regional, and Red Bank Borough. 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, a secondary education summer school program in conjunction with Matawan-Aberdeen Regional School District, hosted a Bayshore Honors Band, transportation, nursing, parent and sibling groups, an autism conference and several other educational services. The Commission maintained two sites during the 2009-2010 school year. The Developmental Learning Center (DLC) in Aberdeen and Union Beach which housed our program for autistic children. The Commission provided services to 47 students enrolled during the 2009-2010 school year.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is whether:

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external parties.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. The New Jersey Department of Education (the "Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

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

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Proprietary Fund Type

Internal Service Fund: The internal service funds are established to account for the financing of goods or services provided to organizational units within a District or in some cases other governmental units on a costs reimbursement basis (See Note 11).

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund: An expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent. Expendable trust funds include Unemployment Compensation Insurance and the following scholarship funds:

E. Basis of Accounting:

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

F. 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 and are voted upon at the annual school election on the third Tuesday in April. 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(g)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued):

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

Notes to Required Supplementary Information
Budgetary Comparison Schedule

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) “revenues” from the budgetary comparison schedules	\$ 2,476,154	3,619
Encumbrances	_____	_____
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	<u>\$ 2,476,154</u>	<u>3,619</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) “total outflows” from the budgetary comparison schedule	\$ 2,659,292	3,619
Encumbrances	_____	_____
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances – governmental funds.	<u>\$ 2,659,292</u>	<u>3,619</u>

G. 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 are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. 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.

H. Short-Term Interfund Receivables/Payables:

Short-Term interfund receivables/payables represents amounts that are owed, other than charges for good or services rendered to/from a particular fund in the District and that are due within one year.

I. Capital Assets and Depreciation

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

The District contracted with an outside service company during the 2005-2006 fiscal year to update its existing report with a comprehensive detail of capital assets and depreciation. The report included capital assets purchased during the 2005-2006 fiscal year and prior with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

Capital asset activity for the year ended June 30, 2010 was as follows:

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2010</u>
Governmental Activities:				
Machinery and Equipment	\$ 48,027			48,027
Vehicle	41,799			41,799
Totals at Historical Cost	<u>89,826</u>	<u> </u>	<u> </u>	<u>89,826</u>
Less: Accumulated				
Depreciation For:				
Machinery & Equipment	(48,071)		44	(48,027)
Vehicle	<u>(15,674)</u>	<u>(3,483)</u>		<u>(19,157)</u>
Total Accumulated				
Depreciation	<u>(63,745)</u>	<u>(3,483)</u>	<u>44</u>	<u>(67,184)</u>
Net Depreciable Assets	<u>26,081</u>	<u>(3,483)</u>	<u>44</u>	<u>22,642</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 26,081</u>	<u>(3,483)</u>	<u>44</u>	<u>22,642</u>

Accumulated depreciation was allocated to governmental activities as follows:

Unallocated	<u>\$ 3,483</u>
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J. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

K. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost or amortized cost, which approximates market. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Deposits

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

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

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

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

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

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank of Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below.

FDIC	\$ 43,125
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As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

Interest Bearing Checking Accounts	Cash and Cash <u>Equivalents</u> <u>\$ (4,966)</u>
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NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Investments (Continued)**

The carrying amount of the Board's cash, cash equivalents and investments at June 30, 2010 was (\$4,966) and the bank balance was \$43,026. Of the bank balance \$43,026 was covered by federal depository insurance as required by New Jersey statutes.

NOTE 3: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) – The Public Employee's Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

NOTE 3: Pension Plans (Continued)

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.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements – The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	N/A	N/A	N/A
6/30/09	N/A	N/A	N/A
6/30/08	N/A	N/A	N/A

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/10	\$ 60,201	N/A	N/A
6/30/09	48,892	N/A	N/A
6/30/08	39,100	N/A	N/A

NOTE 3: Pension Plans (Continued)

During the fiscal year ended June 30, 2010, the State of New Jersey contributed \$60,201 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$71,465 during the year ended June 30, 2010 for the employer’s share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenue and expenditure in accordance with GASB 24.

