

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

Prepared By:
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JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]

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INDEPENDENT AUDITOR'S REPORT

Chairman and Members of the Board of Trustees
Jersey Shore Regional Health Commission
628 Shrewsbury Ave, Suite C
Tinton Falls, NJ 07701

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jersey Shore Regional Health Commission [*formerly Monmouth County Regional Health Commission #1*], (the "Commission") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility 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 control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements – regulatory basis as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 auditing standards prescribed by the Division of Local Government Services, Department of Community Affairs, 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements – regulatory basis, 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 Jersey Shore Regional Health Commission, State of New Jersey'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 – regulatory basis.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jersey Shore Regional Health Commission, State of New Jersey'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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of December 31, 2023, and the respective changes in financial position, and, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 and C-2, RSI 1-3 related to accounting and reporting for pension and RSI 4-6 related to accounting and reporting related to post-employment benefits 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024 on our consideration of the Jersey Shore Regional Health Commission internal control over financial reporting and 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 Jersey Shore Regional Health Commission internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 30, 2024

SAMUEL KLEIN AND COMPANY, LLP

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

Board of Health Commissioners
Jersey Shore Regional Health Commission
628 Shrewsbury Ave, Suite C
Tinton Falls, NJ 07701

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, the financial statements of the Jersey Shore Regional Health Commission (the "Commission") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated September 30, 2024.

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 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 Commission'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.

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

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 may exist that have not been identified.

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 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*.

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* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
September 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION – PART I

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED

The discussion and analysis of the Jersey Shore Regional Health Commission [*formerly Monmouth County Regional Health Commission #1*] (the "Commission") financial performance provides an overall review of the Commission's financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the Commission's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the Commission's financial performance.

The 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 and Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year (December 31, 2023) and the prior year (December 31, 2022) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2023 are as follows:

In the Commission Wide Statements:

- General revenues accounted for \$592,087.13 in revenue or 40.01% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$887,427.16 or 59.99% of total revenues of \$1,479,514.29.
- Total assets of governmental activities increased by \$701,126.37. Cash and cash equivalents increased by \$267,486.66. Capital assets increased by \$35,015.00.

In the Fund Financial Statements:

- The General Fund had \$592,087.11 in revenues and \$497,010.03 in expenditures.
- Overall, the General Fund's fund balance increased \$742,898.50 from 2022.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Using this Annual Financial Report

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

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

Reporting the Commission as a Whole

Statement of Net Position and the Statement of Activities

While this document contains most of the funds used by the Commission to provide programs and activities, the view of the Commission as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in net position. This change in net position is important because it tells the reader that, for the Commission as a whole, the financial position of the Commission has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include changes in economic conditions, population growth, development and new or changed government regulation.

In the Statement of Net Position and the Statement of Activities, the Commission has one kind of activity: Governmental activities – All of the Commission's programs and services are reported here.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Reporting the Commission's Funds

Fund Financial Statements

Fund financial reports provide detailed information about the Commission's funds. The Commission uses one fund to account for a multitude of financial transactions. The Commission's governmental fund is the General Fund.

Governmental Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Commission- wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The Commission as a Whole

Recall that the Statement of Net Position provides the perspective of the Commission as a whole. Net position may serve over time as a useful indicator of a government's financial position. The Commission's financial position is the product of several 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.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Reporting the Commission's Funds (Continued)

Table I provides a summary of the Commission's net position for 2023. In accordance with GASB Statement No. 34, net position comparisons to fiscal year 2022 are presented.

TABLE 1 – NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Current and Noncurrent Assets	\$ 1,431,975.50	\$ 897,829.53	\$ 534,145.97
Capital Assets	107,271.93	81,652.46	25,619.47
Right-of-Use	213,285.00		213,285.00
Total Assets	<u>1,752,532.43</u>	<u>979,481.99</u>	<u>773,050.44</u>
Deferred Outflows of Resources			
Pension Related	192,415.00	313,094.00	(120,679.00)
OPEB Related	598,182.00	780,864.00	(182,682.00)
Total Deferred Outflows of Resources	<u>790,597.00</u>	<u>1,093,958.00</u>	<u>(303,361.00)</u>
Current Liabilities and Accrued Expenses	327,203.85	568,161.96	(240,958.11)
Noncurrent Liabilities:			
Net Pension Liability	1,264,390.00	1,773,750.00	(509,360.00)
Net OPEB Liability	1,480,545.00	1,823,935.00	(343,390.00)
Compensated Absences Payable	18,074.99	65,931.58	(47,856.59)
Right of Use	213,285.00	-	213,285.00
Total Liabilities	<u>3,303,498.84</u>	<u>4,231,778.54</u>	<u>(928,279.70)</u>
Deferred Inflows of Resources			
Pension Related	665,574.00	590,577.00	74,997.00
OPEB Related	1,600,346.00	1,584,064.00	16,282.00
Total Deferred Inflows of Resources	<u>2,265,920.00</u>	<u>2,174,641.00</u>	<u>91,279.00</u>
Invested in Capital Assets, Net of Related Debt	107,271.93	81,652.46	25,619.47
Unrestricted	<u>(3,134,220.87)</u>	<u>(4,414,632.01)</u>	<u>1,280,411.14</u>
Total	<u>\$ (3,026,948.94)</u>	<u>\$ (4,332,979.55)</u>	<u>\$ 1,306,030.61</u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Reporting the Commission's Funds (Continued)

Table 2 shows changes in net position for fiscal year 2023. In accordance with GASB Statement No. 34, revenue and expense comparisons to fiscal year 2022 is presented to comparatively analyze district-wide data.

