

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION

**Tinton Falls, New Jersey
County of Monmouth**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
TINTON FALLS, NEW JERSEY**



YEAR ENDED JUNE 30, 2025

**PREPARED BY COMMISSION FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
CHRISTOPHER MULLINS**

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INTRODUCTORY SECTION

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Christopher J. Mullins
School Business Administrator

December 9, 2025

Honorable President and
Members of the Board of Directors
Monmouth-Ocean Educational Services Commission
900 Green Grove Road, Tinton Falls, New Jersey 07712

Dear Board Members:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Monmouth-Ocean Educational Services Commission (MOESC, or the Commission) for the fiscal year ending June 30, 2025. This report encompasses the Commission's Basic Financial Statements, which have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement 34. Responsibility for the accuracy of the data, as well as the completeness and fairness of the presentation—including all necessary disclosures—rests with the management of the Board of Directors (the Board). We believe that the data presented in this report is accurate in all material respects and is reported in a manner that fairly represents the financial position and operational results of the various funds and account groups of the Commission.

The ACFR is organized into four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory section includes this Transmittal Letter, the Commission's Organizational Chart, and a list of principal officials. The Financial section features the independent auditor's report, management's discussion and analysis, the basic financial statements, accompanying notes, and other schedules that provide an overview of the Commission's financial position and operating results. The Statistical section contains selected financial information. As required, the Commission undergoes an annual Single Audit in compliance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, and the NJOMB Circular Letter 15-08, which outlines the "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information pertaining to this Single Audit, including the auditor's report on internal control structures, compliance with applicable laws and regulations, as well as any findings and recommendations, can be found in the Single Audit section of this report.

Commission Organization:

The Monmouth-Ocean Educational Services Commission was established in 1979 in accordance with state law. Membership comprises all public school districts within Monmouth and Ocean Counties, each of which appoints a representative to the Commission's Representative Assembly. This Assembly is responsible for adopting the Commission's annual budget and selecting a 15-member Board of Directors from its ranks. The Board of Directors operates similarly to a traditional Board of Education. Additionally, an Executive Committee, consisting of the Board President, Vice President, and one other Board member, is authorized to act on behalf of the full Board when necessary.

Reporting Entity and its Services:

The Monmouth-Ocean Educational Services Commission (MOESC) operates as an independent reporting entity in accordance with the criteria set forth by the Governmental Accounting Standards Board (GASB) under Statement No. 14. This report encompasses all funds and account groups associated with the Commission, which includes all its schools as part of the reporting entity.

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The MOESC offers a comprehensive array of services and programs designed to support school districts and students, primarily within Monmouth and Ocean Counties, while also extending certain services statewide. These services include special education, alternative education, non-public instruction, home instruction, virtual instruction, federal grant administration, transportation, cooperative purchasing, staff development, and various special projects.

Economic Condition and Outlook:

The Monmouth and Ocean County area is currently undergoing a phase of economic recovery, reflecting trends seen at the national level. However, unlike traditional school districts, the Monmouth-Ocean Educational Services Commission (MOESC) relies heavily on revenue generated through programs and services contracted with our client districts.

Despite these challenges, the MOESC has experienced significant growth through the expansion of existing programs. We have successfully extended our services to several additional districts, enhancing our capacity to provide specialized education and support. Moreover, our transportation services have grown, and we have launched a new cooperative purchasing initiative, allowing member districts to access shared resources more effectively.

One of the most significant opportunities for the Monmouth-Ocean Educational Services Commission, particularly the Regional Achievement Academy, is its planned expansion, set to be completed by September 2025. This project will add additional classrooms, a professional development center, and centralized administrative office space. The new classrooms will enable the Academy to expand its specialized programs for students, increasing its capacity to serve more districts and students in the region. This is especially critical given the rising demand for special education services across New Jersey.

The professional development center will also create opportunities for the Commission to enhance its offerings to staff and member districts, promoting innovation in teaching and learning. This expansion will position the MOESC as a regional leader in educational development, providing training and resources for educators to improve student outcomes.

Moreover, the expansion will offer new revenue-generating possibilities by increasing the Commission's ability to serve non-member districts and private entities that require specialized services, fostering partnerships that can contribute to long-term financial sustainability.

Major Initiatives:

The Monmouth-Ocean Educational Services Commission (MOESC) is dedicated to enhancing educational opportunities for public and non-public students, primarily in Monmouth and Ocean Counties, while also extending our services throughout New Jersey. The 2024-2025 school year marked a continuation of this mission as we restructured and expanded existing programs and services and actively sought new revenue streams to support future growth.

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Our Transportation Services have seen significant growth, generating essential funding to sustain critical educational programs. We assist districts in securing transportation solutions for a variety of needs, including non-public education, special education, and transportation for homeless or temporarily displaced students and vocational programs, serving approximately 12,000 students. Our transportation department offers a comprehensive service experience, managing everything from the bidding and quoting process to securing contracts, routing students, and handling billing and payments to contractors.

The mission of the Regional Achievement Academy is to create a safe and supportive learning environment that encourages students to take risks while identifying their goals and values. In the 2024-2025 school year, the Academy continued to adapt and expand to meet the evolving needs of our students, offering a comprehensive middle and high school experience for both general and special education students. To support student success, we provide a variety of therapeutic services, led by our certified social worker and school psychologist, through individual and group counseling sessions.

The program has also incorporated enhanced opportunities for Adventure Education and community-based instruction, emphasizing positive behavior support through a school-wide management system and incentive programs. Students engage in adventure-based educational activities, such as kayaking, fishing, and rock climbing, which promote team-building and social skills. These incentive-based activities are tailored to align with each student's individualized academic program, interests, abilities, and career plans. Our focus on academic, social, and emotional support fosters self-control, discipline, socialization, and academic achievement. Furthermore, we are excited to announce a planned expansion of the Academy, set to be completed by September 2025, which will add additional classrooms to accommodate our growing student population.

The New Jersey Virtual School has also expanded its reach this year, providing supplemental coursework, credit recovery, Advanced Placement (AP) courses, and addressing diverse student needs. Increasingly, school districts are utilizing the New Jersey Virtual School for innovative solutions, including extended leave replacements, flexible school options, and home instruction. The New Jersey Virtual School™ offers quality, flexible, asynchronous online instruction for students in grades 6 through 12, with over 150 courses available, ranging from core subjects to engaging electives like Sports and Entertainment Marketing.

At the heart of MOESC's mission is our commitment to delivering high-quality special education and supplementary instruction. Our Special Services program serves students throughout the state, including Chapter 192/193 services, non-public instruction, IDEA services, English as a Second Language (ESL) instruction, home instruction, and occupational, physical, and speech therapy services. Our public school programs also include Nursing services, where MOESC collaborates with agencies to provide qualified substitute school nurses for short and long-term absences, school trips, and other needs. Additionally, our Child Study Team services offer independent third-party evaluations and can provide full Child Study Team services, including bilingual evaluations.

The Aides Placed in Public Schools (APPs) program has experienced growth as well, providing paraprofessional staff to support students with unique needs in public schools. This program ensures that classified students receive the assistance necessary to fully engage in their educational settings, whether through one-on-one support or overall classroom assistance, tailored to each student's Individualized Education Plan (IEP).

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Furthermore, our growing partnership with the Bayshore Jointure Commission has proven to be a key strategic advantage for both organizations. This collaboration fosters greater resource sharing and alignment in pursuing common goals, enabling both the Bayshore Jointure Commission and MOESC to provide consistent leadership and responsive programs to meet regional needs. Together, we are aligning our long-term vision for special education services, staff development, and community engagement, paving the way for future joint initiatives.

Internal Accounting Controls:

The management of the Monmouth-Ocean Educational Services Commission (MOESC), is responsible for establishing and maintaining a robust internal control structure. This administrative leadership and support structure ensure that the Commission's assets are safeguarded from loss, theft, or misuse and that adequate accounting data is compiled for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

By leveraging the combined expertise of our administration, the internal control framework is strengthened through shared resources, streamlined processes, and enhanced oversight. The structure is designed to provide reasonable, though not absolute, assurance that the Commission's financial objectives are met. The principle of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived, and Management must use judgment and estimates in balancing these costs and benefits. As recipients of state assistance, MOESC must ensure that appropriate internal controls are in place to maintain compliance with applicable laws and regulations governing these programs. The shared leadership model facilitates a more unified approach to monitoring compliance and implementing corrective actions when necessary. This internal control structure undergoes periodic evaluations by management to maintain its effectiveness and integrity.

Additionally, Strauss Esmay Associates continues to provide guidance in the ongoing revision and adoption of the Commission's Policy Manual and Regulations. The support staff maintains the Standard Operating Procedures Manual, ensuring that all procedures reflect current standards and align with best practices in financial management.

Fiscal Responsibilities

As an Educational Services Commission (ESC), the Monmouth-Ocean Educational Services Commission (MOESC) is committed to upholding the highest standards of fiscal responsibility and operational integrity. In light of the recent audit findings regarding the Educational Services Commission of New Jersey (ESCNJ), we recognize the importance of transparency and accountability in our financial and administrative practices.

Our mission is to serve our school districts and local governments efficiently and ethically, ensuring that every taxpayer dollar is utilized effectively to support educational excellence. The ESCNJ audit highlights critical areas where oversight and adherence to best practices are essential. To that end, we are reaffirming our commitment to:

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1. **Transparent Financial Management:** We will continue to ensure that our financial operations are conducted transparently, with clear plans for fund allocation and surplus management. This includes maintaining appropriate fund balances and regularly reviewing financial practices to align with legal and ethical standards.
2. **Competitive Procurement Practices:** To guarantee the best value for our stakeholders, we will rigorously follow competitive procurement processes for all contracts and services. This not only ensures compliance with the law but also fosters trust and confidence among our member districts and the communities we serve. Our recent cooperative bids and awards exemplify our focus and dedication. These new contracts have already benefited several districts, resulting in significant cost savings.
3. **Accountability and Compliance:** We adhere to all state regulations and guidelines, submitting required documents and procurements for review as mandated. This commitment to compliance protects against potential waste, fraud, and mismanagement, safeguarding the resources entrusted to us.
4. **Strategic Planning of Funds:** We will develop and implement strategic plans for adequate maintenance of surplus funds, prioritizing initiatives that directly benefit our educational programs and services. This proactive approach ensures that funds are used to enhance educational outcomes and support future growth.

MOESC's Leadership View on Surplus:

MOESC had a \$7.7 million undesignated fund balance as of June 30, 2023. The administration recommends maintaining a surplus equivalent to two months of operations to ensure cash flow, as MOESC does not receive taxes or state aid, relying instead on revenue from other districts. MOESC must pay vendors before billing member districts and typically collects fees within 30-90 days.

For example, with a 2024-25 budget of \$94,591,815, MOESC would need approximately \$15.8 million in surplus to cover two months of operations. Our auditing firm supports maintaining 2-3 months of operational surplus. As of June 30, 2023, MOESC had just over \$4 million in the bank and nearly \$9 million in receivables from member districts.

By reaffirming these principles and our leadership's prudent financial management approach, we aim to reinforce our dedication to responsible stewardship and to continually improve our practices for the benefit of our districts, students, and taxpayers. Our goal is to foster a culture of excellence and integrity, ensuring that our operations are beyond reproach and always in the best interest of our member districts.

Budgetary Controls:

In addition to its internal accounting controls, the Monmouth-Ocean Educational Services Commission maintains a comprehensive system of budgetary controls. The primary objective of these controls is to ensure adherence to the legal provisions outlined in the annual appropriated budget, which is approved and funded by the member districts that comprise the Jointure Commission.

Annual appropriated budgets are adopted for both the General Fund and Special Revenue Fund. These budgets provide the financial framework necessary to support the Commission's programs and operations. Throughout

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the fiscal year, any amendments to the budget are reflected in the financial section, ensuring transparency and compliance with all statutory requirements.

To maintain control over expenditures, the Commission utilizes an encumbrance accounting system. This system records outstanding purchase commitments on a line-item basis, allowing for ongoing tracking of financial obligations and ensuring that funds are appropriately allocated and managed throughout the budget cycle. This process helps to prevent over-expenditures and ensures that budgetary limits are respected.

These budgetary controls, coupled with periodic reviews and oversight from leadership provide a solid foundation for the Commission's financial stability and accountability.

Accounting System and Reports:

The Commission's accounting records are maintained in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). The Commission's accounting system is structured using a fund accounting approach, which organizes financial data into various funds and account groups, each designated for specific activities and objectives.

These funds and account groups provide a clear separation of resources and help ensure that expenditures are made in accordance with intended purposes. Detailed explanations of the funds and account groups utilized by the Commission can be found in "Notes to the Financial Statements," specifically in Note 1. This ensures full transparency and alignment with governmental accounting standards, allowing for accurate and reliable financial reporting.

Financial Information at Fiscal Year End:

The Monmouth-Ocean Educational Services Commission remains committed to maintaining strong financial management, as reflected in the statements and schedules included in the financial section of this report. These documents demonstrate the Commission's ongoing responsibility in managing its financial resources effectively and in compliance with established standards.

For a comprehensive overview of the Commission's financial performance, including a comparison with the previous fiscal year, readers are encouraged to review the Management Discussion and Analysis (MD&A) section. This section provides key insights into the financial statements and highlights any significant trends or changes in the Commission's financial position.

Cash Management:

The Commission's investment policy is primarily governed by state statute, as outlined in "Notes to the Financial Statements," Note 2. To ensure the safety and proper management of public funds, the Commission has implemented a comprehensive cash management plan. This plan requires all public funds to be deposited in authorized public depositories that are safeguarded under the Governmental Unit Deposit Protection Act (GUDPA).

GUDPA, enacted in 1970, was designed to protect governmental units from the loss of funds due to the failure of a banking institution in New Jersey. Under this law, the Commission is required to deposit its funds only in public

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depositories located within the state, ensuring that these funds are secured in accordance with the Act's provisions. This approach aligns with the Commission's commitment to prudent cash management and the protection of its financial assets.

Risk Management:

The Monmouth-Ocean Educational Services Commission employs a comprehensive risk management strategy to safeguard its assets and operations. This includes maintaining a variety of insurance coverages, such as general liability, automobile liability, comprehensive/collision coverage, property and contents insurance against hazards and theft, fidelity bonds, and worker's compensation insurance. These coverages are designed to mitigate potential risks and ensure the financial protection of the Commission.