NOTE 4: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers’ Pensions and Annuity Fund (TPAF) and the Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

NOTE 5: Contingent Liabilities

It is the opinion of the school legal counsel that there is no litigation threatened or pending that would materially affect the financial position of the school district.

NOTE 6: Equity Balance

At June 30, 2010, the General Fund equity balance was as follows:

Unreserved	\$(10,287)
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NOTE 7: Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds.

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Ending Balance</u>
2007-2008	-0-		6,226	4,542
2008-2009	-0-	-0-	-0-	4,542
2009-2010	-0-	-0-	4,542	-0-

NOTE 8: Fair Values of Financial Instruments

The following methods and assumptions were used by the Bayshore Jointure Commission estimating its fair value disclosures for financial instruments.

Cash and Cash Equivalents: The carrying amounts reported in the combined balance sheet for cash and cash equivalents are the fair values of those assets.

NOTE 9: Economic Dependency

The Commission receives the majority of its support from participating Districts through tuition, dues, and in-service programs, and as such, is not economically dependent on any outside sources.

NOTE 10: Interfund Receivables and Payables

The following interfund balances on the balance sheet at June 30, 2010:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 31,382	
Internal Service Fund	—	31,382
	\$ 31,382	31,382

NOTE 11: Internal Service Fund

During the 2003-2004 fiscal year, the Bayshore Jointure Commission established an Internal Service Fund. This fund accounts for the financing of special activities and services performed by a designated organizational unit with the Bayshore Jointure Commission's jurisdiction. These services included transportation, purchased professional services student aides and a preschool program.

NOTE 12: Operating Lease

The District had commitments to lease a digital copier under an operating lease that expires in 2011. Operating lease payments began in the 2005-2006 budget year. Future minimum lease payments are as follows:

Year Ending June 30,

2011	\$ 2,640
2012	2,640
2013	<u>2,220</u>
	7,500
Less Interest	<u>686</u>
Net Lease	<u>\$ 6,814</u>

NOTE 13: Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2010 through November 15, 2010.

NOTE 14: Deficit in General Fund Equity Balance

As of June 30, 2010 the general fund reflects a deficit fund balance of \$10,287. The 2010-2011 budget should be carefully monitored to insure that this does not reoccur.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 1 of 6

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Tuition	\$ 2,740,000		2,740,000	2,326,699	(413,301)
Member Dues/Miscellaneous Revenue	25,000		25,000	17,789	(7,211)
Total Local Sources	<u>2,765,000</u>		<u>2,765,000</u>	<u>2,344,488</u>	<u>(420,512)</u>
State Sources:					
TPAF Pension On-Behalf (Non-Budgeted)			-	60,201	60,201
TPAF Social Security (Reimbursed - Non-Budgeted)			-	71,465	71,465
Total State Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,666</u>	<u>131,666</u>
Total Revenues	<u>2,765,000</u>	<u>-</u>	<u>2,765,000</u>	<u>2,476,154</u>	<u>(288,846)</u>
Expenditures:					
Autism:					
Salaries of Teachers	494,450	5,000	499,450	471,662	27,788
Other Salaries for Instruction	347,587	(21,254)	326,333	301,486	24,847
Purchased Professional Educational Services	46,000		46,000	38,071	7,929
General Supplies	35,000	(73)	34,927	18,399	16,528
Textbooks	1,000		1,000		1,000
Other Objects	750	325	1,075	1,075	-
Total Autism	<u>924,787</u>	<u>(16,002)</u>	<u>908,785</u>	<u>830,693</u>	<u>78,092</u>
Special Education - Instruction - Home Instruction:					
Teachers Salaries	60,000		60,000		60,000
Vocational Programs:					
Other Salaries for Instruction	10,400	(550)	9,850	5,845	4,005
General Supplies	10,400	1,501	11,901	1,415	86
		951	11,351	7,260	4,091