TABLE 2 – CHANGES IN NET POSITION

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Expenses:			
Salaries	\$ 638,069.15	\$ 702,723.14	\$ (64,653.99)
Cost of Operations and Maintenance	356,367.86	459,556.73	(103,188.87)
Social Security, Pensions, Other Postemployment:			
Benefits and Other Payroll Taxes	(276,695.18)	364,773.87	(641,469.05)
Lease Obligation	70,379.48	73,709.40	(3,329.92)
Depreciation Expense	9,530.53	9,347.46	183.07
Amortization Expense	5,543.00	-	5,543.00
Total Program Expenses	<u>803,194.84</u>	<u>1,610,110.60</u>	<u>(806,915.76)</u>
Program Revenues and Operating Grants			
Clinics and Immunizations	3,042.40	2,659.00	383.40
Consortium Fees	9,648.01	60,537.25	(50,889.24)
Nursing Services	5,420.38	84,293.27	(78,872.89)
Child Lead Exposure Prevention Grant	84,306.35	121,455.40	(37,149.05)
Strengthen Local Public Health Capacity	254,583.83	204,357.41	50,226.42
Vaccination Supplemental Funding Grant	46,877.40	89,968.96	(43,091.56)
Colts Neck COVID-19 Vaccine Grant 2021	2,167.01	3,567.67	(1,400.66)
Electric	481,382.28	-	481,382.28
Total Program Revenues and Operating Grants	<u>887,427.66</u>	<u>566,838.96</u>	<u>320,588.70</u>
Net Program Expenses	<u>84,232.32</u>	<u>1,043,271.64</u>	<u>(1,127,504.46)</u>
General Revenues:			
Member Town Assessments	534,838.59	890,792.41	(355,953.82)
Fees and Licenses	11,235.00	16,987.50	(5,752.50)
Interest Income	46,013.54	10,000.49	36,013.05
Total General Revenues	<u>592,087.13</u>	<u>917,780.40</u>	<u>(325,693.27)</u>
Change in Net Position Operating	676,319.95	(125,491.24)	801,811.19
Nonoperating Revenue	629,710.66	(1,979.82)	631,690.48
Change in Net Position	<u>1,306,030.61</u>	<u>(123,511.42)</u>	<u>170,120.71</u>
Net Position - Beginning (deficit)	<u>(4,332,979.55)</u>	<u>(4,209,468.13)</u>	<u>(123,511.42)</u>
Net Position - Ending (deficit)	<u>\$ (3,026,948.94)</u>	<u>\$ (4,332,979.55)</u>	<u>\$ 46,609.29</u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Governmental Activities

As shown in Table 2 the Commission's total revenue from Governmental Activities was \$592,087.13. Member Town Assessments made up of \$534,838.59 or 90.33% of these revenues.

Also on Table 2, the total cost of Governmental programs and services was \$803,194.84. Salaries, payroll taxes and pension and other post-employment benefits comprise 44.99% of Commission expenses.

General Fund Budgeting Highlights

The Commission prepares and adopts annual budgets. The budget is designed to demonstrate that the cash flow of the Commission for the coming year will be sufficient to cover operating expenses.

Over the course of the year, the Commission revised the annual operating budget as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line-item accounts. The following table provides a 2023 budgetary comparison:

TABLE 3 – BUDGETARY COMPARISON – GENERAL FUND

	Budget as Modified	Actual	Favorable/ (Unfavorable)
Revenues:			
Member Town Assessments	\$ 510,618.00	\$ 534,838.59	\$ (24,220.59)
Other Revenue	103,933.25	75,359.33	28,573.92
Total Revenues	<u>614,551.25</u>	<u>610,197.92</u>	<u>4,353.33</u>
Appropriations:			
Salaries and Wages	535,780.00	66,602.89	469,177.11
Other Expenses	510,305.00	419,297.35	91,007.65
Total Appropriations	<u>1,046,085.00</u>	<u>485,900.24</u>	<u>560,184.76</u>
Excess Appropriations over Revenues	(431,533.75)	124,297.68	(555,831.43)
Capital Expenditures	12,500.00	11,109.79	1,390.21
Fund Balance Generated/(Used)	<u>(444,033.75)</u>	<u>113,187.89</u>	<u>(557,221.64)</u>
Nonoperating:			
Miscellaneous Revenue		629,710.66	(629,710.66)
Fund Balance January 1 (Budgetary Basis)	<u>477,883.57</u>	<u>477,883.57</u>	<u>-</u>
Fund Balance December 31 (Budgetary Basis)	<u>\$ 33,849.82</u>	<u>\$ 1,220,782.12</u>	<u>\$ (1,186,932.30)</u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Capital Assets

At the end of the fiscal year 2023, the Commission had \$ 610,800.53 invested in capital assets. Table 4 shows fiscal year 2023 balances compared to 2022.