For detailed information on the specific types and amounts of insurance coverage, please refer to the Schedule of Insurance Coverage included in the supporting schedules of this report.

Other Information:

Independent Audit - In accordance with New Jersey state statutes, the Monmouth-Ocean Educational Services Commission is required to undergo an annual audit conducted by independent certified public accountants or registered municipal accountants. For this fiscal year, the accounting firm of Holman Frenia Allison, P.C., Certified Public Accountants and Consultants, was selected to perform the audit.

The audit was conducted in compliance with state statutes and Government Auditing Standards, ensuring thorough evaluation of the Commission's financial records and practices. The auditor's reports on the general-purpose financial statements, as well as the combining and individual fund statements and schedules, are included in the financial section of this report.

Acknowledgements:

We would like to extend our sincere appreciation to the Board of Directors of the Monmouth-Ocean Educational Services Commission for their commitment to ensuring fiscal accountability to the citizens and taxpayers of the school districts we serve. Their unwavering support has been instrumental in the development and maintenance of our financial operations.

We also acknowledge the invaluable contributions of our financial and accounting staff, whose efficiency and dedication have made the preparation of this report possible. Their hard work and professionalism are greatly appreciated.

Respectfully submitted,

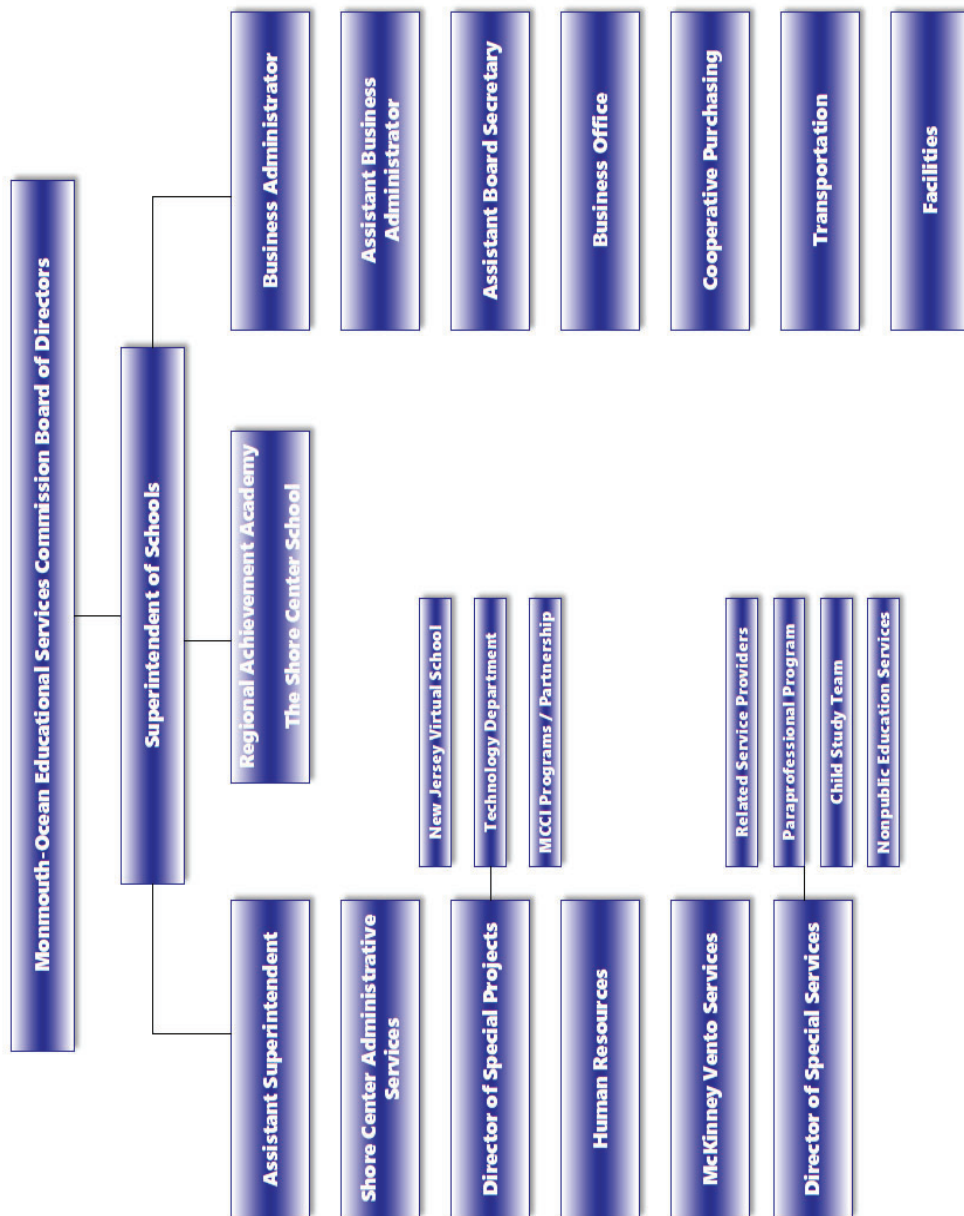


William O. George, Ed.D.
Superintendent



Christopher J. Mullins
Business Administrator/Board Secretary

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**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
TINTON FALLS, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	TERM EXPIRES
Mr. Scott McCue, President, Eatontown	2025
Mr. Joseph Isola, Vice President, Howell	2025
Dr. Lisa Gleason, Lavallette	2025
Mrs. Lauren Fuhring, Lakehurst	2025
Mr. Neal Dickstein, Freehold Township	2025
Mrs. Diane Pedroza, Manchester	2025
Dr. Thomas Farrell, Brick	2025
Dr. Lisa Goldey, Tinton Falls	2025
Dr. Brian Latwis, Barnegat	2025
Mr. Brent MacConnell, Shrewsbury	2025
Dr. James Roselli, Berkeley Township	2025
Dr. Lisa Savoia, Keyport	2025
Dr. William Smith, Point Pleasant Beach	2025
Dr. Charles Ford, Monmouth County Vocational	2025
Mr. John Spalthoff, Spring Lake Heights	2025
<u>Other Officials</u>	
Dr. William George, Superintendent of Schools	
Mr. Christopher J. Mullins, School Business Administrator/Board Secretary	
Mr. Lester E. Taylor, Board Attorney	

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
TINTON FALLS, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2025**

AUDITOR/AUDIT FIRM

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Lakewood, New Jersey 08701

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OFFICIAL DEPOSITORY

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Monmouth-Ocean Educational Services Commission
County of Monmouth
Tinton Falls, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Monmouth-Ocean Educational Services Commission (hereafter referred to as the Commission), County of Monmouth, State of New Jersey, as of and for the fiscal year ended, June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Commission as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2025 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2025 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized, overlapping flourish at the end.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 9, 2025

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2025 UNAUDITED

This section of the Monmouth-Ocean Educational Services Commission's (hereafter referred to as the Commission) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the Commission's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the Commission's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 are as follows:

- In total, net position of governmental activities increased \$217,598, which represents a 1.67% increase from 2024. Total net position of business-type activities increased \$510,691, which represents a (112.34%) decrease from 2024.
- General revenues accounted for \$6,975,395 in revenue or 8.24% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$77,683,375 or 91.76% of total revenue of \$84,658,770.
- Total assets of governmental activities increased by \$9,360,577 as cash and cash equivalents decreased by (\$88,090), receivables decreased by (\$435,062) restricted cash and cash equivalents increased by \$15,168, and total capital assets increased by \$8,631,991.
- Total liabilities of governmental activities increased by \$8,639,097 as non-current liabilities due beyond one year decreased by (\$654,096).
- The Commission had \$62,822,719 in governmental activity expenses; only \$51,414,489 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities and transfers of \$11,625,828 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$217,598.
- In the governmental funds, the general fund had \$55,545,001 in revenues, \$59,814,150 in expenditures and \$4,150,433 in other financing sources. The general fund's fund balance decreased by (\$118,716) over 2024.

USING THIS ACFR

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Commission as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the Commission changed during the most recent fiscal year. All changes in net position 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 of the Commission.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

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 Commission, 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 Commission can be divided into three categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-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 Commission's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission'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 Commission maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund and special revenue fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The Commission maintains two proprietary fund types, as enterprise funds. The enterprise funds is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Commission is that the costs of providing goods or services be financed through user charges. The proprietary funds has been included within business-type activities in the commission-wide financial statements.

The proprietary fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

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

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The Commission's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. The following table provides a summary of net position for June 30, 2024 and 2023, respectively:

Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Assets				
Current and Other				
Assets	\$ 31,702,078	\$ 30,973,492	\$ 3,085,155	\$ 2,180,605
Capital Assets, Net	17,427,460	8,795,469	-	-
Total Assets	49,129,538	39,768,961	3,085,155	2,180,605
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	2,360,982	2,676,818	-	-
Liabilities				
Long-Term Liabilities*	24,909,219	25,204,765	-	-
Other Liabilities	9,695,881	859,591	2,119,875	1,726,016
Total Liabilities	34,605,100	26,064,356	2,119,875	1,726,016
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	1,826,935	2,702,646	-	-
Leasing Arrangements	1,840,977	678,867	-	-
Total Deferred Inflows of Resources	3,667,912	3,381,513	-	-
Net Position				
Net Investment in				
Capital Assets	5,180,728	6,100,649	-	-
Restricted	6,337,571	15,046,395	-	-
Unrestricted (Deficit)*	1,699,209	(8,147,134)	965,280	454,589
Total Net Position	\$ 13,217,508	\$ 12,999,910	\$ 965,280	\$ 454,589

The Commission's largest net position component is Restricted. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position decreased (\$8,708,824), from the prior year to \$6,337,571 at June 30, 2025.

Unrestricted net position may be used to meet the Commission's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The \$1,699,209 is shown as unrestricted net position for Governmental Activities.

*For the year ended June 30, 2024, Net position and Long-Term Liabilities are restated for GASB 101 (See Note 20 for further detail).

The following table provides a summary of revenues and expenses for the Commission's governmental and business-type activities and the change in net position for June 30, 2025 and 2024. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the 'Financial Analysis of the Commission's Funds' section later in this report.

Statement of Activities
For the years ended June 30, 2025 and 2024

	Governmental Activities	Business-Type Activities	Total 2025
Revenues:			
Program Revenues:			
Charges for Services	\$ 48,348,895	\$ 26,268,886	\$ 74,617,781
Operating Grants and Contributions	3,065,594	-	3,065,594
General Revenues:			
Federal and State Aid	869,583	-	869,583
Miscellaneous	6,105,812	-	6,105,812
Transfers From (To) Other Funds	4,650,433	(4,650,433)	-
Total Revenues	63,040,317	21,618,453	84,658,770
Expenses:			
Instructional Services	4,345,860	-	4,345,860
Support Services	57,159,338	21,107,762	78,267,100
Cancellation of Accounts Receivable	1,317,521	-	1,317,521
Total Expenses	62,822,719	21,107,762	83,930,481
Change in Net Position	217,598	510,691	728,289
Net Position - Beginning, as Restated (See Note 20)	12,999,910	454,589	13,454,499
Net Position, Ending	\$ 13,217,508	\$ 965,280	\$ 14,182,788

	Governmental Activities	Business-Type Activities	Total 2024
Revenues:			
Program Revenues:			
Charges for Services	\$ 61,109,604	\$ 23,253,383	\$ 84,362,987
Operating Grants and Contributions	1,894,476	-	1,894,476
General Revenues:			
Federal and State Aid	1,497,639	-	1,497,639
Miscellaneous	5,943,619	-	5,943,619
Transfers From (To) Other Funds	4,300,952	(4,300,952)	-
Total Revenues	74,746,290	18,952,431	93,698,721
Expenses:			
Instructional Services	3,156,755	-	3,156,755
Support Services	61,578,056	18,468,415	80,046,471
Cancellation of Accounts Payable	1,668,673	-	1,668,673
Total Expenses	66,403,484	18,468,415	84,871,899
Change in Net Position	8,342,806	484,016	8,826,822
Net Position, Beginning	5,860,279	(29,427)	5,830,852
Net Position, Ending	\$ 14,203,085	\$ 454,589	\$ 14,657,674

Financial Analysis of the Commission's Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund and special revenue fund revenues for the fiscal year ended June 30, 2025 and 2024 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

June 30, 2025				
	Amount	Percent Of Total	Increase (Decrease) From 2024	Percent of Increase (Decrease)
Current Revenues:				
Local Sources	\$ 54,456,707	95%	\$ (27,393,516)	-32%
State Sources	1,816,432	3%	87,870	0%
Federal Sources	869,583	2%	(628,056)	-1%
Total Revenues	<u>\$ 57,142,722</u>	<u>100%</u>	<u>\$ (27,933,702)</u>	<u>-33%</u>
Current Expenditures:				
Instruction	\$ 1,251,791	1.77%	\$ 14,476	1.17%
Undistributed	60,411,822	85.53%	(3,172,976)	-4.99%
Capital Outlay	8,826,950	12.50%	6,282,397	246.90%
Special School	145,300	0.20%	30,850	26.96%
Total	<u>\$ 70,635,863</u>	<u>100.00%</u>	<u>\$ 3,154,747</u>	<u>4.68%</u>
June 30, 2024				
	Amount	Percent Of Total	Increase (Decrease) From 2023	Percent of Increase (Decrease)
Current Revenues:				
Local Sources	\$ 81,850,223	96%	\$ 8,637,494	11%
State Sources	1,728,562	2%	298,416	0%
Federal Sources	1,497,639	2%	497,402	1%
Total Revenues	<u>\$ 85,076,424</u>	<u>100%</u>	<u>\$ 9,433,312</u>	<u>12%</u>
Current Expenditures:				
Instruction	\$ 1,237,315	1.83%	\$ (2,617,682)	-67.90%
Undistributed	63,584,798	94.22%	(7,932,075)	-11.09%
Capital Outlay	2,544,553	3.77%	1,480,988	139.25%
Special School	114,450	0.18%	22,723	24.77%
Total	<u>\$ 67,481,116</u>	<u>100.00%</u>	<u>\$ (9,046,046)</u>	<u>-11.82%</u>

Undistributed costs decreased primarily due to grant contracted services being allocated to the Commission's Internal Service Fund.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2024-2025 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- Teacher's Pension and Annuity Fund (TPAF), which is the State of New Jersey's (State) contribution to the pension fund, is an "on-behalf" revenue and expenditure item to the commission and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2024-2025 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Based on the financial results of 2024-2025, unassigned fund balance increased \$3,330,914 from the prior year to \$14,648,779 at June 30, 2025. (2% required per S-1701, net of allowable adjustments).