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 2 of 6

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co/Extra-Curr. Activities					
Salaries	15,086	(742)	14,344	7,594	6,750
Total School Sponsored Co/Extra Curr. Activities	<u>15,086</u>	<u>(742)</u>	<u>14,344</u>	<u>7,594</u>	<u>6,750</u>
Total Instruction	1,010,273	(15,793)	994,480	845,547	148,933
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	75,269	18	75,287	75,287	-
Undistributed Expenditures - Health Services:					
Salaries	52,150	300	52,450	52,450	-
Other Purchased Services	1,500		1,500	477	1,023
Supplies and Materials	2,750		2,750	1,872	878
Total Undistributed Expenditures - Health Services	<u>56,400</u>	<u>300</u>	<u>56,700</u>	<u>54,799</u>	<u>1,901</u>
Undistributed Expenditures-Other Sup. Serv.					
Students-Related Services:					
Salaries	253,726	(45,744)	207,982	207,284	698
Purchased Professional Educational Services	245,000	(10,137)	234,863	230,625	4,238
Total Undistributed Expenditures-Other Sup. Serv.	<u>498,726</u>	<u>(55,881)</u>	<u>442,845</u>	<u>437,909</u>	<u>4,936</u>
Undistributed Expenditures-Improvement of Inst. Services					
Salaries of other inst Staff	1,000		1,000		1,000
Total Undistributed Services-Impvmt of Instructional Services	<u>1,000</u>		<u>1,000</u>		<u>1,000</u>

BAYSHORE JOINTURE COMMISSION

Exhibit C-1
Sheet 3 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services	10,000	(7,424)	2,576	2,576	-
Undistributed Expenditures - Supp. Services - General Admin.:					
Legal Services					
Purchased Technical Services	7,000	(4,847)	2,153	2,153	-
Communications/Telephone	5,000	(1,000)	4,000	4,000	-
BOE Other Purchased Services	4,000		4,000	401	3,599
Other Purchased Services (400-500 Series)	750		750	117	633
Total Undistributed Expenditures - Supp. Services - General Administration	36,825	600	37,425	22,816	14,609
	53,575	(5,247)	48,328	29,487	18,841
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	107,427		107,427	107,427	-
Salaries of Secretarial and Clerical Assistants	23,263		23,263	23,263	-
Purchased Professional and Technical Services	2,000		2,000	1,000	1,000
Supplies and Materials	9,081	(1)	9,080	3,105	5,975
Other Objects	1,000		1,000	550	450
Total Undistributed Expenditures - Support Services - School Administration	142,771	(1)	142,770	135,345	7,425

BAYSHORE JOINTURE COMMISSION

Exhibit C-1
Sheet 4 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Support Services - Central Services:					
Salaries	51,136	345	51,481	50,298	1,183
Purchased Technical Services	13,500		13,500	13,358	142
Miscellaneous Purchased Services	4,400	4,314	8,714	3,381	5,333
Supplies and Materials	4,500	1,600	6,100	3,680	2,420
Miscellaneous Expenditures	2,500		2,500	182	2,318
Total Undistributed Expenditures - Support Services - Central Services	76,036	6,259	82,295	70,899	11,396
Undistributed Expenditures - Support Services - Administrative Info. Tech. Services:					
Purchased Technical Services	4,700		4,700	2,736	1,964
Undistributed Expenditures - Other Operations and Maintenance of Plant:					
Purchased Professional and Technical Services	500	8,210	8,710	8,710	-
Cleaning, Repair, and Maintenance Services	500	(500)	-	-	-
Rental of Land Bldg	133,250	7,954	141,204	141,204	-
Energy	15,000		15,000		15,000
Supplies	5,000	(500)	4,500		4,500
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	154,250	15,164	169,414	149,914	19,500
Undistributed Expenditures - Student Transportation Services: Contracted Services	6,000		6,000	230	5,770

BAYSHORE JOINTURE COMMISSION

Exhibit C-1
Sheet 5 of 6

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undistributed Expenditures - Unallocated Benefits -					
Employee Benefits:					
Social Security Contributions	83,000	(10,331)	72,669	72,669	-
Other Retirement Contributions- Regular	50,000	13,004	63,004	63,004	-
Unemployment Compensation	20,000	3,022	23,022	23,022	-
Workmen's Compensation	34,500	(7,285)	27,215	27,215	-
Tuition Reimbursement	15,000		15,000	15,000	-
Health Benefits	334,500	64,331	398,831	398,706	125
Total Undistributed Expenditures - Unallocated Benefits -					
Employee Benefits	537,000	62,741	599,741	599,616	125
Total Undistributed Expenditures	1,615,727	15,929	1,631,656	1,558,798	72,858
Reimbursed TPAF Pensions on-Behalf (Non-Budgeted)				60,201	(60,201)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				71,465	(71,465)
Total On-Behalf Contributions	-	-	-	131,666	(131,666)
Total General Expenditures	2,626,000	136	2,626,136	2,536,011	90,125
Capital Outlay:					
Equipment:	5,000		5,000		5,000
Autism	5,000		5,000		5,000
Total Capital Outlay					