TABLE 4 – CAPITAL ASSETS AT DECEMBER 31

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 198,042.80	\$ 198,042.80
Computer Equipment	73,915.38	73,915.38
Office Furniture	149,622.61	149,622.61
Other Equipment	133,622.90	98,472.90
Leasehold Improvements	149,622.61	45,911.84
Computer Software	<u>9,685.00</u>	<u>9,685.00</u>
	610,800.53	575,650.53
Less: Accumulated Depreciation	<u>503,528.60</u>	<u>493,998.07</u>
	<u><u>\$ 107,271.93</u></u>	<u><u>\$ 81,652.46</u></u>
Right-of-Use	\$ 218,828.00	None
Less Accumulated Amortization	<u>5,543.00</u>	<u> </u>
	<u><u>\$ 213,285.00</u></u>	<u><u>None</u></u>

Overall capital assets increased \$35,150.00 from 2022 to 2023. For more detailed information, please refer to the Notes to the Financial Statements.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023
UNAUDITED (CONTINUED)

Debt Administration

At December 31, 2023, the Commission had \$2,763,009.99 of outstanding debt as follows:

Compensated Absences – at the end of the current year, the liability for compensated absences was \$18,074.99. Compensated absences are those absences for which employees will be paid upon leaving the Commission. Payments are budgeted and paid upon an employee leaving the commission. See Note 4 to the financial statements for additional information.

Net Pension Liability – at the end of the current year, the liability for the net pension liability was \$1,264,390.00. The Commission's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis. See Note 6 to the financial statements for additional information.

Other Post-Employment Benefits – at the end of the year, the liability as discussed in the Independent Auditor's Report, the actuarial calculation for Other Post Retirement Benefits as of June 30, 2023, was \$1,480,545.00.

Other Post-Employment Benefits (OPEB) – See Note 7 to the Financial Statements for additional information.

Right-of-Use

The Commission has entered into a lease for the use as its Administrative and Program Offices. The obligation and related asset which is reflected on the statement of net position. The amount was \$213,285.00 as of December 31, 2023.. See Note 6 to the Financial Statements for additional information.

Contacting the Commission

This financial report is designed to provide a general overview of the Jersey Shore Regional Health Commission's [formerly Monmouth County Regional Health Commission #1] finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Jersey Shore Regional Health Commission, 628 Shrewsbury Ave, Tinton Falls, New Jersey 07701.

FINANCIAL STATEMENTS

JERSEY SHORE REGIONAL HEALTH COMMISSION
 [FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
 COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF NET POSITION

As of December 31, 2023

	Governmental Activities
Assets:	
Cash	\$ 1,147,950.31
Accounts Receivable	17,425.72
Grant Receivable	266,599.47
Capital Assets, Net	107,271.93
Right-of-Use	<u>213,285.00</u>
Total Assets	\$ <u>1,752,532.43</u>
Deferred Outflows of Resources:	
Related to Pensions	\$ 192,415.00
Related to OPEB	<u>598,182.00</u>
Total Deferred Outflows of Resources	\$ <u>790,597.00</u>
Liabilities:	
Current:	
Accounts Payable:	
Other	\$ 14,533.30
Pensions	116,670.00
Unearned Revenue	187,228.01
Payroll and Taxes Payable	<u>8,832.54</u>
	\$ <u>327,263.85</u>
Noncurrent:	
Due beyond one year:	
Net Pension Liability	\$ 1,264,390.00
Net OPEB Liability	1,480,545.00
Compensated Absences Payable	18,074.99
Right-of-Use	<u>213,285.00</u>
	\$ <u>2,976,294.99</u>
Total Liabilities	\$ <u>3,303,558.84</u>
Deferred Inflows of Resources:	
Related to Pensions	\$ 665,574.00
Related to OPEB	<u>1,600,346.00</u>
Total Deferred Inflows of Resources	\$ <u>2,265,920.00</u>
Net Position:	
Net Investment in Capital Assets	\$ 107,271.93
Unrestricted	<u>(3,134,220.87)</u>
Total Net Position	\$ <u><u>(3,026,948.94)</u></u>

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	<u>Governmental Activities</u>
Expenses:	
Salaries	\$ 638,069.15
Cost of Operations and Maintenance	356,367.86
Social Security, Pensions, Other Postemployment Benefits and Other Payroll Taxes, Net	(276,695.18)
Lease Obligation	70,379.48
Depreciation Expense	9,530.53
Amortization Expense	<u>5,543.00</u>
Total Program Expenses	<u>803,194.84</u>
Program Revenues and Operating Grants	
Clinics and Immunizations	3,042.40
Consortium Fees	9,648.01
Nursing Services	5,420.38
Child Lead Exposure Prevention Grant	84,306.35
Strengthen Local Public Health Capacity	254,583.83
Vaccination Supplemental Funding Grant	46,877.40
Colts Neck COVID-19 Vaccine Grant 2021	2,167.01
ELPI ELC	<u>481,382.28</u>
Total Program Revenues and Operating Grants	<u>887,427.66</u>
Net Program Expenses	<u>84,232.82</u>
General Revenues:	
Member Town Assessments	534,838.59
Fees and Licenses	11,235.00
Interest Income	<u>46,013.54</u>
Total General Revenues	<u>592,087.13</u>
Change in Net Position before Non-operating	676,319.95
Nonoperating Revenue/(Charges)	<u>629,710.66</u>
Change in Net Position after Nonoperating	1,306,030.61
Net Position - Beginning (deficit)	<u>(4,332,979.55)</u>
Net Position - Ending (deficit)	<u>\$ (3,026,948.94)</u>