Proprietary Funds. The Commission's proprietary fund provides the same type of information found in the commission-wide financial statements, but in more detail.

During the fiscal year 2025, the net position of business-type activities increased \$510,691 or 52.91%. The assets of the business-type activities exceed liabilities by \$965,280.

Capital Assets

At June 30, 2025, the Commission had capital assets of \$17,427,460, net of depreciation, which includes land, buildings and improvements and equipment.

	June 30, 2025	
	Governmental Activities	Business-Type Activities
Land	\$ 2,569,000	\$ -
Construction in Progress	10,968,540	-
Buildings and improvements	2,564,601	-
Equipment	1,325,319	-
Total	<u>\$ 17,427,460</u>	<u>\$ -</u>
	June 30, 2024	
	Governmental Activities	Business-Type Activities
Land	\$ 4,767,225	\$ -
Buildings and improvements	2,724,209	-
Equipment	1,304,035	-
Total	<u>\$ 8,795,469</u>	<u>\$ -</u>

Additional information on the Commission's capital assets can be found in Note 5 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The Commission anticipates that the approved 2025-2026 budget will be adequate to satisfy all 2025-2026 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- The Commission has its lone collective bargaining unit contract settled through June 30, 2027.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Monmouth-Ocean Educational Services Commission, 900 Hope Road, Tinton Falls, NJ, 07712.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash & Cash Equivalents	\$ 19,328,253	\$ -	\$ 19,328,253
Receivables, Net (Note 4)	10,384,767	3,085,155	13,469,922
Lease Receivable (Note 16)	1,967,548	-	1,967,548
Restricted Cash & Cash Equivalents	21,510	-	21,510
Capital Assets, Net (Note 5)			
Non-Depreciable	13,537,540	-	13,537,540
Depreciable	3,889,920	-	3,889,920
Total Assets	49,129,538	3,085,155	52,214,693
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	2,360,982	-	2,360,982
Total Deferred Outflow of Resources	2,360,982	-	2,360,982
LIABILITIES			
Cash Deficit	-	39,662	39,662
Accounts Payable	8,555,507	971,222	9,526,729
Due to Other Governments	795,380	1,108,991	1,904,371
Accrued Interest	323,538	-	323,538
Payroll Deductions and Withholdings	21,456	-	21,456
Noncurrent Liabilities (Note 7):			
Due Within One Year	581,927	-	581,927
Due in More Than One Year	24,327,292	-	24,327,292
Total Liabilities	34,605,100	2,119,875	36,724,975
DEFERRED INFLOWS OF RESOURCES			
Related to Pensions (Note 8)	1,826,935	-	1,826,935
Leasing Arrangements (Note 16)	1,840,977	-	1,840,977
Total Deferred Inflow of Resources	3,667,912	-	3,667,912
NET POSITION			
Net Investment in Capital Assets	5,180,728	-	5,180,728
Restricted for:			
Capital Projects	4,031,460	-	4,031,460
Debt Service	2,284,601	-	2,284,601
Unemployment Reserve	21,510	-	21,510
Unrestricted (Deficit)	1,699,209	965,280	2,664,489
Total Net Position	\$ 13,217,508	\$ 965,280	\$ 14,182,788

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 563,626	\$ -	\$ 559,705	\$ (3,921)	\$ -	\$ (3,921)
Special Education Instruction	2,411,932	-	1,700,295	(711,637)	-	(711,637)
Other Instruction	1,370,302	-	690,452	(679,850)	-	(679,850)
Support Services:						
Attendance & Social Work Services	66,265	-	-	(66,265)	-	(66,265)
Health Services	31,613	-	-	(31,613)	-	(31,613)
Student & Instruction Related Services	749,452	-	115,142	(634,310)	-	(634,310)
General Administrative	1,932,688	-	-	(1,932,688)	-	(1,932,688)
School Administrative Services	974,299	-	-	(974,299)	-	(974,299)
Central Services	968,565	-	-	(968,565)	-	(968,565)
Administrative Information Technology	275,499	-	-	(275,499)	-	(275,499)
Plant Operations & Maintenance	594,073	-	-	(594,073)	-	(594,073)
Pupil Transportation	51,202,832	48,348,895	-	(2,853,937)	-	(2,853,937)
Other Operation & Maintenance of Plant	215,462	-	-	(215,462)	-	(215,462)
Special Schools	148,590	-	-	(148,590)	-	(148,590)
Interest & Other Charges	1,317,521	-	-	(1,317,521)	-	(1,317,521)
Total Governmental Activities	62,822,719	48,348,895	3,065,594	(11,408,230)	-	(11,408,230)
Business-Type Activities:						
Contracted Services	21,107,762	26,268,886	-	-	5,161,124	5,161,124
Total Business-Type Activities	21,107,762	26,268,886	-	-	5,161,124	5,161,124
Total Primary Government	\$ 83,930,481	\$ 74,617,781	\$ 3,065,594	(11,408,230)	5,161,124	(6,247,106)
General Revenues:						
Federal & State Aid Not Restricted				869,583	-	869,583
Tuition Charges				3,359,875	-	3,359,875
Miscellaneous				2,745,937	-	2,745,937
Transfers From (To) Other Funds				4,650,433	(4,650,433)	-
Total General Revenues				11,625,828	(4,650,433)	6,975,395
Change In Net Position				217,598	510,691	728,289
Net Position - Beginning, as Restated (See Note 20)				12,999,910	454,589	13,454,499
Net Position - Ending				13,217,508	965,280	14,182,788

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

B. Fund Financial Statements

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Governmental Funds

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	MAJOR FUNDS				TOTAL
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	GOVERNMENTAL FUNDS
ASSETS					
Cash & Cash Equivalents	\$ 13,274,025	\$ -	\$ 4,595,801	\$ 1,795,111	\$ 19,664,937
Receivables, Net:					
Interfund Receivable	-	25,108	-	489,490	514,598
Due from Other Governments:					
Federal	-	372,558	-	-	372,558
State	40,420	-	-	-	40,420
Other	9,971,789	-	-	-	9,971,789
Lease Receivable	1,967,548	-	-	-	1,967,548
Restricted Cash & Cash Equivalents	21,510	-	-	-	21,510
Total Assets	<u>\$ 25,275,292</u>	<u>\$ 397,666</u>	<u>\$ 4,595,801</u>	<u>\$ 2,284,601</u>	<u>\$ 32,553,360</u>
LIABILITIES & FUND BALANCES					
Liabilities:					
Cash Deficit	\$ -	\$ 336,684	\$ -	\$ -	\$ 336,684
Accounts Payable	8,419,674	60,982	74,851	-	8,555,507
Interfund Payable	25,108	-	489,490	-	514,598
Payroll Deductions and Withholdings	21,456	-	-	-	21,456
Total Liabilities	<u>8,466,238</u>	<u>397,666</u>	<u>564,341</u>	<u>-</u>	<u>9,428,245</u>
Deferred Inflows of Resources:					
Leasing Arrangements	1,840,977	-	-	-	1,840,977
Total Deferred Inflows of Resources	<u>1,840,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,840,977</u>
Fund Balances:					
Non-Spendable:					
Leases	126,571	-	-	-	126,571
Restricted for:					
Unemployment Reserve	21,510	-	-	-	21,510
Capital Projects	-	-	1,056,519	-	1,056,519
Debt Service	-	-	-	2,284,601	2,284,601
Committed to:					
Other Purposes	-	-	2,974,941	-	2,974,941
Assigned for:					
Other Purposes	171,217	-	-	-	171,217
Unassigned	14,648,779	-	-	-	14,648,779
Total Fund Balances	<u>14,968,077</u>	<u>-</u>	<u>4,031,460</u>	<u>2,284,601</u>	<u>21,284,138</u>
Total Liabilities & Fund Balances	<u>\$ 25,275,292</u>	<u>\$ 397,666</u>	<u>\$ 4,595,801</u>	<u>\$ 2,284,601</u>	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$22,813,507 and the accumulated depreciation is \$5,386,047.					17,427,460
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.					
Deferred Outflows Related to Pensions					2,360,982
Deferred Inflows Related to Pensions					(1,826,935)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.					(323,538)
Accrued pension contributions for the June 30, 2025 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.					(795,380)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					(24,909,219)
Net Position of Governmental Activities					<u>\$ 13,217,508</u>

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	MAJOR FUNDS				TOTAL
	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Tuition Charges	\$ 3,359,875	\$ -	\$ -	\$ -	\$ 3,359,875
Transportation Charges	48,348,895	-	-	-	48,348,895
Miscellaneous	2,019,799	2,000	489,490	236,648	2,747,937
Total Local Sources	53,728,569	2,000	489,490	236,648	54,456,707
State Sources	1,816,432	-	-	-	1,816,432
Federal Sources	-	869,583	-	-	869,583
Total Revenues	55,545,001	871,583	489,490	236,648	57,142,722
Expenditures:					
Instruction:					
Regular Instruction	-	162,357	-	-	162,357
Special Education Instruction	694,693	-	-	-	694,693
Other Instruction	394,741	-	-	-	394,741
Support Services:					
Attendance & Social Work Services	64,639	-	-	-	64,639
Health Services	30,801	-	-	-	30,801
Student & Instruction Related Services	22,326	709,226	-	-	731,552
General Administrative	1,886,609	-	-	-	1,886,609
School Administrative Services	951,015	-	-	-	951,015
Central Services	945,444	-	-	-	945,444
Administrative Information Technology	283,595	-	-	-	283,595
Plant Operations & Maintenance	579,911	-	-	-	579,911
Pupil Transportation	49,982,996	-	-	-	49,982,996
Unallocated Benefits	1,959,013	-	-	-	1,959,013
On Behalf TPAF Pension and Social					
Security Contributions	1,816,432	-	-	-	1,816,432
Capital Outlay	56,635	-	8,770,315	-	8,826,950
Instruction:					
Summer School	145,300	-	-	-	145,300
Debt Service:					
Principal	-	-	-	125,000	125,000
Interest & Other Charges	-	-	-	1,054,815	1,054,815
Total Expenditures	59,814,150	871,583	8,770,315	1,179,815	70,635,863
Excess/(Deficiency) of Revenues Over Expenditures	(4,269,149)	-	(8,280,825)	(943,167)	(13,493,141)
Other Financing Sources (Uses):					
Transfers In From Other Funds	4,650,433	-	-	989,490	5,639,923
Transfers Out To Other Funds	(500,000)	-	(489,490)	-	(989,490)
Total Other Financing Sources (Uses)	4,150,433	-	(489,490)	989,490	4,650,433
Net Changes in Fund Balances	(118,716)	-	(8,770,315)	46,323	(8,842,708)
Fund Balance, July 1	15,086,793	-	12,801,775	2,238,278	30,126,846
Fund Balance, June 30	\$ 14,968,077	\$ -	\$ 4,031,460	\$ 2,284,601	\$ 21,284,138

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

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

Total Net Changes in Fund Balances - Governmental Funds (B-2) \$ (8,842,708)

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

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

Depreciation Expense	\$	(194,959)	
Capital Outlays		<u>8,826,950</u>	8,631,991

Governmental funds report Service Commission pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the Commission's pension contributions in the current period. 625,700

Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. 139,940

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

Amortization of Premium on Bonds		83,434	
----------------------------------	--	--------	--

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). (323,538)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (97,221)

Change in Net Position of Governmental Activities \$ 217,598

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Proprietary Funds

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	MAJOR FUNDS BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	OTHER ENTERPRISE	TOTALS
ASSETS		
Current Assets:		
Accounts Receivable:		
Other Receivables	\$ 3,085,155	\$ 3,085,155
Total Assets	3,085,155	3,085,155
LIABILITIES		
Current Liabilities:		
Cash Deficit	39,662	39,662
Accounts Payable	971,222	971,222
Intergovernmental Accounts Payable	1,108,991	1,108,991
Total Current Liabilities	2,119,875	2,119,875
NET POSITION		
Unrestricted	965,280	965,280
Total Net Position	\$ 965,280	\$ 965,280

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

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	MAJOR FUNDS BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS	
	OTHER ENTERPRISE	TOTALS
Operating Revenues:		
Local Sources:		
Contracted Services	\$ 15,432,821	\$ 15,432,821
Non-Public Services	9,180,493	9,180,493
Other Grant Services	1,655,572	1,655,572
Total Operating Revenues	26,268,886	26,268,886
Operating Expenses:		
Salaries and Wages	6,996,761	6,996,761
Employee Benefits	2,430,769	2,430,769
Purchased Technical Services	8,647,393	8,647,393
General Supplies	3,032,839	3,032,839
Total Operating Expenses	21,107,762	21,107,762
Operating Income (Loss)	5,161,124	5,161,124
Nonoperating Revenues (Expenses):		
Transfers (To) / From Other Funds	(4,650,433)	(4,650,433)
Total Nonoperating Revenues	(4,650,433)	(4,650,433)
Change in Net Position	510,691	510,691
Net Position, July 1	454,589	454,589
Net Position, June 30	\$ 965,280	\$ 965,280

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	MAJOR FUNDS	
	BUSINESS-TYPE	
	ACTIVITIES -	
	ENTERPRISE	
	FUNDS	
	OTHER	
	ENTERPRISE	TOTALS
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 26,268,886	\$ 26,268,886
Payments to Employees	(6,996,761)	(6,996,761)
Payments for Employee Benefits	(2,430,769)	(2,430,769)
Payments to Suppliers	(11,034,132)	(11,034,132)
Net Cash Provided by/(Used for) Operating Activities	5,807,224	5,807,224
Cash Flows From Noncapital Financing Activities:		
Transfers to other Funds	(4,650,433)	(4,650,433)
Net Cash Provided by/(Used for) Noncapital Financing Activities	(4,650,433)	(4,650,433)
Net Increase/(Decrease) in Cash & Cash Equivalents	1,156,791	1,156,791
Balances - Beginning of Year	(1,196,453)	(1,196,453)
Balances - End of Year	\$ (39,662)	\$ (39,662)
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
Operating Income/(Loss)	\$ 5,161,124	\$ 5,161,124
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:		
(Increase)/Decrease in Accounts Receivable, Net	(904,550)	(904,550)
Increase/(Decrease) in Accounts Payable	1,550,650	1,550,650
Total Adjustments	646,100	646,100
Net Cash Used by Operating Activities	\$ 5,807,224	\$ 5,807,224

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

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Fiduciary Fund
Not Applicable

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Monmouth-Ocean Education Services Commission (hereafter referred to as the Commission) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Reporting Entity

In June, 1979, the Monmouth-Ocean Educational Services Commission was established by local school districts in Monmouth County to administer, in a cooperative fashion, programs designated by the membership. During 1991/1992, the Commission admitted numerous Ocean County districts and changed its name to the Monmouth-Ocean Educational Services Commission (M-OESC). The general purpose of the Commission is to provide services for the consortium of school districts comprising it that are more economically and efficiently provided on a collective basis. The Commission has been established pursuant to the laws of the State of New Jersey (*N.J.S.A. 18A:6, et seq.*).