BAYSHORE JOINTURE COMMISSION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 6 of 6

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Schools:					
Summer School - Instruction:					
Salaries of Teachers	57,000	(4,392)	52,608	50,832	1,776
Other Salaries for Instruction	39,000	4,072	43,072	43,072	-
Supplies	1,000		1,000		1,000
Total Summer School Instruction	<u>97,000</u>	<u>(320)</u>	<u>96,680</u>	<u>93,904</u>	<u>2,776</u>
Summer School - Support Services:					
Salaries	36,500	320	36,820	29,377	7,443
Purchased Professional and Technical Services	500		500		500
Total Summer School - Support Services	<u>37,000</u>	<u>320</u>	<u>37,320</u>	<u>29,377</u>	<u>7,943</u>
Total Special Schools	<u>134,000</u>	<u>-</u>	<u>134,000</u>	<u>123,281</u>	<u>10,719</u>
Total Expenditures	<u>2,765,000</u>	<u>136</u>	<u>2,765,136</u>	<u>2,659,292</u>	<u>105,844</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	(136)	(136)	(183,138)	(183,002)
Fund Balance July 1	<u>172,851</u>		<u>172,851</u>	<u>172,851</u>	
Fund Balance June 30	<u>\$ 172,851</u>	<u>(136)</u>	<u>172,715</u>	<u>(10,287)</u>	<u>(183,002)</u>

BAYSHORE JOINTURE COMMISSION

BUDGETARY COMPARISON SCHEDULE

Exhibit C-2

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	3,619	3,619	3,619	-
Total Revenues	<u>\$ -</u>	<u>3,619</u>	<u>3,619</u>	<u>3,619</u>	<u>-</u>
Expenditures:					
Instruction:					
Other Objects	\$ -	3,619	3,619	3,619	-
Total Instruction	<u>\$ -</u>	<u>3,619</u>	<u>3,619</u>	<u>3,619</u>	<u>-</u>
Total Expenditures	<u>\$ -</u>	<u>3,619</u>	<u>3,619</u>	<u>3,619</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BAYSHORE JOINTURE COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO-GAAP-RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amount (budgetary) "Revenues" From The Budgetary Comparison Schedule	\$ 2,476,154	3,619
Difference - Budget to GAAP: Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized.	<hr/>	<hr/>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.	<u>\$ 2,476,154</u>	<u>3,619</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 2,659,292	3,619
Differences - Budget to GAAP: Encumbrances for Supplies and Equipment Ordered But Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes.	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,659,292</u>	<u>3,619</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BAYSHORE JOINTURE COMMISSION

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES

SPECIAL REVENUE FUND - BUDGETARY BASIS

Exhibit E-1

	<u>Aberdeen Local PBA</u>	<u>Totals June 30, 2010</u>
Revenues:		
Local Sources	<u>\$ 3,619</u>	<u>3,619</u>
Total Revenues	<u>\$ 3,619</u>	<u>3,619</u>
Expenditures:		
Support Services:		
Other Objects	<u>\$ 3,619</u>	<u>3,619</u>
Total Expenditures	<u>\$ 3,619</u>	<u>3,619</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

BAYSHORE JOINTURE COMMISSION

COMBINING STATEMENT OF NET ASSETS

Exhibit G-4

INTERNAL SERVICE FUND

JUNE 30, 2010

	<u>Transportation</u>	<u>Speech Services</u>	<u>District Aides</u>	<u>Total</u>
Assets:				
Current Assets:				
Accounts Receivable	\$ 9,125	294	11,000	20,419
Total Assets	<u>9,125</u>	<u>294</u>	<u>11,000</u>	<u>20,419</u>
Liabilities:				
Current Liabilities:				
Interfund Payable	9,125	294	11,000	20,419
Total Liabilities	<u>9,125</u>	<u>294</u>	<u>11,000</u>	<u>20,419</u>
Total Net Assets	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND