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
As of December 31, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Assets:			
Cash	\$ 1,413,350.72		\$ 1,413,350.72
Accounts Receivable, Net	17,425.72		17,425.72
Grant Receivable		\$ 266,599.47	266,599.47
Total Assets	\$ 1,430,776.44	\$ 266,599.47	\$ 1,697,375.91
Liabilities and Fund Balance:			
Cash Overdraft		\$ 265,999.94	\$ 265,999.94
Accounts Payable	\$ 13,933.77	599.53	14,533.30
Payroll and Taxes Payable	8,832.54		8,832.54
Unearned Revenue	187,228.01		187,228.01
Total Liabilities	\$ 209,994.32	\$ 266,599.47	\$ 476,593.79
Net Position:			
Unassigned	\$ 1,220,782.12		\$ 1,220,782.12
Total Net Position	\$ 1,220,782.12		\$ 1,220,782.12

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
As of December 31, 2023

Total Net Position (Brought Forward)		\$ 1,220,782.12
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 610,800.53	
Accumulated Depreciation	(503,528.60)	
Right-of-Use	218,828.00	
Accumulated Depreciation	<u>(5,543.00)</u>	
		320,556.93
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net Pension Liability	\$ (1,264,390.00)	
Net OPEB Liability	(1,480,545.00)	
Compensated Absences	(18,074.99)	
Right-of-Use	<u>(213,285.00)</u>	
		(2,976,294.99)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows:		
Pension related	\$ 192,415.00	
OPEB related	<u>598,182.00</u>	
		790,597.00
Deferred Inflows:		
Pension related	\$ (665,574.00)	
OPEB related	<u>(1,600,346.00)</u>	
		(2,265,920.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension Related		<u>(116,670.00)</u>
Net Position/(Deficit) of Governmental Activities	\$	<u><u>(3,026,948.94)</u></u>

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Operating Revenues:			
Miscellaneous Revenues Anticipated:			
Member Town Assessments	\$ 534,838.59		\$ 534,838.59
Fees and Licenses	11,235.00		11,235.00
Clinics and Immunizations	3,042.40		3,042.40
Consortium Fees	9,648.01		9,648.01
Nursing Services	5,420.38		5,420.38
Interest Income	46,013.54		46,013.54
Grants:			
Child Lead Exposure Prevention Grant		\$ 84,306.35	84,306.35
Strengthen Local Public Health Capacity		254,583.83	254,583.83
Vaccination Supplemental Funding Grant		46,877.40	46,877.40
Colts Neck COVID-19 Vaccine Grant 2021		2,167.01	2,167.01
ELPI ELC		481,382.28	481,382.28
Total Revenues	\$ 610,197.92	\$ 869,316.87	\$ 1,479,514.79
Expenditures:			
Operating Appropriations:			
Salaries	\$ 46,010.88	\$ 592,058.27	\$ 638,069.15
Benefits			
Group Health	66,707.57	43,937.20	110,644.77
Social Security	40,675.04	3,639.63	44,314.67
Other(waiver of health benefits)	2,007.40		2,007.40
Public Employees Retirement System	128,383.00		128,383.00
Total Benefits	\$ 237,773.01	\$ 47,576.83	\$ 285,349.84
Other Expenses:			
Commissioners	\$ 719.00		\$ 719.00
Administration	3,720.67		3,720.67
Finance	20,592.01		20,592.01
Audit	7,500.00		7,500.00
Data Processing	7,605.48		7,605.48
Legal	32,613.80		32,613.80
Inspections	935.80		935.80
Lead Services	49.00		49.00
Liability Insurance	22,000.00		22,000.00
Consortium	42.54		42.54
Public Education	139.43		139.43
Clinics	220.01		220.01
Maintenance of Equipment	1,184.68		1,184.68
Buildings and Grounds	7,524.53		7,524.53
Veterinary Services	1,487.50		1,487.50
Nursing	4,000.00		4,000.00
Postage	845.22		845.22
Electric	2,850.01		2,850.01
Telephone	5,901.94		5,901.94