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

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

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

Component Units

GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84*. The Commission had no component units as of for the year ended June 30, 2025.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

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

A. Government-Wide Financial Statements

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

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

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

B. Governmental Fund Financial Statements

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The Commission’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Commission, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchases are reported as other financing sources.

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

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

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

The Commission reports the following major governmental funds:

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition of construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, capital leases, or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

The Commission reports the following major proprietary funds:

Contracted Services – This fund provides outsourced contracted services to local school districts including co-operative purchasing, therapy and nursing services, professional development and various other services.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Commission's fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the Commission controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, Fiduciary Activities.

The Commission has no fiduciary funds.

Budgets/Budgetary Control

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

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

Encumbrances

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

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

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

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

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

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

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

Interfund Receivables/Payables

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Leases Receivable

The Commission's leases receivable are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Commission may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payments are received.

A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Capital Assets

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

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

Description:	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 Years	N/A
Building and Improvements	20 Years	N/A
Equipment	N/A	5-20 Years
Office and Computer Equipment	5-10 Years	N/A
Instructional Equipment	10 Years	N/A
Vehicles	10 Years	N/A

Compensated Absences

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

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

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

Deferred Outflows and Deferred Inflows of Resources

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

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Pensions

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

Pension & Other Post-Employment Benefits Section

For purposes of measuring the net pension and other post-employment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other post-employment benefits, and pension and other post-employment benefits expenses, information about the fiduciary net position of the Public Employees' Retirement System (PERS), the Teacher's Pension and Annuity Fund (TPAF), the Other Post-Employment Benefits (OPEB) and additions to/deductions from the PERS's, TPAF's and OPEB's fiduciary net position have been determined on the same basis as they are reported by the plan. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the Commission's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

Net Position

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and December 9, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. The following item has come to the attention of the Commission that would require disclosure:

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2025:

Statement No. 101, Compensated Absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in additional footnote disclosures on the School District's financial statements. See Note 14 for further detail.

Statement No. 102, Certain Risk Disclosures. Management has determined the implementation of this statements did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 103, Financial Reporting Model Improvements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, Disclosure of Certain Capital Assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

Management has not yet determined the potential impact on the Commission's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, *NJSA 17:9-41 et seq.* requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2025, the Commission's bank balance of \$21,299,128 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 20,833,203
Uninsured and Uncollateralized	<u>465,925</u>
Total	<u><u>\$ 21,299,128</u></u>

Investments

The Commission had no investments at June 30, 2025.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Reserve Accounts

Unemployment Reserve

Unemployment reserve funds are restricted pursuant to *N.J.S.A. 43:21-7.3(g)*, which requires that employer and The activity of the unemployment reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 6,342
Increased by:	
Interest	191
Subtotal	6,533
Decreased by:	
Payments Made	14,977
Ending Balance, June 30, 2025	\$ 21,510

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the Commission's governmental and business-type activities as of June 30, 2025, consisted of the following:

Description:	Governmental Funds		
	General Fund	Special Revenue Fund	Total Governmental Activities
Federal Awards	\$ -	\$ 372,558	\$ 372,558
State Awards	40,420	-	40,420
Other	9,971,789	-	9,971,789
Total	\$ 10,012,209	\$ 372,558	\$ 10,384,767

Description:	Proprietary Funds	
	Other Enterprise Fund	Total Business-Type Activities
Other	\$ 3,085,155	\$ 3,085,155
Total	\$ 3,085,155	\$ 3,085,155

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Governmental Activities		
	Balance July 1, 2024	Additions	Balance June 30, 2025
Capital Assets not being Depreciated:			
Land	\$ 2,569,000	\$ -	\$ 2,569,000
Construction in Progress	2,198,225	8,770,315	10,968,540
Total Capital assets not being Depreciated	4,767,225	8,770,315	13,537,540
Capital Assets being Depreciated:			
Buildings and Improvements	7,328,283	9,447	7,337,730
Equipment	1,891,049	47,188	1,938,237
Total Capital Assets being Depreciated	9,219,332	56,635	9,275,967
Accumulated Depreciation:			
Buildings and Improvements	(4,604,074)	(169,055)	(4,773,129)
Equipment	(587,014)	(25,904)	(612,918)
Total Accumulated Depreciation	(5,191,088)	(194,959)	(5,386,047)
Total Capital Assets being Depreciated, Net	4,028,244	(138,324)	3,889,920
Total Governmental Activities Capital Assets, Net	\$ 8,795,469	\$ 8,631,991	\$ 17,427,460

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the Commission as follows:

Governmental Activities:

Instruction:

Regular Instruction	\$ 487
Special Education Instruction	2,067
Other Instruction	1,171

Support Services:

Attendance & Social Work Services	195
Health Services	97
Student & Instruction Related Services	2,242
General Administrative	5,595
School Administrative Services	2,827
Central Services	2,807
Administrative Information Technology	838
Plant Operations & Maintenance	1,716
Pupil Transportation	148,305
Other Operation & Maintenance of Plant	26,183
Special Schools	429

Total Depreciation Expense - Governmental Activities	\$ 194,959
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Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

Fund:	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 25,108
Special Revenue Fund	25,108	-
Capital Projects Fund	-	489,490
Debt Service Fund	489,490	-
	\$ 514,598	\$ 514,598

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

A summary of interfund transfers is as follows:

Fund:	Transfer In	Transfer Out
General Fund	\$ 4,650,433	\$ 500,000
Capital Projects Fund	-	489,490
Debt Service Fund	989,490	-
Other Enterprise	-	4,650,433
Total	\$ 5,639,923	\$5,639,923

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance				Balance	Due Within
	Balance				June 30, 2025	One Year
	July 1, 2024	Additions	Reductions			
Governmental Activities:						
Lease Revenue Bonds	\$ 14,795,000	\$ -	\$ 125,000	\$ 14,670,000	\$ 485,000	
Compensated Absences (as Restated, Note 20)	1,384,007	100,263	3,042	1,481,228	-	
Net Pension Liability	7,319,190	4,268,248	4,437,639	7,149,799	-	
Financed Purchases Payable	37,895	-	14,942	22,953	13,493	
Unamortized Bond Premium	1,668,673	-	83,434	1,585,239	83,434	
	<u>\$ 25,204,765</u>	<u>\$ 4,368,511</u>	<u>\$ 4,664,057</u>	<u>\$ 24,909,219</u>	<u>\$ 581,927</u>	

For governmental activities, the debt service fund, compensated absences, financed purchases payable, unamortized bond premiums, and the net pension liability are liquidated from the general fund.

Bonds Payable

The voters of the commission authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

On July 20, 2023, the Commission issued \$14,795,000 of lease revenue bonds. The lease revenue bonds were issued at varying rates of interest and mature on June 30, 2044.

Year Ending		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>				
2026	\$	485,000	\$ 694,275	\$ 1,179,275
2027		510,000	670,425	1,180,425
2028		535,000	645,375	1,180,375
2029		560,000	619,100	1,179,100
2030		585,000	591,600	1,176,600
2031-2035		3,390,000	2,496,000	5,886,000
2036-2040		4,320,000	1,573,050	5,893,050
2041-2044		4,285,000	425,575	4,710,575
	<u>\$</u>	<u>14,670,000</u>	<u>\$ 7,715,400</u>	<u>\$ 22,385,400</u>

Financed Purchases Payable

The Services Commission has finance purchase agreements for copy machines. All finance purchase agreements are for terms of five years. The following is a schedule of the remaining future minimum payments under these finance purchase agreements and the present value of the net minimum payments at June 30, 2025:

	Fiscal Year Ending	
	June 30,	Total
	2026	\$ 14,484
	2027	9,811
Total Minimum Lease Payments		\$ 24,295
Less: Amount Representing Interest		(1,342)
Present Value of Minimum Lease Payments		<u>\$ 22,953</u>

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS, its participating employers or the State of New Jersey (the State) as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS, its participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount.

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Components of Net Pension Liability - At June 30, 2025, the School District's proportionate share of the net pension liability was \$7,149,799. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The School District's proportion measured as of June 30, 2024, was 0.0526183015%, which was an increase of 0.00208667% from its proportion measured as of June 30, 2023.

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2025, the School District's proportionate share of the PERS expense/(credit), calculated by the plan as of June 30, 2024 is \$(90,288). This expense/(credit) is recognized by the School District in the government-wide financial statements.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 143,224	\$ 19,035
Changes of Assumptions	8,882	81,348
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	331,517
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	1,413,496	1,395,035
Commission contributions subsequent to measurement date	<u>795,380</u>	<u>-</u>
	<u>\$ 2,360,982</u>	<u>\$ 1,826,935</u>

\$795,380 is reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2024-2025 total salaries for PERS employees multiplied by an employer pension contribution rate of 16.36%. The payable is due on April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Year Ending	
<u>June 30,</u>	
2026	\$ (299,871)
2027	238,580
2028	(131,444)
2029	(74,321)
2030	5,723
	\$ (261,333)

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

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2025. At June 30, 2025, the State's proportionate share of the PERS expense, associated with the District, calculated by the plan as of the June 30, 2024 measurement date was \$23,051.

Actuarial Assumptions – The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Commission's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, PERS has a special funding situation where the State pays 100% of the Commission's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the Commission calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the Commission's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
Commission's Proportionate Share of the Net Pension Liability	\$ 9,580,294	\$ 7,149,799	\$ 5,192,861

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	<u>6/30/2025</u>	<u>6/30/2024</u>
Collective Deferred Outflows of Resources	\$ 1,565,602	\$ 1,985,006
Collective Deferred Inflows of Resources	1,826,935	2,702,646
Collective Net Pension Liability	7,149,799	7,319,190
Commission's portion	0.052620%	0.050530%

B. Teachers' Pension and Annuity Fund (TPAF)

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

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

The following represents the membership tiers for TPAF:

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

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the Commission as of June 30, 2025 was \$13,307,429. The Commission's proportionate share was \$0.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the Commission was based on projection of the State's long-term contributions to the pension plan associated with the Commission relative to the projected contributions by the State associated with all participating Commissions, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the Commission was 0.02692%, which was an increase of 0.004198% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized a pension expense/(credit) in the amount of \$(48,543) for the State's proportionate share of the TPAF pension expense attributable to the Commission. This pension expense was based on the pension plans June 30, 2024 measurement date.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

Actuarial Assumptions - The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumption used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estate	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

Sensitivity of the Commission's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the Commission's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the Commission calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the Commission's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of Net Pension Liability associated with the Commission	\$ 15,817,763	\$ 13,307,429	\$ 11,193,253

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2025 and 2024:

	6/30/2025	6/30/2024
Collective Deferred Outflows of Resources	\$ 1,178,433,819	\$ 2,502,380,838
Collective Deferred Inflows of Resources	10,615,423,132	14,830,205,473
Collective Net Pension Liability	49,492,072,325	51,109,961,824
Commission's portion	0.02692%	0.02273%

C. Defined Contribution Retirement Plan (DCRP)

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

Individuals eligible for membership in the DCRP include:

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 8. Pension Plans (Continued)

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

Note 9. Other Post-Retirement Benefits (OPEB)

General Information about the OPEB Plan

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

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

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

Basis of Presentation

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability of \$59,650,630,530 as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS, and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the Commission as of June 30, 2024 was \$31,131,208. The Commission's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the Commission was based on projection of the State's long-term contributions to the OPEB plan associated with the Commission relative to the projected contributions by the State associated with all participating Commissions, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the Commission was 0.052189%, which was an increase of 0.001678% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$1,247,162. for the State's proportionate share of the OPEB expense attributable to the Commission. This OPEB expense was based on the OPEB plans June 30, 2024 measurement date.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 19.36% in fiscal year 2027, and decreases to 4.50% in fiscal year 2034. For HMO, the trend rate is increasing to 22.88% in fiscal year 2027, and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total nonemployer OPEB liability as of June 30, 2024 calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Commission	\$ 36,461,312	\$ 31,131,208	\$ 26,844,698
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

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

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

The following presents the total nonemployer OPEB liability as of June 30, 2024, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Commission	\$ 22,801,169	\$ 31,131,208	\$ 37,902,838
State of New Jersey's Total Nonemployer OPEB Liability	\$ 43,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 6,378,932,312	\$ 11,139,706,892
Change in Assumptions	10,004,978,073	11,662,607,882
Contributions Made in Fiscal Year Ending 6/30/2023 After Measurement Date	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ 22,802,314,774</u>

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

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

Additional Information (continued):

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

Fiscal Year Ending June 30,	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	<u><u>\$ (6,418,404,389)</u></u>

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	153,556
	<u><u>372,741</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Difference Between Expected & Actual Experiences	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	(1,499,600,607)
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	52,361,668,239
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376.44%

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the Commission receives on-behalf payments from the State for normal costs and post-retirement medical costs related to the TPAF pension plan. The Commission is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,164,935, \$310,683, \$340,395, and \$419, respectively.