Exhibit G-5

CHANGES IN FUND NET ASSETS

INTERNAL SERVICE FUND

JUNE 30, 2010

	<u>Transportation</u>	<u>Speech Services</u>	<u>District Aides</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 56,675	3,500	580,833	641,008
Total Operating Revenues	<u>56,675</u>	<u>3,500</u>	<u>580,833</u>	<u>641,008</u>
Operating Expenses:				
Salaries	43,908		396,968	440,876
Other Employee Benefits	6,255		183,865	190,120
Purchased Professional Educational Services		3,500		3,500
Other Purchased Services	6,512			6,512
Miscellaneous Expenditures				-
Total Operating Expenses	<u>56,675</u>	<u>3,500</u>	<u>580,833</u>	<u>641,008</u>
Operating (Loss) Income	-	-	-	-
Change in Net Assets	-	-	-	-
Net Assets, July 1	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Assets, June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

BAYSHORE JOINTURE COMMISSION

Exhibit G-6

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUND

JUNE 30, 2010

	<u>Transportation</u>	<u>Speech Services</u>	<u>OT/PT</u>	<u>District Aides</u>	<u>Total</u>
Cash Flows from Operating Activities:					
Receipts from Charges	\$ 51,361	3,867	6,340	583,833	645,401
Payments to Employees	(43,908)			(396,968)	(440,876)
Payments for Employee Benefits	(6,255)			(183,865)	(190,120)
Payments for Outside Purchased Services	(6,512)	(3,500)			(10,012)
Net Cash Provided by (Used for) Operating Activities	<u>(5,314)</u>	<u>367</u>	<u>6,340</u>	<u>3,000</u>	<u>4,393</u>
Net Decrease in Cash and Cash Equivalents	(5,314)	367	6,340	3,000	4,393
Balance July 1, 2009	<u>(6,312)</u>	<u>(661)</u>	<u>(6,340)</u>	<u>6,318</u>	<u>(6,995)</u>
Balance June 30, 2010	<u>\$ (11,626)</u>	<u>(294)</u>	<u>-</u>	<u>9,318</u>	<u>(2,602)</u>
Cash Flows from Operating Activities:					
Operating (Loss) Income	\$ -				
Adjustments to Reconcile Operating Income to Cash Provided by Operating Activities:					
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	(5,314)	367	6,340	3,000	4,393
Net Cash Provided by (Used for) Operating Activities	<u>\$ (5,314)</u>	<u>367</u>	<u>6,340</u>	<u>3,000</u>	<u>4,393</u>

FIDUCIARY FUND – H

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

	<u>Payroll Agency Account</u>	<u>Total 2010</u>
Assets:		
Cash and Cash Equivalents	\$ 18,882	18,882
Total Assets	<u>\$ 18,882</u>	<u>18,882</u>
Liabilities:		
Payroll Deductions and Withholdings	\$ 18,882	18,882
Total Liabilities	<u>\$ 18,882</u>	<u>18,882</u>

BAYSHORE JOINTURE COMMISSION

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit H-2

JUNE 30, 2010

	<u>Unemployment Compensation Trust</u>	<u>Total</u>
Net Assets June 30, 2009	\$ 4,542	4,542
Less:		
Transferred to General Account	\$ 4,542	4,542

BAYSHORE JOINTURE COMMISSION

PAYROLL AGENCY

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Assets:				
Cash and Cash Equivalents	<u>\$ 14,627</u>	<u>750,838</u>	<u>746,583</u>	<u>18,882</u>
Liabilities:				
Payroll Deductions, Withholdings and Amount Due Employees	<u>\$ 14,627</u>	<u>750,838</u>	<u>746,583</u>	<u>18,882</u>

LONG-TERM DEBT – I

N/A

STATISTICAL SECTION

(Unaudited)