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2023

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Total</u>
Expenditures: (Continued)			
Operating Appropriations: (Continued)			
Other Expenses Continued:			
Contracted Services		\$ 17,170.14	\$ 17,170.14
Supplies		8,361.35	8,361.35
Computer Software		57,213.60	57,213.60
Equipment		44,145.00	44,145.00
Indirect Expenses		29,764.01	29,764.01
Security		10,516.25	10,516.25
Other Employment Payroll Taxes	\$ 2,663.55		2,663.55
Professional Services		56,233.03	56,233.03
Other		6,278.39	6,278.39
Natural Gas	1,452.81		1,452.81
Fuel	2,020.89		2,020.89
EZ Pass	125.00		125.00
Office Lease	75,922.48		75,922.48
	<u>202,116.35</u>	<u>229,681.77</u>	<u>431,798.12</u>
Total Other Expenses	\$ 202,116.35	\$ 229,681.77	\$ 431,798.12
Capital Expenditures			
Automobiles	\$ 11,109.79		\$ 11,109.79
Total Expenditures	\$ 497,010.03	\$ 869,316.87	\$ 1,366,326.90
Excess Revenue over Expenses	\$ 113,187.89	-	\$ 113,187.89
Nonoperating Revenue:			
Miscellaneous Income	\$ 629,710.66		\$ 629,710.66
Net Change in Net Position	742,898.55	-	742,898.55
Fund Balance - January 1	477,883.57		477,883.57
Fund Balance - December 31	<u>\$ 1,220,782.12</u>	<u>\$ -</u>	<u>\$ 1,220,782.12</u>

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

JERSEY SHORE REGIONAL HEALTH COMMISSION
 [FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
 COUNTY OF MONMOUTH, NEW JERSEY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2023

Total Net Change in Net Position - Governmental Funds (B-2)	\$	742,898.55
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Amounts reported for governmental activities in the Statement of Activities (A-2)
 are different because:

Capital outlays are reported in governmental funds as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlay in the current period.

Depreciation Expense	\$	(9,530.53)	
Depreciable Capital Outlays		35,150.00	
Amortization Expense		(5,543.00)	
Right-to-Use		<u>218,825.00</u>	253,975.00

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

(Increase) Decrease in Compensated Absences Payable		11,814.36	
(Increase) Decrease in Deferred Inflows and Outflows related to Pensions and (Increase)/Decrease in Pension Liabilities net.		398,681.00	
(Increase) Decrease in Deferred Inflows and Outflows related to OPEB and (Increase)/Decrease in OPEB Liabilities net.		<u>(101,338.00)</u>	<u>309,157.36</u>

Change in Net Position of Governmental Activities (A-2)	\$	<u><u>1,306,030.91</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jersey Shore Regional Health Commission (the "Commission") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASS) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below:

Reporting Entity

The Monmouth County Local Health Unit #2 Advisory Board held its organizational meeting on October 9, 1936. The Advisory Board was comprised of delegates from the Boards of Health of each Commission represented. The purpose for which the Board was formed was to consider the advisability of policy and activities in each of the Commissions and the Unit as a whole. On January 29, 1947, the organization reorganized and changed its name to the Monmouth County Regional Health Commission #1. The Commission operates as an association of boards of health pursuant to an act of the Legislature of the State of New Jersey, entitled "Health and Vital Statistics", N.J.S.A. 26:3-83 et seq., and any amendments and supplements thereto. The regional health commission arranges annually with each participating board of health the nature and amount of public services to be furnished and the sum to be paid for such services. It reports annually to each participating board of health and to the State Department of Health. Effective January 1, 2023 the Commission renamed itself to Jersey Shore Regional Health Commission.

The primary criterion for including activities within the Commission's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government or its component unit is entitled to or has the ability to otherwise access a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to or has the ability to otherwise access, are significant to that primary government.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The combined financial statements include all funds of the Commission over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the Commission is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation

The Commission's basic financial statements consist of Commission-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Commission-wide Statements: The statement of net position and the statement of activities display information about the Commission as a whole. These statements include the financial activities of the overall Commission.

The statement of net position presents the financial condition of the governmental activities of the Commission at year end.

The statement of activities demonstrates the degree to which the direct expenses of a given function is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Member town assessments and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements: Separate financial statements are provided for the Commission's government funds.

Governmental Funds

General Fund – The general fund is the general operating fund and is the only fund currently utilized the Commission and is used to account for all expendable financial resources.

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources, such as state or federal government grants and appropriations that are legally restricted to expenditures for specified purposes.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

Commission-wide Financial Statements: The Commission-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Member town assessments are recognized as revenues in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets/Budgetary Control

An annual budget is prepared each year for the operations of the Commission. The Commission's policy is to adopt a budget in November for the upcoming year. Eight affirmative votes from the Board are required to adopt the budget. Budgets are prepared using the modified accrual basis of accounting. Formal budgetary integration into the accounting system is employed as a management control device during the year.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal yearend.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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.

Inventories and Prepaid Expenses

Inventories are expensed at the time of purchase in the budgetary statements. Inventories of vaccines are recorded at cost on a first-in, first-out basis in the Commission-wide statements and the governmental funds. Inventory in the governmental funds are offset by Nonspendable Fund Balance equal to the amount of the inventory. There is no offset in the Commission-wide financial statements.

Prepaid expenses which benefit future periods are recorded as expenditures in the year of purchase.