Note 11. Risk Management

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

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

Fiscal Year Ended June 30,	Ending Balance				
	Contributions	Interest Earned	Amount Reimbursed	Restricted for:	Unemployment
				Unemployment Reserve	Liability
2025	\$ 100,110	\$ 191	\$ 85,133	\$ 21,510	\$ -
2024	142,687	313	182,038	6,342	-
2023	131,044	428	88,041	45,380	-

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

Note 12. Contingencies

State and Federal Grantor Agencies - The Commission participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Commission has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the Commission, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The Commission is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Commissions’ attorney that resolution of one of these matters can potentially have a material adverse effect on the financial condition of the Commission. See Note 1, subsequent events, for detail of the pending litigation.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

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

Lincoln Financial Advisors
VALIC

AXA Equitable
Lincoln Investment Planning, Inc.

Note 14. Compensated Absences

GASB Statement No. 101, Compensated Absences, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Commission employees are granted varying amounts of vacation and sick leave in accordance with the Commission's personnel policies. Upon termination, employees are paid for accrued vacation. The Commission's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the Commission for the unused sick leave in accordance with the Commission's agreements with various employee unions. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$1,481,228. This estimate includes leave that is expected to be paid upon separation from service, and vacation and sick leave to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

The Commission adopted GASB Statement No. 101 during the year ended June 30, 2025. As a result, the compensated absences liability disclosed above reflects the revised recognition criteria under this standard. Implementation of this Statement resulted in a Prior Period Adjustment. See Note 20 for further detail.

Note 15. Tax Abatements

As defined by the GASB Statement No. 77, *Tax Abatement*, is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. Commissions are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the Commission is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the Commission's local tax revenue because *N.J.S.A. 54:4-75* and *N.J.S.A. 54:4-76* require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the Commission.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 15. Tax Abatements (Continued)

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

Note 16. Lease Receivable

In July 2024, the Commission entered into an agreement updated with a tenant. Under the lease, the tenant will pay monthly rates varying from \$33,559 to \$46,135 until June 2029 to operate its educational program in the building. The lease receivable is measured at the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 3%, which is an explicit rate.

In fiscal year 2024-2025, the Commission recognized \$460,244 of lease revenue and \$69,037 of interest revenue under the lease. The Commission has a lease receivable of \$1,967,548 and a deferred inflow of resources for Leasing Arrangements of \$1,840,977 at June 30, 2025.

Note 17. Fund Balances

General Fund – Of the \$14,968,077 General Fund fund balance at June 30, 2025, \$21,510 has been restricted for the Unemployment Reserve Account; \$171,217 has been assigned to other purposes; \$126,571 is the Non-Spendable portion of Leases; and \$14,648,779 was unassigned.

Capital Projects Fund – Of the \$4,031,460 of Capital Projects Fund fund balance at June 30, 2025, \$1,056,519 is restricted for future capital projects and \$2,974,941 is committed for other purposes.

Debt Service Fund – Of the \$2,284,601 of Debt Service Fund fund balance at June 30, 2025, \$2,284,601 is restricted for future debt service payments.

Note 18. Net Position

Governmental Activities

Unrestricted Net Position – The Commission governmental activities had an unrestricted net position balance in the amount of \$1,699,209 at June 30, 2025.

Business-type Activities

Net Position – The Commission business-type activities had a net position balance in the amount of \$965,280 at June 30, 2025.

Note 19. Commitments

The Commission has contractual commitments at June 30, 2025 to various vendors, which are recorded in the General Fund and Capital Projects Fund as Fund Balance, Assigned for Other Purposes in the amounts of \$171,217 and \$2,974,941, respectively.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (Continued)

Note 20. Prior Period Adjustment/Restatement of Fund Balance and Net Position

Net Position and Long-Term Liabilities as of July 1, 2024, has been restated as follows for the implementation of GASB Statement No. 101, Compensated Absences.

Net Position as previously reported at June 30, 2024	\$ 14,203,085
Prior Period Adjustment- Implementation of GASB 101 Net Position	<u>(1,203,175)</u>
Total Prior Period Adjustment	<u>(1,203,175)</u>
Net Position as restated, July 1, 2024	<u><u>\$ 12,999,910</u></u>
Long-Term Liabilities as previously reported at June 30, 2024	\$ 24,001,590
Prior Period Adjustment- Implementation of GASB 101 Non-Current Liabilities	<u>1,203,175</u>
Total Prior Period Adjustment	<u>1,203,175</u>
Long-Term Liabilities Balance as Restated, July 1, 2024	<u><u>\$ 25,204,765</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Revenues:					
Local Sources:					
Tuition From Other LEAs Within State	10-1320	\$ 3,192,000	\$ 100,000	\$ 3,292,000	\$ 67,875
Tuition From Summer School	10-1350	300,000	-	300,000	(300,000)
Transportation Fees From Other LEAs	10-1420	64,407,750	-	64,407,750	(16,058,855)
Rents and Royalties	10-1910	400,000	-	400,000	2,710
Unrestricted Miscellaneous Revenues	10-1990	441,250	(100,000)	341,250	1,275,839
Total Local Sources		68,741,000	-	68,741,000	(15,012,431)
State Sources:					
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	1,164,935
TPAF Social Security (reimbursed)		-	-	-	310,683
TPAF Post Retirement Medical Benefits (on-behalf)		-	-	-	340,395
TPAF Long-Term Disability Insurance (on-behalf)		-	-	-	419
Total State Sources		-	-	-	1,816,432
Total Revenues		68,741,000	-	68,741,000	(13,195,999)
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	671,779	(62,875)	608,904	564,659
Other Salaries	11-213-100-106	24,757	-	24,757	10,206
Purchased Professional - Educational Services	11-213-100-320	6,500	32,000	38,500	38,000
Other Purchased Services	11-213-100-500	-	5,000	5,000	500
General Supplies	11-213-100-610	17,616	14,700	32,316	2,170
Textbooks	11-213-100-640	2,500	(1,000)	1,500	8,616
Other Objects	11-213-100-800	58,990	7,000	65,990	198
Total Resource Room/Resource Center		782,142	(5,175)	776,967	53,996
Total Special Education - Instruction		782,142	(5,175)	776,967	11,994

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Instructional Programs - Instruction:					
Salaries	11-403-100-100	336,099	137,588	473,687	383,704
Purchased Professional - Educational Services	11-403-100-300	3,240.00	(3,240)	-	-
Purchased Services	11-403-100-500	109,400	(109,400)	-	-
Supplies and Materials	11-403-100-600	13,065	-	13,065	10,562
Other Objects	11-403-100-800	3,500	-	3,500	475
		465,304	24,948	490,252	394,741
Total Other Instructional Programs - Instruction					95,511
Undistributed Expenditures Attendance and Social Work:					
Salaries of Family Support Teams	11-000-211-172	64,639	-	64,639	-
Purchased Professional and Technical Services	11-000-211-300	7,000	(3,500)	3,500	-
		71,639	(3,500)	68,139	64,639
Total Undistributed Expenditures Attendance and Social Work					3,500
Undistributed Expenditures - Health Services:					
Purchased Professional & Technical Services	11-000-213-300	32,500	22,000	54,500	30,801
Supplies and Materials	11-000-213-600	1,800	-	1,800	-
		34,300	22,000	56,300	30,801
Total Undistributed Expenditures - Health Services					25,499
Undistributed Expenditures -					
Speech, OT, PT and Related Services:					
Supplies and Materials	11-000-216-600	2,500	-	2,500	187
		2,500	-	2,500	187
Total Undistributed Expenditures -					
Speech, OT, PT and Related Services					2,313
Undistributed Expenditures - Child Study Teams:					
Other Purchased Prof. and Tech. Services	11-000-219-390	31,000	(5,000)	26,000	500
Supplies and Materials	11-000-219-600	-	5,000	5,000	-
		31,000	-	31,000	500
Total Undistributed Expenditures - Child Study Teams					30,500

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Instructional Staff Training Services:					
Other Salaries	11-000-223-110	-	9,500	9,500	8,600
Purchased Professional - Educational Services	11-000-223-320	36,500	(5,000)	31,500	9,403
Other Purchased Services	11-000-223-500	2,500	1,500	4,000	3,636
Total Undistributed Expenditures - Instructional Staff Training Services		39,000	6,000	45,000	21,639
Undistributed Expenditures - Support Services - General Administration:					
Salaries	11-000-230-100	859,165	11,894	871,059	871,059
Legal Services	11-000-230-331	185,000	(38,500)	146,500	97,586
Audit Fees	11-000-230-332	40,000	-	40,000	37,900
Architectural/Engineering Services	11-000-230-334	10,000	-	10,000	-
Other Purchased Professional Services	11-000-230-339	6,500	-	6,500	4,000
Purchased Technical Services	11-000-230-340	72,810	6,000	78,810	78,553
Communications/Telephone	11-000-230-530	75,617	20,000	95,617	87,150
BOE Other Purchased Professional Services	11-000-230-585	21,000	-	21,000	17,871
Other Purchased Services	11-000-230-590	40,243	-	40,243	30,821
General Supplies	11-000-230-610	10,550	-	10,550	8,223
BOE In-House Training/Meeting Supplies	11-000-230-630	16,896	-	16,896	13,940
Judgements	11-000-230-820	15,000	595,000	610,000	609,730
Miscellaneous Expenditures	11-000-230-890	62,775	(6,000)	56,775	29,776
Total Undistributed Expenditures - Support Services - General Administration		1,415,556	588,394	2,003,950	1,886,609
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	515,424	64,686	580,110	579,942
Salaries of Secretaries & Clerical Assistants	11-000-240-105	345,660	5,713	351,373	351,291
Purchased Professional & Technical Services	11-000-240-300	5,000	-	5,000	-
Other Purchased Services	11-000-240-500	14,000	-	14,000	9,961
Supplies and Materials	11-000-240-600	8,044	(3,000)	5,044	3,752
Other Objects	11-000-240-800	9,700	-	9,700	6,069
Total Undistributed Expenditures - Support Services - School Administration		897,828	67,399	965,227	951,015

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL TO ACTUAL
ACCOUNT NUMBERS				
Undistributed Expenditures - Central Services:				
Salaries	815,831	40,196	856,027	852,993
Purchased Professional Services	31,000	41,000	72,000	48,153
Purchased Technical Services	1,500	-	1,500	1,000
Miscellaneous Purchased Services	25,000	4,000	29,000	26,422
Supplies and Materials	5,600	2,000	7,600	5,659
Interest on Lease Purchase Agreements	3,200	-	3,200	2,729
Miscellaneous Expenditures	8,900	-	8,900	8,488
Total Undistributed Expenditures - Central Services	891,031	87,196	978,227	945,444
Undistributed Expenditures -				
Administrative Information Technology:				
Salaries	250,786	(144,223)	106,563	104,692
Purchased Technical Services	119,146	84,000	203,146	130,552
Supplies and Materials	16,500	35,000	51,500	48,351
Total Undistributed Expenditures -	386,432	(25,223)	361,209	283,595
Administrative Information Technology				77,614
Undistributed Expenditures - Custodial Services:				
Salaries	175,565	56,100	231,665	230,969
Cleaning, Repair & Maintenance Services	49,758	38,000	87,758	73,173
Other Purchased Property Services	10,867	2,500	13,367	11,496
Insurance	48,325	(5,000)	43,325	41,701
Miscellaneous Purchased Services	2,828	-	2,828	2,161
General Supplies	29,952	7,000	36,952	35,518
Energy (Natural Gas)	39,500	(7,000)	32,500	28,498
Energy (Electricity)	59,691	20,000	79,691	71,281
Energy (Gasoline)	2,000	-	2,000	579
Other Objects	3,175	-	3,175	1,082
Total Undistributed Expenditures - Custodial Services	421,661	111,600	533,261	496,458
Undistributed Expenditures -				
Care and Upkeep of Grounds:				
Cleaning, Repair & Maintenance Services	83,000	-	83,000	61,272
Total Undistributed Expenditures -	83,000	-	83,000	61,272
Care and Upkeep of Grounds				21,728

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL TO ACTUAL
Security:				
Salaries	-	19,375	19,375	4,360
General Supplies	2,000	6,200	8,200	1,034
Total Security	2,000	25,575	27,575	5,394
Undistributed Expenditures -				
Student Transportation Services:				
Salaries of Pupil Transportation (Between Home & School) - Regular	571,609	13,828	585,437	19,918
Other Purchased Prof. and Technical Serv.	151,325	-	151,325	463
Contract Services - Aid in Lieu Payments - Non Public Schools	350,000	(172,100)	177,900	101,381
Contract Serv.(Sp Ed Sids)-Vendors	64,332,247	(262,087)	64,070,160	14,887,923
Miscellaneous Purchased Services - Transportation	1,500	300	1,800	153
General Supplies	9,203	-	9,203	3,531
Miscellaneous Expenditures	550	-	550	10
Total Undistributed Expenditures -	65,416,434	(420,059)	64,996,375	15,013,379
Student Transportation Services				
Unallocated Benefits:				
Group Insurance	12,000	-	12,000	4,390
Social Security Contributions	120,000	50,000	170,000	27,973
Other Retirement Contributions - PERS	691,812	(310,000)	381,812	183,958
Pension Contributions	35,000	35,000	70,000	12,250
Unemployment Compensation	50,635	-	50,635	32,019
Workmen's Compensation	128,500	11,100	139,600	43,774
Health Benefits	2,146,095	(448,100)	1,697,995	394,686
Tuition Reimbursement	20,000	-	20,000	14,136
Other Employee Benefits	97,500	35,000	132,500	2,343
Unused Sick Payment to Staff	25,000	(25,000)	-	-
Total Unallocated Benefits	3,326,542	(652,000)	2,674,542	715,529
Undistributed Expenditures -				
Food Service:				
Student Breakfasts and Lunches	-	25,000	25,000	25,000
Total Undistributed Expenditures -	-	25,000	25,000	25,000
Food Service				