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
UNAUDITED

J-1

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities						
Invested in Capital Assets, Net	\$ 22,642	26,081	34,114	42,147	49,484	61,092
of Related Debt						
Restricted	(10,287)	136	225,104	50,262	28,639	162,259
Unrestricted		172,715	115,268	365,457	308,156	283,875
Total Governmental Activities	<u>\$ 12,355</u>	<u>198,932</u>	<u>374,486</u>	<u>457,866</u>	<u>386,279</u>	<u>507,226</u>
Business Type Activities						
Invested in Capital Assets, Net	\$ -	-	-	-	-	-
of Related Debt						
Unrestricted						
Total Business Type Activities	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District-wide						
Invested in Capital Assets, Net	\$ 22,642	26,081	34,114	42,147	49,484	61,092
of Related Debt						
Restricted	(10,287)	136	225,104	50,262	28,639	162,259
Unrestricted		172,715	115,268	365,457	308,156	283,875
Total District Assets	<u>\$ 12,355</u>	<u>198,932</u>	<u>374,486</u>	<u>457,866</u>	<u>386,279</u>	<u>507,226</u>

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
UNAUDITED

J-2

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses:						
Governmental Activities	\$ 2,666,394	2,327,693	2,120,740	1,783,509	1,556,828	1,705,364
Business Type Activities	641,008	867,458	722,079	577,202	413,985	307,652
Total District Expenses	<u>3,307,402</u>	<u>3,195,151</u>	<u>2,842,819</u>	<u>2,360,711</u>	<u>1,970,813</u>	<u>2,013,016</u>
Program Revenues:						
Governmental Activities				14,589	335	5,627
Business Type Activities	641,008	867,458	722,079	577,202	413,985	307,652
Total District Program Revenues	<u>641,008</u>	<u>867,458</u>	<u>722,079</u>	<u>591,791</u>	<u>414,320</u>	<u>313,279</u>
Net (Expense):						
Governmental Activities	(2,666,394)	(2,327,693)	(2,120,740)	(1,768,920)	(1,556,493)	(1,699,737)
Business Type Activities				-	-	-
Total District-wide Net Expense	<u>(2,666,394)</u>	<u>(2,327,693)</u>	<u>(2,120,740)</u>	<u>(1,768,920)</u>	<u>(1,556,493)</u>	<u>(1,699,737)</u>
General Revenues and Other Changes in Net Assets:						
Governmental Activities	2,479,773	2,152,139	2,050,859	1,844,227	1,435,546	1,904,280
Business Type Activities				-	-	-
Total District-wide	<u>2,479,773</u>	<u>2,152,139</u>	<u>2,050,859</u>	<u>1,844,227</u>	<u>1,435,546</u>	<u>1,904,280</u>
Change in Net Assets:						
Governmental Activities	(186,621)	(175,554)	(69,881)	75,307	(120,947)	204,543
Business Type Activities				-	-	-
Total District	<u>(186,621)</u>	<u>(175,554)</u>	<u>(69,881)</u>	<u>75,307</u>	<u>(120,947)</u>	<u>204,543</u>

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST SIX FISCAL YEARS
UNAUDITED

J-3

	2010	2009	2008	2007	2006	2005
General Fund:						
Reserved	\$ -	136	225,104	50,262	28,639	162,259
Unreserved	(10,287)	172,715	115,268	365,457	308,156	283,875
Total General Fund	\$ (10,287)	172,851	340,372	415,719	336,795	446,134