Capital Assets

The Commission has an established formal system of accounting for its capital assets. Capital Assets which include vehicles, equipment and leasehold improvements are only reported in the district-wide financial statements. The Commission generally defines capital assets as assets with an initial cost of \$1,000.00 or more and an estimated useful life in excess of one year. Capital Assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the commission-wide statements using the straight-line method over the following estimated useful lives:

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets are depreciated in the commission-wide statements using the straight-line method over the following estimated useful lives:

	<u>Estimated Life</u>
Vehicles	5
Computer Equipment	5
Computer Software	5
Office Furniture and Equipment	5-12
Office and Computer Equipment	5
Other Equipment	8
Leasehold Improvements	7

Compensated Absences

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

Commission employees are granted varying amounts of vacation and sick leave in accordance with the Commission's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation and sick leave.

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

For the commission-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and commission-wide presentations.

JERSEY SHORE REGIONAL HEALTH COMMISSION
(FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue represents funds which have been received but not yet earned.

Accrued Liabilities and Long-Term Obligations

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

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. 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. The Commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Restrictions

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Under the standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the Commission's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Commissioners. The Commission reports amounts Designated for Subsequent Year's Expenditures as Committed Fund balance.

Assigned – includes amounts that the Commission intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The Commission reports Year End Encumbrances as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Commission considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balance are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds as needed.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Allocation of Indirect Expenses

Due to the nature of the activities of the Commission, the Commission does not report direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The budgetary comparison schedule details the various expense allocations. The Commission was created to provide health services to member towns. All expenses are related to the function of providing health services.

Management Estimates

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Accounting and Financial Reporting for Pensions

In the Commission-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the additions to/deductions from this retirement system fiduciary net position have been determined on the same basis as they were reported by PERS. 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.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension-related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year.

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(CONTINUED)

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Deferred Outflows/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. Currently, the Commission has only two items that qualify for reporting in this category, deferred amounts related to pensions and deferred amounts related to Other Post Retirement Benefits.

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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the Commission has only two items that qualify for reporting in this category, deferred amounts related to pensions and deferred amounts related to Other Post Retirement Benefits.

Other Accounting Standards

The Authority Commission is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:
 - Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
 - Clarification of provisions in Statement No. 87, *Leases*.
 - Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.

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(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accounting Standards (Continued)

- *GASB Statement 99 (Continued)*
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
 - Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

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(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Accounting Standards (Continued)

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Commission considers petty cash, change funds, cash in banks, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost which approximates market.

Deposits

Although the Commission is not required to report to or follow statutes of the State of New Jersey, the Commission has adopted a cash management plan that mirrors the regulations for New Jersey municipalities. New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department.

When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

At December 31, 2023, the Commission's deposits had a carrying amount of \$1,149,177.78.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Commission does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$1,149,177.78, \$250,000.00 was covered by Federal Depositary Insurance and \$899,177.78 was covered under the provisions of NJGUDPA.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

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

Reconciliation to Schedule B-1

General Fund	\$	1,336,026.18
Special Revenue Fund		(188,075.87)
		<u>1,147,950.31</u>
Bank Reconciliations		
Cash on Hand		150.00
Operating Account		1,135,584.03
Payroll Account		<u>13,443.75</u>
		<u>1,149,177.78</u>
Add Deposit in Transit		<u>3,023.98</u>
Less Outstanding Checks		
Operating Account		1,827.00
Payroll Account		<u>2,424.45</u>
		<u>4,251.45</u>
	\$	<u>1,147,950.31</u>

Investments

The types of investments which may be purchased by the Commission are not restricted as they do not report to the State of New Jersey or any other regulatory agency. The Commission has adopted a cash management plan in accordance with New Jersey statutes as it relates to municipalities. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America.
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. §270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.

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(CONTINUED)

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

Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236C. 17:1941; and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

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(CONTINUED)

NOTE 3: INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

The Intergovernmental accounts receivable as of December 31, 2023 is as follows:

General Fund:	
Member Assessment	<u>\$ 17,425.72</u>
Special Revenue Fund	
Strengthen Local Health	<u>\$ 266,599.47</u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets being Depreciated:				
Vehicles	\$ 198,042.80			\$ 198,042.80
Computer Equipment	73,915.38			73,915.38
Computer Software	9,685.00			9,685.00
Office Furniture and Equipment	149,622.61			149,622.61
Other Equipment	98,472.90	\$ 35,150.00		133,622.90
Leasehold Improvements	45,911.84			45,911.84
	<u>575,650.53</u>	<u>35,150.00</u>	<u>-</u>	<u>610,800.53</u>
Less: Accumulated Depreciation	<u>493,998.07</u>	<u>9,530.53</u>	<u>-</u>	<u>503,528.60</u>
Governmental Activities -				
Capital Assets, Net	<u>\$ 81,652.46</u>	<u>\$ 25,619.47</u>	<u>-</u>	<u>\$ 107,271.93</u>
Right-of-Use		218,828.00	-	218,828.00
Less		<u>(5,543.00)</u>		<u>(5,543.00)</u>
		<u>\$ 213,285.00</u>	<u>-</u>	<u>\$ 213,285.00</u>

Depreciation expenses for 2023 and 2022 were \$9,530.93 and \$9,347.46, respectively.
 Amortization expenses for 2023 and 2022 were \$5,543.00 and NONE, respectively.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 5: UNEARNED REVENUE