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Nonbudgeted:					
TPAF Pension (on-behalf)		-	-	-	1,164,935
TPAF Social Security (reimbursed)		-	-	-	310,683
TPAF Post Retirement Medical Benefits (on-behalf)		-	-	-	340,395
TPAF Long-Term Disability Insurance (on-behalf)		-	-	-	419
					(419)
Total Undistributed Expenditures		73,018,923	(167,618)	72,851,305	58,522,781
					14,328,524
Total Expenditures - Current Expense		74,266,369	(147,845)	74,118,524	59,612,215
					14,506,309
Capital Outlay:					
Undistributed Expenditures:					
Undistributed Expenditures - General Admin.	12-000-230-730	25,505	-	25,505	17,596
Undistributed Expenditures - Admin Info Tech.	12-000-252-730	42,000	-	42,000	-
Undist. Expend. - Required Maint for School Fac.	12-000-261-730	160,000	(12,000)	148,000	8,267
Undist. Expend. - Custodial Services	12-000-262-730	-	12,000	12,000	10,864
Undist. Expend. - Security	12-000-266-730	90,461	(25,000)	65,461	10,461
					55,000
Total Equipment		317,966	(25,000)	292,966	47,188
					245,778
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	12-000-400-334	-	150,000	150,000	7,832
Construction Services	12-000-400-450	126,140	(124,525)	1,615	142,168
Lease Purchase Agreements - Principal	12-000-400-721	500,000	(500,000)	-	1,615
					-
Total Facilities Acquisition & Construction Services		626,140	(474,525)	151,615	9,447
					142,168
Total Capital Outlay		944,106	(499,525)	444,581	56,635
					387,946
Special Schools:					
Summer School - Instruction:	13-422-100-101	150,000	-	150,000	145,300
Salaries					4,700
Total Summer School - Instruction		150,000	-	150,000	145,300
					4,700
Total Special Schools					
Total Expenditures		75,360,475	(647,370)	74,713,105	59,814,150
					14,898,955
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(6,619,475)	647,370	(5,972,105)	(4,269,149)
					1,702,956

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

ACCOUNT NUMBERS	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Other Financing Sources/(Uses):				
Transfers In(Out):				
Transfer In from Other Funds	2,909,000	-	2,909,000	4,650,433
Transfer To Other Funds	-	(500,000)	(500,000)	(500,000)
Total Other Financing Sources/(Uses)	2,909,000	(500,000)	2,409,000	4,150,433
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures				
After Other Financing Sources/(Uses)	(3,710,475)	147,370	(3,563,105)	(118,716)
Fund Balances, July 1	15,086,793	-	15,086,793	15,086,793
Fund Balances, June 30	\$ 11,376,318	\$ 147,370	\$ 11,523,688	\$ 14,968,077
				\$ 3,444,389

RECAPITULATION OF BUDGET TRANSFERS

\$ 147,370

RECAPITULATION OF FUND BALANCE

Non-Spendable:	
Leases	\$ 126,571
Restricted Fund Balance:	
Unemployment Reserve	21,510
Assigned Fund Balance:	
Year-End Encumbrances	171,217
Unassigned Fund Balance	14,648,779
Fund Balance per Governmental Funds (GAAP)	\$ 14,968,077

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025			VARIANCE FINAL TO ACTUAL (OVER/ UNDER)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL
Revenues:				
Local Sources	\$ 2,000	\$ -	\$ 2,000	\$ -
Federal Sources	450,000	633,779	1,083,779	881,543
				202,236
Total Revenues	452,000	633,779	1,085,779	883,543
				202,236
Expenditures:				
Instruction:				
Purchased Professional - Educational Services	-	132,278	132,278	127,982
Other Purchased Services (400-500 Series)	-	50,005	50,005	21,810
General Supplies	2,000	135,025	137,025	12,565
				124,460
Total Instruction	2,000	317,308	319,308	162,357
				156,951
Support Services:				
Salaries of Other Professional Staff	69,420	5,347	74,767	146,035
Salaries of Secretarial and Clerical Assistants	80,628	(1,409)	79,219	-
Personal Services - Employee Benefits	20,000	50,419	70,419	46,691
Purchased Educational Services	259,952	(67,723)	192,229	182,270
Other Purchased Services (400-500 Series)	-	1,063	1,063	529
Transportation	-	337,014	337,014	335,874
Supplies and Materials	-	2,887	2,887	2,711
Other Objects	20,000	(11,127)	8,873	7,076
				1,797
Total Support Services	450,000	316,471	766,471	721,186
				45,285
Total Expenditures	452,000	633,779	1,085,779	883,543
				202,236
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	-	-	-	-
Fund Balances, July 1	-	-	-	-
Fund Balances, June 30	-	-	-	-
	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2025

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 55,545,001	\$ 883,543
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(11,960)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 55,545,001</u>	<u>\$ 871,583</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 59,814,150	\$ 883,543
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	(11,960)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 59,814,150</u>	<u>\$ 871,583</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS *

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability	0.05262%	0.05053%	0.03954%	0.05271%	0.06063%	0.05379%	0.04868%	0.04706%	0.04708%	0.04398%
Commission's proportionate share of the net pension liability	\$ 7,149,799	\$ 7,319,190	\$ 5,966,384	\$ 6,244,327	\$ 9,887,889	\$ 9,691,619	\$ 9,583,885	\$ 10,953,920	\$ 13,943,879	\$ 9,872,210
Commission's covered payroll	\$ 4,402,693	\$ 3,907,196	\$ 3,746,569	\$ 2,818,296	\$ 3,427,577	\$ 4,062,474	\$ 3,565,958	\$ 3,322,054	\$ 3,025,156	\$ 3,167,776
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	162.40%	187.33%	159.25%	221.56%	288.48%	238.56%	268.76%	329.73%	460.93%	311.64%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF COMMISSION'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's contractually required contribution	\$ 715,988	\$ 675,369	\$ 498,556	\$ 617,299	\$ 663,310	\$ 523,190	\$ 484,160	\$ 435,925	\$ 418,256	\$ 378,094
Contributions in relation to the contractually required contribution	(715,988)	(675,369)	(498,556)	(617,299)	(663,310)	(523,190)	(484,160)	(435,925)	(418,256)	(378,094)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered payroll	\$ 4,857,224	\$ 4,402,693	\$ 3,907,196	\$ 3,746,569	\$ 2,818,296	\$ 3,427,577	\$ 4,062,474	\$ 3,565,958	\$ 3,322,054	\$ 3,025,156
Contributions as a percentage of covered payroll	14.74%	15.34%	12.76%	16.48%	23.54%	15.26%	11.92%	12.22%	12.59%	12.50%

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Commission's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Commission	\$ 13,307,429	\$ 11,597,764	\$ 14,140,661	\$ 14,499,512	\$ 20,411,212	\$ 20,959,531	\$ 22,263,465	\$ 20,453,158	\$ 19,783,484	\$ 17,947,932
	\$ 13,307,429	\$ 11,597,764	\$ 14,140,661	\$ 14,499,512	\$ 20,411,212	\$ 20,959,531	\$ 22,263,465	\$ 20,453,158	\$ 19,783,484	\$ 17,947,932
Commission's covered payroll	\$ 4,294,828	\$ 3,497,570	\$ 3,207,675	\$ 3,039,955	\$ 3,324,216	\$ 3,250,219	\$ 3,488,327	\$ 3,523,252	\$ 3,713,043	\$ 3,655,183
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.23%	28.71%

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

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

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST EIGHT FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Commission's Total OPEB Liability								
Service Cost	\$ 1,487,108	\$ 1,279,505	\$ 1,994,118	\$ 2,486,702	\$ 1,350,619	\$ 1,408,640	\$ 1,617,644	\$ 1,930,599
Interest Cost	1,024,766	931,489	709,327	862,170	835,401	1,005,420	1,108,947	938,833
Differences Between Expected and Actual Experiences	597,490	(1,879,357)	(1,312,964)	(7,024,154)	6,323,686	(4,150,047)	(3,994,433)	-
Changes of Assumptions	2,329,028	53,310	(7,180,204)	32,790	6,862,877	340,433	(2,858,322)	(3,869,761)
Contributions: Member	26,798	23,871	22,540	22,041	19,825	20,776	23,019	25,311
Gross Benefit Payments	(782,630)	(726,111)	(702,609)	(679,148)	(654,075)	(700,886)	(666,032)	(687,387)
Net Change in Commission's Total OPEB Liability	4,682,560	(317,293)	(6,469,792)	(4,334,974)	14,738,333	(2,075,664)	(4,769,177)	(1,662,405)
Commission's Total OPEB Liability (Beginning)	26,448,648	26,765,941	33,235,733	37,570,707	22,832,374	24,908,038	29,677,215	31,339,620
Commission's Total OPEB Liability (Ending)	\$ 31,131,208	\$ 26,448,648	\$ 26,765,941	\$ 33,235,733	\$ 37,570,707	\$ 22,832,374	\$ 24,908,038	\$ 29,677,215
Commission's Covered Employee Payroll	\$ 9,152,052	\$ 7,900,263	\$ 7,900,263	\$ 7,114,871	\$ 6,786,524	\$ 6,142,512	\$ 6,677,796	\$ 7,550,801
Commission's Net OPEB Liability as a Percentage of Payroll	340%	335%	339%	467%	554%	372%	373%	393%

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

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

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2025

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2021	7.00%	2018	5.66%	2015	4.90%
2023	7.00%	2020	7.00%	2017	5.00%	2014	5.39%
2022	7.00%	2019	6.28%	2016	3.98%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2021	7.00%	2018	7.00%	2015	7.90%
2023	7.00%	2020	7.00%	2017	7.00%	2014	7.90%
2022	7.00%	2019	7.00%	2016	7.65%		

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

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None.

Changes in Assumptions

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2021	7.00%	2018	4.86%	2015	4.13%
2023	7.00%	2020	5.40%	2017	4.25%	2014	4.68%
2022	7.00%	2019	5.60%	2016	3.22%		

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	7.00%	2021	7.00%	2018	7.00%	2015	7.90%
2023	7.00%	2020	7.30%	2017	7.00%	2014	7.90%
2022	7.00%	2019	7.00%	2016	7.65%		

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

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms

None.

Differences Between Expected and Actual Experiences

The decrease in differences between expected and actual experiences from June 30, 2023 to June 30, 2024 was a result of changes to the census, claims and premiums and claims experience.

Changes in Assumptions

The increase in changes in assumptions from June 30, 2023 to June 30, 2024 is a result of a change in the discount rate and trend update.

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2021	2.16%	2018	3.87%
2023	3.65%	2020	2.21%	2017	2.21%
2022	3.54%	2019	3.50%	2016	2.85%

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025

	McKinney-Vento Homeless Education	ARP - Homeless Children and Youth I	ARP - Homeless Children and Youth II	Small, Rural School Achievement Program (SRSA)	NJSIG Safety Grant	Totals
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
Federal Sources	809,803	44,142	916	26,682	-	881,543
Total Revenues	809,803	44,142	916	26,682	2,000	883,543
Expenditures:						
Instruction:						
Purchased Professional - Educational Services	101,300	-	-	26,682	-	127,982
Other Purchased Services (400-500 Series)	21,810	-	-	-	-	21,810
General Supplies	10,565	-	-	-	2,000	12,565
Total Instruction	133,675	-	-	26,682	2,000	162,357
Support Services:						
Salaries of Other Professional Staff	146,035	-	-	-	-	146,035
Personal Services - Employee Benefits	46,691	-	-	-	-	46,691
Purchased Educational Services	169,443	12,827	-	-	-	182,270
Other Purchased Services (400-500 Series)	529	-	-	-	-	529
Transportation	304,909	30,965	-	-	-	335,874
Supplies and Materials	1,820	-	891	-	-	2,711
Other Objects	6,701	350	25	-	-	7,076
Total Support Services	676,128	44,142	916	-	-	721,186
Total Expenditures	809,803	44,142	916	26,682	2,000	883,543
Fund Balance, July 1	-	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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F. Capital Projects Fund

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**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2025**

Project Title / Issue	Original Date	Original Appropriations	Expenditures to Date		Unexpended Balance June 30, 2025
			Prior Years	Current Year	
Various Building Improvement Project	7/20/2023	\$ 15,000,000	\$ 2,198,225	\$ 8,770,315	\$ 4,031,460
Total		\$ 15,000,000	\$ 2,198,225	\$ 8,770,315	\$ 4,031,460

Reconciliation of Fund Balance

Unexpended Project Balances	\$ 4,031,460
Total Fund Balance (Budgetary Basis)	4,031,460
Total Fund Balance (GAAP Basis)	\$ 4,031,460

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

Revenues and Other Financing Sources:	
Interest	\$ 489,490
Total Revenues and Other Financing Sources	489,490
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	165,357
Construction Services	8,540,710
General Supplies	64,248
Transfer to Debt Service Fund	489,490
Total Expenditures and Other Financing Uses	9,259,805
Excess (Deficiency) of Revenues and Other Financing Sources	
Over (Under) Expenditures and Other Financing Uses	(8,770,315)
Fund Balance, July 1	12,801,775
Fund Balance, June 30	\$ 4,031,460

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
VARIOUS BUILDING IMPROVEMENT PROJECT
YEAR ENDED JUNE 30, 2025**

	Prior Years	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources - Lease Bond Proceeds	\$ 14,795,000	\$ -	\$ 14,795,000	\$ 14,795,000
Premium on Bond Issuance	205,000	-	205,000	205,000
Total Revenues and Other Financing Sources	15,000,000	-	15,000,000	15,000,000
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	435,098	165,357	600,455	1,355,842
Construction Services	1,763,127	8,540,710	10,303,837	13,579,910
General Supplies	-	64,248	64,248	64,248
Total Expenditures and Other Financing Uses	2,198,225	8,770,315	10,968,540	15,000,000
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 12,801,775	\$ (8,770,315)	\$ 4,031,460	\$ -

Name Of Project
Various Building Improvement Project

Bond Authorization Date	July 2023
Bonds Authorized	\$ 14,795,000
Bonds Issued	14,795,000
Original Authorized Cost	15,000,000
Revised Authorized Cost	15,000,000
Percentage Completion	73.12%
Original Target Completion Date	N/A
Percentage Completion	73.12%
Original Target Completion Date	September 2025