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues								
District Assessments	\$ 2,326,699	2,037,413	1,869,372	1,702,353	1,365,537	1,823,608	1,442,084	1,105,976
Other Local Revenue	21,408	8,028	75,808	71,838	32,140	24,965	39,437	90,030
State Sources	131,666	123,018	105,679	100,402	41,073	61,334	58,024	32,935
Federal Sources								
Total Revenues	<u>2,479,773</u>	<u>2,168,459</u>	<u>2,050,859</u>	<u>1,874,593</u>	<u>1,438,750</u>	<u>1,909,907</u>	<u>1,539,545</u>	<u>1,228,941</u>
Expenditures								
Instruction:								
Special	834,312	822,857	707,702	670,328	593,139	630,084	682,871	547,710
Other	14,854	19,044	12,185	21,482				
Total instruction	<u>849,166</u>	<u>841,901</u>	<u>719,887</u>	<u>691,810</u>	<u>593,139</u>	<u>630,084</u>	<u>682,871</u>	<u>547,710</u>
Undistributed:								
Educational Media								64,657
Attendance & Health Services	130,086	124,040	118,712	121,667	96,119	154,697	167,398	
Support services - students	440,485	261,990	215,419	158,898	164,669	108,443	19,105	
Business and other support services	73,635	78,364	69,201			56,783	48,777	44,371
General Administration	29,487	24,546	37,635	41,114	93,470	41,121	84,597	22,847
School Administration	135,345	133,411	124,557	180,454	126,166	118,621	75,285	98,588
Operations and maintenance	149,914	137,582	141,200	141,730	122,763	183,597	170,217	70,819
Student transportation	230	13,677	1,827	3,911	2,950	17,525	1,471	
Unallocated Benefits	731,282	582,981	582,707	350,880	276,237	287,941	255,612	138,151
Total Undistributed	<u>1,690,464</u>	<u>1,356,591</u>	<u>1,291,258</u>	<u>998,654</u>	<u>882,374</u>	<u>968,728</u>	<u>822,462</u>	<u>439,433</u>
Capital Outlay:								
Equipment		2,982	13,499	3,720	4,130	60,907	18,297	35,535
Total Capital Outlay	<u>-</u>	<u>2,982</u>	<u>13,499</u>	<u>3,720</u>	<u>4,130</u>	<u>60,907</u>	<u>18,297</u>	<u>35,535</u>
Special Schools								
Summer School-Instruction	93,904	90,839	69,918	53,679	54,450	44,374	30,584	
Summer School-Support Services	29,377	27,347	31,644	17,440	10,792	24,337	23,475	
Total Special Schools	<u>123,281</u>	<u>118,186</u>	<u>101,562</u>	<u>71,119</u>	<u>65,242</u>	<u>68,711</u>	<u>54,059</u>	<u>-</u>
Total General Fund Expenditures	<u>2,662,911</u>	<u>2,319,660</u>	<u>2,126,206</u>	<u>1,765,303</u>	<u>1,544,885</u>	<u>1,728,430</u>	<u>1,577,689</u>	<u>1,022,678</u>
Special Revenue:								
State				4,069	2,304	5,627		
Local				10,520				
Total Special Revenue expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,589</u>	<u>2,304</u>	<u>5,627</u>	<u>-</u>	<u>-</u>
Total Governmental Fund Expenditures	<u>2,662,911</u>	<u>2,319,660</u>	<u>2,126,206</u>	<u>1,779,892</u>	<u>1,547,189</u>	<u>1,734,057</u>	<u>1,577,689</u>	<u>1,022,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(183,138)	(151,201)	(75,347)	94,701	(108,439)	175,850	(38,144)	206,263
Other Financing Sources (Uses)		(16,320)	17,818	(15,777)				
Net Change in Fund Balance	<u>\$ (183,138)</u>	<u>(167,521)</u>	<u>(57,529)</u>	<u>78,924</u>	<u>(108,439)</u>	<u>175,850</u>	<u>(38,144)</u>	<u>206,263</u>

Source: District records

BAYSHORE JOINTURE COMMISSION SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST NINE FISCAL YEARS
UNAUDITED

J-5

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

Source: District records

SCHEDULES OF FEDERAL AND STATE AWARDS

THE BAYSHORE JOINTURE COMMISSION

SCHEDULE OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Schedule B
K-4

State Grantor/Program State Department of Education:	Grant or State Project Number	Program or Award Amount	Grant Period		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2010 (Accounts Receivable)	Deferred Revenue	MEMO	
			From	To						Budgetary Receivable	Total Cumulative Expenditures
Reimbursed TPAF Social Security Contributions	10-100-034-5095-002	71,465	7/1/2009	6/30/2010	-	71,465	(71,465)	-	-	-	71,465
On-Behalf TPAF Pension Contribution	10-100-034-5095-001	60,201	7/1/2009	6/30/2010	-	60,201	(60,201)	-	-	-	60,201
Total State Financial Assistance					-	131,666	(131,666)	-	-	-	131,666

See accompanying Notes to Schedules of Federal Awards and State Financial Assistance.