The Commission's Statement of Net Position reflects Unearned Revenue as of December 31, 2023 is as follows:

Various	<u>\$ 187,228.01</u>
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NOTE 6: LONG-TERM LIABILITIES

As of December 31, 2023 the Commission long-term liabilities is as follows:

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2023</u>
Compensated Absences	\$ 65,931.58		\$ 47,856.59	\$ 18,074.99
Net Pension Liability	1,773,750.00		509,360.00	1,264,390.00
Net OPEB Liability	1,823,935.00		343,390.00	1,480,545.00
Right-of-Use		<u>\$ 218,828.00</u>	<u>5,543.00</u>	<u>213,285.00</u>
	<u>\$ 3,663,616.58</u>	<u>\$ 218,828.00</u>	<u>\$ 906,149.59</u>	<u>\$ 2,976,294.99</u>

GASB No. 87 requires that leases be accounted for as part of the Statement of Net Position. As such, the "right to use" is included as a component of Capital Assets and the related obligation is reflected as part of Liabilities.

Remaining payments are as follows:

2024	\$ 43,380.00
2025	43,380.00
2026	43,380.00
2027	43,380.00
2028	<u>39,765.00</u>
	<u>\$ 213,285.00</u>

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(CONTINUED)

NOTE 7: PENSION PLANS

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees and all that qualify of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 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 reach the service retirement age for the respective tier.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: PENSION PLAN – PERS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Employee contributions for 2023 were seven and 50/100th percent (7.50%) of the employee's base wages.

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.

The Commission contributions to the plan for the past three (3) years are as follows:

<u>Three Year Trend Information for PERS</u>			
<u>Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2023	\$ 128,383.00	100%	- 0 -
2022	132,026.00	100%	- 0 -
2021	132,950.00	100%	- 0 -

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedule of Employer Allocations and Schedule of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022, With Independent Auditors' Report Thereon, dated May 24, 2024 and May 18, 2023, respectively.

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(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68

The Governmental Accounting Standards Board (GASS) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2023. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2023.

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$1,264,390.00 for the Commission's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2022. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The portion of PERS liability that was associated with the Commission recognized is as follows:

<u>June 30 (Measurement Date)</u>	
<u>2023</u>	<u>2022</u>
\$ 1,264,390.00	\$ 1,773,750.00

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The proportion of PERS liability that was associated with the Commission recognized is as follows:

	June 30,	
	<u>2023</u>	<u>2022</u>
Local Group Share	\$ 14,606,489,066	\$ 15,219,184,920
Commission		
Proportionate Percentage	0.0087293394 %	0.011753399 %
Difference - Increase	(0.0030240596) %	

For the year ended June 30, 2023, the State recognized an actuarially determined pension benefit of \$345,230 for the Commission's proportionate share of the total pension expense. The pension liability recognized in the Commission's financial statements based on the April 1, 2024 billing was \$116,670.00.

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 12,089.00	\$ 5,168.00
Changes in assumptions	2,778.00	76,627.00
Net difference between projected and actual investment earnings on pension plan investment	5,823.00	
Changes in proportion	55,055.00	583,779.00
Commission contributions subsequent to yearend	<u>116,670.00</u>	
Total	<u>\$ 192,415</u>	<u>\$ 665,574</u>

The \$116,670.00 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date (i.e. for the year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

JERSEY SHORE REGIONAL HEALTH COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Commission's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Collective pension expense/(benefit)	(79,181,803)	(1,032,778,934)
Commission's proportion	0.0087293394 %	0.011753399 %

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. These actuarial valuations used the following assumptions:

Inflation Rate:	
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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Real Rate of Return</u>
U.S. Equity	28.00 %	8.98 %
International Small Cap Equity	1.25	9.22
Non-U.S. Developed Markets Equity	12.75	9.22
Emerging Market Equities	5.50	11.13
Private Equity	13.00	12.50
Real Assets	3.00	8.40
Real Estate	8.00	8.58
High Yield	4.50	6.97
Private Credit	8.00	9.20
Investment Grade Credit	7.00	5.19
Cash Equivalents	2.00	3.31
U.S. Treasuries	4.00	3.31
Risk Mitigation Strategies	3.00	6.21

JERSEY SHORE REGIONAL HEALTH COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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 Net Pension Liability to Changes in the Discount Rate

The following presents the Commission's proportionate share of the net pension liability of the participating employers as of June 30, 2023 respectively, calculated using the discount rate as disclosed above as well as what the Commission's proportionate share of the net pension 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:

	<u>June 30, 2023 [Measurement Date]</u>		
	<u>1% Decrease</u>	<u>At Current</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Commission's proportionate share of the pension liability	\$ 1,645,967	\$ 1,264,390	\$ 939,618

Special Funding Situation – PERS

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation – PERS (Continued)

The June 30, 2023, State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The Commission has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u>Commission's Proportionate Share</u>	<u>Employer's Pension Expense and Related Revenues</u>	
		<u>Ch.133 P.L. 2001 State Total</u>	<u>Commission's Share</u>
2023	0.008762482 %	\$ 45,000,471	\$ 3,943
2022	0.011800355	31,626,530	3,732
2021	- NOT AVAILABLE -		

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

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NOTES TO THE FINANCIAL STATEMENTS
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(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS

Plan Description - NJSHBP

The NJSHBP as of July 1, 2022 had statewide for the local employee groups of 65,613 active and 34,771 retired for a total of 100,384 members. The Commission at December 31, 2023, had three (3) active and two (2) retired employees for a total participation of seven (7).