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H. Fiduciary Fund

Not Applicable

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I. Long-Term Debt

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
LONG-TERM DEBT
SCHEDULE OF LEASE REVENUE BONDS
YEAR ENDED JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT				
Term Bond (5 Year Par Call) - 2023	7/20/2023	\$ 2,800,000	7/15/2025	\$ 100,000	4.000%	\$	\$ 40,000	\$ 2,760,000
			7/15/2026	105,000	4.000%			
			7/15/2027	110,000	4.000%			
			7/15/2028	110,000	4.000%			
			7/15/2029	115,000	4.000%			
			7/15/2030	120,000	4.000%			
			7/15/2031	125,000	4.000%			
			7/15/2032	130,000	4.000%			
			7/15/2033	135,000	4.000%			
			7/15/2034	140,000	4.000%			
			7/15/2035	145,000	4.000%			
			7/15/2036	155,000	4.000%			
			7/15/2037	160,000	4.000%			
			7/15/2038	165,000	4.000%			
			7/15/2039	175,000	4.000%			
			7/15/2040	180,000	4.000%			
			7/15/2041	190,000	4.000%			
			7/15/2042	195,000	4.000%			
			7/15/2043	205,000	4.000%			

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
LONG-TERM DEBT
SCHEDULE OF LEASE REVENUE BONDS
YEAR ENDED JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	RETIRED	BALANCE JUNE 30, 2025
			DATE	AMOUNT				
Serial Bonds (10 Year Par Call) - 2023	7/20/2023	11,995,000.00	7/15/2025	385,000	5.000%	11,995,000.00	85,000.00	11,910,000.00
			7/15/2026	405,000	5.000%			
			7/15/2027	425,000	5.000%			
			7/15/2028	450,000	5.000%			
			7/15/2029	470,000	5.000%			
			7/15/2030	495,000	5.000%			
			7/15/2031	520,000	5.000%			
			7/15/2032	545,000	5.000%			
			7/15/2033	575,000	5.000%			
			7/15/2034	605,000	5.000%			
			7/15/2035	635,000	5.000%			
			7/15/2036	670,000	5.000%			
			7/15/2037	700,000	5.000%			
			7/15/2038	740,000	5.000%			
			7/15/2039	775,000	5.000%			
			7/15/2040	815,000	5.000%			
			7/15/2041	855,000	5.000%			
			7/15/2042	900,000	5.000%			
			7/15/2043	945,000	5.000%			
Total						\$ 14,795,000	\$ 125,000	\$ 14,670,000

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES
YEAR ENDED JUNE 30, 2025

PURPOSE	ORIGINAL PRINCIPAL	INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2024	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2025
Savin Copiers	\$ 30,285	5.79%	\$ 11,099	\$ 6,528	\$ 4,571
Savin Copiers	42,626	3.00%	26,796	8,414	18,382
		Total	\$ 37,895	\$ 14,942	\$ 22,953

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	JUNE 30, 2025		VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	FINAL TO ACTUAL
Revenues:			
Local Sources:			
Interest on Investments	\$ 495,815	\$ 495,815	\$ 52,648
Miscellaneous	184,000	184,000	184,000
			-
Total Revenues	679,815	679,815	236,648
			443,167
Expenditures:			
Regular Debt Service:			
Interest	1,054,815	1,054,815	1,054,815
Redemption of Principal	125,000	125,000	125,000
			-
Total Regular Debt Service	1,179,815	1,179,815	1,179,815
			-
Total Expenditures	1,179,815	1,179,815	1,179,815
			-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)	(500,000)	(500,000)	(943,167)
			443,167
Other Financing Sources/(Uses)			
Transfers In/(Out):			
Interest Earned in Capital Project Fund	-	-	489,490
Transfer from General Fund	500,000	500,000	500,000
			-
Total Other Financing Sources/(Uses)	500,000	500,000	989,490
			-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures After Other Financing Sources/(Uses)	-	-	46,323
			443,167
Fund Balance, July 1,	-	-	2,238,278
			2,238,278
Fund Balance, June 30,	-	-	2,284,601
	\$ -	\$ -	\$ 2,681,445

STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

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

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 5,180,728	6,100,649	6,390,115	5,535,434	\$ 6,012,903	\$ 6,216,993	\$ 6,390,848	\$ 6,555,841	\$ 6,598,874	\$ 6,693,335
Restricted	6,337,571	6,342	45,380	1,949	1,945	109,796	-	-	-	-
Unrestricted (Deficit)	1,699,209	(6,943,959)	(575,216)	(4,068,687)	(7,737,897)	(6,143,515)	(5,519,386)	(4,991,407)	(4,013,225)	(4,660,516)
Total Governmental Activities Net Position	\$ 13,217,508	\$ 5,860,279	\$ 1,468,696	\$ (1,723,049)	\$ 183,274	\$ 871,462	\$ 1,564,434	\$ 2,585,649	\$ 2,032,819	\$ 2,229,193
Business-Type Activities:										
Unrestricted	965,280	454,589	(29,427)	(145,913)	(10,519)	5,000	5,000	5,224	17,504	6,914
Total Business-Type Activities Net Position	\$ 965,280	\$ (29,427)	\$ (145,913)	\$ (10,519)	\$ 5,000	\$ 5,000	\$ 5,224	\$ 17,504	\$ 6,914	\$ 7,133
Government-wide										
Net Investment in Capital Assets	\$ 5,180,728	6,100,649	6,390,115	5,535,434	\$ 6,012,903	\$ 6,216,993	\$ 6,390,848	\$ 6,555,841	\$ 6,598,874	\$ 6,693,335
Restricted	6,337,571	15,046,395	45,380	1,949	1,945	109,796	-	-	-	-
Unrestricted (Deficit)	2,664,489	(6,489,370)	(604,643)	(4,214,600)	(7,748,416)	(6,138,515)	(5,514,386)	(4,986,183)	(3,995,721)	(4,653,602)
Total Commission Net Position	\$ 14,182,788	\$ 14,657,674	\$ 5,830,852	\$ (1,733,568)	\$ 188,274	\$ 876,462	\$ 1,569,658	\$ 2,603,153	\$ 2,039,733	\$ 2,236,326

Source: ACFR Schedule A-1

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR ENDED,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities:										
Current:										
Regular Instruction	\$ 563,626	\$ 609,819	\$ 4,218,925	\$ 5,826,746	\$ 5,128,377	\$ 3,835,092	\$ 4,295,986	\$ 3,501,486	\$ 3,584,026	\$ 4,263,659
Special Schools Instruction	2,411,932	1,468,550	903,801	803,015	266,240	-	-	-	-	-
Other Instruction	1,370,302	1,078,386	620,297	946,852	1,666,264	-	-	-	-	-
Support Services And Undistributed Costs:										
Student & Instruction Related Services	749,452	1,343,617	7,628,575	5,801,646	5,631,486	-	-	-	-	-
Attendance & Social Work Services	66,265	71,010	67,585	64,909	68,345	63,560	61,800	60,092	50,353	48,886
Health Services	31,613	33,485	28,341	25,618	27,658	27,201	25,669	28,709	28,477	28,085
Other Support Services	-	-	-	-	-	3,116,998	3,552,821	4,014,189	3,942,945	3,062,042
Instruction Staff Training	-	-	-	-	-	1,517	1,804	1,375	3,701	2,699
School Administrative Services	-	-	-	-	-	696,126	970,518	866,645	894,008	785,768
Central Services	974,299	810,434	692,754	653,097	722,871	-	-	-	-	-
General Administrative Services	968,565	851,220	746,922	610,780	581,699	823,785	894,226	868,005	870,028	966,248
Admin Info Technology	1,932,688	1,203,672	976,327	1,006,610	1,373,148	997,377	986,245	947,468	1,002,528	831,416
Allowed Maintenance For School Facilities	275,499	307,960	296,682	314,539	386,335	-	-	-	-	-
Other Operation & Maintenance Of Plant	809,535	457,534	419,353	414,717	660,534	607,053	628,516	857,076	563,019	552,738
Care & Upkeep Of Grounds	-	-	-	-	-	29,247	49,728	72,830	41,860	-
Pupil Transportation	51,202,832	56,381,985	58,241,091	52,171,254	27,824,593	38,008,905	43,011,909	40,517,345	36,425,335	32,024,563
Food Services	-	-	27,898	16,087	6,403	-	-	-	-	-
Unallocated Employee Benefits	-	-	-	-	-	-	-	-	-	-
Non-Budgeted Expenditure	-	-	-	-	-	2,121,093	2,005,949	2,223,551	1,668,043	2,197,619
Special Schools	148,590	117,139	92,100	-	-	478,500	543,237	621,684	533,260	534,046
Cancellation of Accounts Payable	-	-	-	106,947	150,505	129,482	141,880	148,863	182,699	236,362
Cancellation of Accounts Receivable	1,317,521	1,668,673	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	62,822,719	66,403,484	75,092,160	68,762,817	44,494,458	50,935,936	57,170,288	54,729,318	49,790,062	45,575,991
Business-Type Activities:										
Expenses:										
Adult School	-	-	5,931	23,642	15,519	-	-	-	-	-
Contracted Services	21,107,762	18,468,415	6,758,538	7,117,496	6,129,025	5,393,601	5,319,804	4,748,370	3,853,435	3,081,705
Total Business-Type Activities Expenses	21,107,762	18,468,415	6,764,469	7,141,138	6,144,544	5,393,601	5,319,804	4,748,370	3,853,435	3,081,705
Total Government-Wide Expenses	\$ 83,930,481	\$ 84,871,899	\$ 81,856,629	\$ 75,903,955	\$ 50,639,002	\$ 56,329,537	\$ 62,490,092	\$ 59,477,688	\$ 53,643,497	\$ 48,657,696
Program Revenues:										
Government Activities:										
Charges For Services	\$ -	\$ -	\$ -	\$ 9,428,915	\$ 7,827,091	\$ 2,030,847	\$ 1,668,874	\$ 2,074,120	\$ 2,606,267	\$ 2,897,257
Instruction (Tuition)	-	-	-	-	-	-	-	-	-	-
Pupil Transportation	48,348,895	61,109,604	60,559,629	53,602,680	27,509,868	39,186,586	44,745,780	42,027,992	37,881,761	33,253,945
Operating Grants And Contributions	3,065,594	1,894,476	11,225,656	11,853,459	10,907,171	5,577,054	6,584,774	6,461,683	6,364,511	6,200,209
Total Governmental Activities Program Revenues	51,414,489	63,004,080	71,785,285	65,456,139	38,417,039	46,794,487	52,999,428	50,563,795	46,852,539	42,351,411
Business-Type Activities:										
Charges For Services	26,268,886	23,253,383	10,271,587	9,438,000	7,827,091	7,575,051	7,598,095	6,658,966	5,328,694	4,230,114
Contracted Services	-	29,427	-	-	-	-	-	-	13,439	20,294
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	26,268,886	23,282,810	10,271,587	9,438,000	7,827,091	7,575,051	7,598,095	6,658,966	5,342,133	4,250,408
Total Government-Wide Program Revenues	\$ 77,683,375	\$ 86,286,890	\$ 82,056,872	\$ 74,894,139	\$ 46,244,130	\$ 54,369,538	\$ 60,597,523	\$ 57,222,761	\$ 52,194,672	\$ 46,601,819

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
(Unaudited)

	FISCAL YEAR ENDED,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (Expenses)/Revenues:										
Governmental Activities	\$ (11,408,230)	\$ (3,399,404)	\$ (3,306,875)	\$ (3,306,678)	\$ (6,077,419)	\$ (4,141,449)	\$ (4,170,860)	\$ (4,165,523)	\$ (2,937,523)	\$ (3,224,580)
Business-Type Activities	5,161,124	4,814,395	3,307,118	2,296,862	1,682,547	2,181,450	228,291	1,910,596	1,488,698	1,168,703
Total Government-Wide, Net (Expenses)/Revenues	\$ (6,247,106)	\$ 1,414,991	\$ 200,243	\$ (1,009,816)	\$ (4,394,872)	\$ (1,959,999)	\$ (3,942,569)	\$ (2,254,927)	\$ (1,448,825)	\$ (2,055,877)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
On-Behalf and TPAF Aid	\$ 869,583	\$ 1,497,639	\$ 1,000,237	\$ 502,675	\$ 477,792	\$ 478,500	\$ 543,237	\$ 621,684	\$ 533,260	\$ 534,046
Miscellaneous Income	2,745,937	3,335,466	898,199	2,148,964	524,551	793,311	656,136	599,748	1,478,985	1,025,238
Tuition Charges	3,359,875	2,608,153	2,409,390	2,166,888	1,462,845	-	-	-	-	300,000
Transfers From (To) Other Funds	4,650,433	4,300,952	3,390,632	2,432,256	1,703,964	2,181,450	2,278,515	1,922,876	1,478,108	1,168,922
Total Government Activities	\$ 11,625,828	\$ 11,742,210	\$ 7,698,458	\$ 7,250,783	\$ 4,169,152	\$ 3,453,261	\$ 3,477,888	\$ 3,144,308	\$ 3,490,353	\$ 3,028,206
Business-Type Activities:										
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 5,898	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers From (To) Other Funds	(4,650,433)	(4,330,376)	(3,390,632)	(2,432,256)	(1,703,964)	(2,181,450)	(2,278,515)	(1,922,876)	(1,478,108)	(1,168,922)
Total Business-Type Activities	(4,650,433)	(4,330,376)	(3,390,632)	(2,432,256)	(1,703,964)	(2,181,450)	(2,278,515)	(1,922,876)	(1,478,108)	(1,168,922)
Total Government-Wide General Revenues and Other Changes in Net Position	\$ 6,975,395	\$ 7,411,834	\$ 4,307,826	\$ 4,818,527	\$ 2,471,086	\$ 1,271,811	\$ 1,199,373	\$ 1,221,432	\$ 2,012,245	\$ 1,859,284
Change in Net Position:										
Governmental Activities	\$ 217,598	\$ 8,342,806	\$ 4,391,583	\$ 3,944,105	\$ (1,908,267)	\$ (688,188)	\$ (692,972)	\$ (1,021,215)	\$ 552,830	\$ (196,374)
Business-Type Activities	510,691	484,019	116,486	(135,394)	(15,519)	-	(224)	(12,280)	10,590	(219)
Total Government-Wide Change in Net Position	\$ 728,289	\$ 8,826,825	\$ 4,508,069	\$ 3,808,711	\$ (1,923,786)	\$ (688,188)	\$ (693,196)	\$ (1,033,495)	\$ 563,420	\$ (196,593)

Source: ACFR Schedule A-2

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Non-Spendable	\$ 126,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,362,630	2,244,620	45,380	1,949	1,945	109,796	-	-	-	-
Committed	2,974,941	-	-	-	-	-	-	-	-	-
Assigned	171,217	13,858,858	406,924	117,948	352,708	-	-	-	-	-
Unreserved	14,648,779	11,369,976	7,778,282	5,735,616	2,991,217	3,960,938	3,942,138	3,991,956	4,194,863	3,380,292
Total General Fund	\$ 21,284,138	\$ 27,473,454	\$ 8,230,586	\$ 5,855,513	\$ 3,345,870	\$ 4,070,734	\$ 3,942,138	\$ 3,991,956	\$ 4,194,863	\$ 3,380,292

Source: ACFR Schedule B-1 and Commission records

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Commission Charges	\$ 2,000	\$ 2,000	\$ 9,345,511	\$ 8,660,778	\$ 7,143,717	\$ 5,577,054	\$ 6,584,774	\$ 6,461,683	\$ 6,364,511	\$ 6,200,209
Transportation Fees	48,348,895	61,109,604	60,559,629	53,602,680	27,509,868	39,186,586	44,745,780	42,027,992	37,881,761	33,253,945
Tuition Charges	3,359,875	2,608,153	2,409,390	2,166,888	1,462,845	2,030,847	1,668,874	2,074,120	2,606,267	2,897,257
Interest Earned On Capital Reserve Funds	-	-	-	-	-	36,721	60,208	50,621	3,122	3,766
Miscellaneous	2,745,937	18,130,466	898,199	2,148,965	524,551	346,713	431,212	333,519	450,595	507,898
State Sources	1,816,432	1,728,562	1,430,146	1,634,717	1,390,873	478,500	543,237	621,684	533,260	534,046
Federal Sources	869,583	1,497,639	1,000,237	502,675	477,792	549,538	-	-	-	-
Total Revenues	57,142,722	85,076,424	75,643,112	68,716,703	38,509,646	48,205,959	54,034,085	51,569,619	47,839,516	43,397,121
Expenditures:										
Current:										
Regular Instruction	162,357	239,024	2,831,970	3,387,163	2,291,572	-	-	-	-	-
Special Education Instruction	694,693	575,596	606,633	466,788	118,934	3,835,092	4,295,986	3,501,486	3,584,026	4,263,659
Other Instruction	394,741	422,695	416,394	550,366	744,494	-	-	-	-	-
Support Services And Undistributed Costs:										
Attendance	64,639	69,453	67,326	65,213	65,370	63,560	61,800	60,092	50,353	48,886
Health Services	30,801	32,777	28,226	25,740	26,433	27,201	25,669	28,709	28,477	28,085
Other Support Services	-	-	-	-	-	3,116,998	3,552,821	4,014,189	3,942,945	3,062,042
Instruction Staff Training	-	-	-	5,828,615	5,388,275	1,517	1,804	1,375	3,701	2,699
Student & Inst. Related Services	731,552	1,314,602	7,598,621	1,011,272	1,313,833	696,126	970,518	866,645	894,008	785,768
General Administrative Services	1,886,609	1,177,630	972,479	656,144	691,726	823,785	894,226	868,005	870,028	866,248
School Administrative Services	951,015	792,884	690,026	613,614	556,503	997,377	986,245	947,468	1,002,528	831,416
Other Administrative	945,444	832,820	743,992	613,614	369,713	-	-	-	-	-
Information Technology	283,595	321,639	317,554	329,511	417,601	342,644	397,181	378,248	316,728	327,671
Other Operation & Maintenance Of Plant	579,911	392,569	418,487	416,637	417,601	29,247	49,728	72,830	41,640	41,860
Care & Upkeep Of Grounds	-	-	-	-	-	49,953	44,742	44,525	44,462	43,116
Security	-	-	-	52,413,672	26,623,239	38,008,905	43,011,909	40,517,345	36,425,335	32,024,563
Student Transportation Services	49,982,996	55,161,951	58,012,321	62,413,672	64,033	-	-	-	-	-
Food Services	-	-	27,783	16,148	-	-	-	-	-	-
Business And Other Support Services:										
Unallocated Employee Benefits	1,959,013	1,760,264	1,217,993	665,160	772,347	1,478,164	1,527,788	1,448,276	1,500,763	1,625,048
Non-Budgeted Expenditures	1,816,432	1,728,209	1,422,065	1,634,717	1,390,873	478,500	543,237	621,684	533,260	534,046
Transfer To Cover Deficit	-	-	-	-	-	-	-	40,681	26,971	874
Special Schools	145,300	114,450	91,727	107,436	144,031	129,482	141,880	148,863	182,699	236,362
Principal	125,000	-	-	-	-	-	-	-	-	-
Interest & Other Charges	1,054,815	-	-	-	-	-	-	-	-	-
Capital Outlay	8,826,950	2,544,553	1,063,565	38,510	19,071	40,601	21,600	382,403	108,501	99,301
Total Expenditures	70,635,863	67,481,116	76,527,162	68,226,706	40,940,418	50,119,152	56,527,134	53,942,824	49,556,425	44,821,644
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(13,493,141)	17,595,308	(884,050)	489,997	(2,430,772)	(1,913,193)	(2,383,205)	(2,373,205)	(1,716,909)	(1,524,523)
Other Financing Sources/(Uses):										
Transfers In	5,639,923	6,520,295	3,390,632	2,432,256	1,703,964	2,041,789	2,443,231	2,180,298	2,531,480	1,987,426
Transfers Out	(989,490)	(2,219,343)	(131,509)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 4,650,433	\$ 4,300,952	\$ 3,259,123	\$ 1,703,964	\$ 2,041,789	\$ 2,443,231	\$ 2,180,298	\$ 2,531,480	\$ 1,987,426	\$ 3,503,382
Net Change In Fund Balances	\$ (8,842,708)	\$ 21,896,260	\$ 2,375,073	\$ (726,808)	\$ 128,596	\$ (49,818)	\$ (202,907)	\$ 814,571	\$ 462,903	\$ 754,998

Source: ACFR Schedule B-2 and Commission records

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	EARNINGS AND ADMINISTRATIVE FEES	TUITION CHARGES	RENT AND FACILITY USAGE FEES	MISCELLANEOUS	TOTAL
2025	\$ 308,515	\$ 48,348,895	\$ 3,359,875	\$ 402,710	\$ 1,308,574	\$ 53,728,569
2024	342,995	61,109,604	2,608,153	370,872	175,528	64,607,152
2023	7,054	60,559,629	2,409,390	407,973	483,172	63,867,218
2022	7,726	53,602,680	2,166,888	352,608	1,788,631	57,918,533
2021	8,453	27,509,868	1,462,845	317,051	203,322	29,501,539
2020	36,721	2,056,515	-	310,835	35,878	2,439,949
2019	60,208	2,449,896	-	304,740	126,472	2,941,316
2018	50,621	2,180,298	-	264,615	68,904	2,564,438
2017	3,122	2,531,480	-	264,615	185,980	2,985,197
2016	3,766	1,987,426	-	285,215	222,683	2,499,090
Total	\$ 829,181	\$ 262,336,291	\$ 12,007,151	\$ 3,281,234	\$ 4,599,144	\$ 283,053,001

Source: Commission Records

Operating Information

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

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**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)**

NEW JERSEY SCHOOL BOARDS ASSOCIATION**INSURANCE GROUP:****COVERAGE****DEDUCTIBLE****COMMERCIAL PACKAGE POLICY:**

Property - Blanket Real and Personal	\$ 10,447,488	\$ 1,000
Electronic Data Processing	500,000	1,000
Environmental Package	1,000,000	50,000
Extra Expense	50,000,000	1,000
Valuable Papers	10,000,000	1,000
Loss of Rents	1,500,000	1,000
Business Income/Tuition	250,000	1,000
Equipment Breakdown	100,000,000	1,000
Crime Coverage	250,000	1,000
Comprehensive General Liability	11,000,000	-
Automotive	11,000,000	-

SCHOOL LEADERS' ERRORS AND OMISSIONS:

Coverage A	1,000,000	15,000
Coverage B	100,000 / 300,000	15,000

SURETY BONDS:

School Business Administrator/Board Secretary	300,000	1,000
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WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY:

Pro	9,544,740	-
Non-pro	97,670	-

Source: Commission Records

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SINGLE AUDIT SECTION

Fourth Section

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EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Monmouth-Ocean Educational Services Commission
County of Monmouth
Tinton Falls, New Jersey 07712

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Monmouth-Ocean Educational Services Commission (the Commission) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 9, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'Jerry W. Conaty', with a stylized, overlapping loop at the end.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 9, 2025

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Monmouth-Ocean Educational Services Commission
County of Monmouth
Tinton Falls, New Jersey 07712

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Monmouth-Ocean Educational Services Commission's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Commission's major federal and state programs for the fiscal year ended June 30, 2025. The Monmouth-Ocean Educational Services Commission's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Monmouth-Ocean Educational Services Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Monmouth-Ocean Educational Services Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'J. Conaty', with a stylized, overlapping flourish.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2470

Lakewood, New Jersey
December 9, 2025

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MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL FAIN NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENT	BALANCE, JUNE 30, 2025	
											(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR
U.S. Department of Education Passed Through New Jersey Department of Education: McKinney-Vento Education for Homeless Children and Youth Small, Rural School Achievement (SRSA) 24-25	84.196	S196A250031	100-034-5064-088	\$ 1,314,422	7/1/24-6/30/25	\$ (74,734)	\$ 523,579	\$ (809,803)	-	\$ -	\$ (360,958)	\$ -
	84.358	S338A251044	Not Available	27,293	7/1/24-6/30/25	(23,267)	26,389	(26,682)	-	-	(23,560)	-
						(98,001)	549,968	(836,485)	-	-	(384,518)	-
						(2,500)	-	-	-	2,500	-	-
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund CRRSA ESSER II - Non Title I ARP Homeless I Children and Youth ARP Homeless II Children and Youth	84.425D	S425D210027	100-034-5120-518	5,000	3/13/20-9/30/23	(4,287)	48,429	(44,142)	-	-	-	-
	84.425W	S425W210051	100-034-5064-233	388,767	6/1/21-9/30/24	(74,697)	75,613	(916)	-	-	-	-
	84.425W	S425W210051	100-034-5064-233			(81,484)	124,042	(45,058)	-	2,500	-	-
						(179,485)	674,010	(881,543)	-	2,500	(384,518)	-
Total U.S. Department of Education						(22,604)	-	-	-	22,604	-	-
U.S. Department of the Treasury Passed Through the Treasury Coronavirus Relief Aid	21.019	C8220COVID19	N/A	27,241	3/1/20-12/30/20	(22,604)	-	-	-	-	-	-
Total U.S. Department of the Treasury						(22,604)	-	-	-	22,604	-	-
Total Expenditures of Federal Awards						\$ (202,089)	\$ 674,010	\$ (881,543)	\$ -	\$ 25,104	\$ (384,518)	\$ -

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2025	DEFERRED REVENUE AT JUNE 30, 2025	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
New Jersey Department of Education:											
General Fund:											
Reimbursed TPAF Social Security Contributions	495-034-5094-003	\$ 310,683	7/1/24-6/30/25	\$ (12,254)	\$ 307,517	\$ (310,683)	\$ -	\$ (15,420)	\$ -	\$ -	\$ 310,683
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	1,164,935	7/1/24-6/30/25	-	1,164,935	(1,164,935)	-	-	-	-	1,164,935
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	419	7/1/24-6/30/25	-	419	(419)	-	-	-	-	419
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	340,395	7/1/24-6/30/25	-	340,395	(340,395)	-	-	-	-	340,395
Total General Fund				(12,254)	1,813,266	(1,816,432)	-	(15,420)	-	-	1,816,432
Total New Jersey Department of Education											
				(12,254)	1,813,266	(1,816,432)	-	(15,420)	-	-	1,816,432
Total State Financial Assistance											
				(12,254)	1,813,266	(1,816,432)	\$ -	\$ (15,420)	\$ -	\$ -	1,816,432
State Financial Assistance Programs not subject to Calculation for Major Program Determination											
TPAF - Pension Contributions (Noncash Assistance)	495-034-5094-002	\$ 1,164,935	7/1/24-6/30/25		\$	1,164,935					
TPAF - Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	419	7/1/24-6/30/25			419					
TPAF - Post Retirement Medical (Noncash Assistance)	495-034-5094-001	340,395	7/1/24-6/30/25			340,395					
Total State Financial Assistance subject to Calculation for Major Program Determination											
						<u>\$ (310,683)</u>					

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

The Commission did not elect the applicable de minimis indirect cost rate as discussed in 2 CFR 200.414.

The amount reported as Teacher's Pension and Annuity Fund (TPAF) Pension Contributions represents the amount paid by the state on behalf of the Commission for the year ended June 30, 2025. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2025.

Note 3. Relationship to Basic Financial Statements

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

MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2025 (Continued)

Note 3. Relationship to Basic Financial Statements (Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(11,960) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the Commission's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,816,432	\$ 1,816,432
Special Revenue Fund	869,583	-	869,583
Total Awards & Financial Assistance	<u>\$ 869,583</u>	<u>\$ 1,816,432</u>	<u>\$ 2,686,015</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Federal and State Loans Outstanding

At June 30, 2025, the Commission is not the guarantor of any loans outstanding.

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:			
1) Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
2) Significant deficiency(ies) identified?	<u> </u> Yes	<u> X </u> No	
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	<u> </u> Yes	<u> X </u> No	

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.196</u>	<u>S196A250031</u>	<u>McKinney-Vento Education for Homeless Children and Youth</u>

Dollar threshold used to determine Type A programs	<u>\$</u>	<u>750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No

State Financial Assistance

Identification of major programs:

Reimbursed TPAF Social Security Contributions

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

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

None.

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

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

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

FEDERAL AWARDS

No Current Year Findings

STATE FINANCIAL ASSISTANCE

No Current Year Findings

**MONMOUTH-OCEAN EDUCATIONAL SERVICES COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2025**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.