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" which is effective for fiscal years beginning after June 15, 2017. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the commission has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget requirements, the Commission is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASS Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Plan Description and Benefits Provided(Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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.

Contributions

The Commission's contributions to SHBP for retired employees and the number of covered retired employees for the years ended December 31, 22, 2022 and 2021 were \$2,288.16, \$1,861.92 and \$2,483.69, respectively, which equaled the required contributions for each year.

Total OPEB Liability

At June 30, 2023, the Plan reported a liability of \$1,480,545.00 for the Commission's proportionate share of the collective net OPEB liability. The total OPEB liability measured as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

The Commission's proportion of the OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

The portion of OPEB liability that was associated with the Commission recognized is as follows:

<u>June 30 (Measurement Date)</u>	
<u>2023</u>	<u>2022</u>
\$ 1,480,545.00	\$ 1,823,935.00

The proportion of OPEB liability that was associated with the Commission recognized is as follows:

<u>June 30 (Measurement Date)</u>	
<u>2023</u>	<u>2022</u>
0.009866 %	0.011294 %

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FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability (Continued)

For the year ended June 30, 2023, the Commission reported an OPEB benefit of \$96,379. This OPEB expense was based on the OPEB plans June 30, 2023 measurement date.

At June 30, 2023 the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,275	\$ 402,068
Changes of assumptions	191,786	418,503
Net difference between projected and actual investment earnings on OPEB plan investment		244
Changes in proportion	<u>338,121</u>	<u>779,531</u>
Total	<u>\$ 598,182</u>	<u>\$ 1,600,346</u>

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

Measurement Period Ending June 30,

2024	\$ (300,186)
2025	(245,871)
2026	(133,012)
2027	(62,351)
2028	(125,859)
Total Thereafter	\$ (134,884)

JERSEY SHORE REGIONAL HEALTH COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2023, was determined by actuarial valuation, as of July 1, 2022, which was rolled forward to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.50%
Salary Increases:	
Public Employees Retirement System (PERS)	2.75% to 6.55%
	Based on years of service

Mortality

PERS – Pub-2010 General Classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021.

* Salary increases are based on service with the respective plan.

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PERS experience study prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Healthcare Trend Assumptions

For pre-Medicare medical benefits, the trend is 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 Medical Benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the State. 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 the Commission's Proportionate Share of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability associated with the Commission as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the 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:

	<u>June 30, 2023 [Measurement Date]</u>		
	<u>At Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Commission's proportionate share of the OPEB liability	\$ 1,714,943	\$ 1,480,545	\$ 1,292,008

Sensitivity of the Commission's Proportionate Share of the OPEB Liability to Changes in Healthcare Trends

The following presents the total OPEB liability associated with the Commission as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the 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:

	<u>June 30, 2023 [Measurement Date]</u>		
	<u>At Current Healthcare</u>		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Commission's proportionate share of the OPEB liability	\$ 1,258,289	\$ 1,480,545	\$ 1,765,101

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(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Additional Information

Collective balances of the Local Retirement Group are as follows:

Measurement Date	<u>June 30, 2023</u>
Deferred outflows of resources	\$ 9,133,524,491
Deferred inflows of resources	14,817,220,551
Net OPEB liability	15,006,539,477
Total OPEB Expense / (Benefit)	(483,888,575)
Commission Proportionate Percentage	0.009866 %

Shown below are details regarding the Total OPED Liability for the measurement period: June 30, 2023.

Balance as of June 30, 2022	\$ 16,090,925,144
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 597,135,801
Interest on the Total OPEB Liability	581,375,849
Changes of Benefit Terms	23,039,435
Difference between Expected and Actual Experience	(2,123,324,632)
Changes of Assumptions	255,103,873
Gross Benefit Payments	(597,093,300)
Contributions from the Employer	
Contributions from the Employee	62,414,616
	<hr/>
Net Changes	(1,201,348,358)
Balance as of June 30, 2023	\$ <u><u>14,889,576,786</u></u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 8: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Additional Information (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023. The component of the Net OPEB Liability is as follows:

Total OPEB Liability	\$	14,889,576,786
Plan Fiduciary Net Position		<u>(116,952,691)</u>
Net OPEB Liability	\$	<u>15,006,529,477</u>
Net Position		
as a Percentage of OPEB Liability		0.79%
OPEB Expense		
Special Funding Situation		3,461,898,890
Nonspecial Funding Situation		<u>11,427,677,896</u>
	\$	<u><u>14,889,576,786</u></u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 9: LITIGATION

The Commission is not involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, Commission's management, based upon the opinion of the Commission's attorney, presently believe that the outcome of each such proceeding or claim which is pending or known to be threatened, or all of them combined, will not have a material effect on the Commission's financial position.

JERSEY SHORE REGIONAL HEALTH COMMISSION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance – The Commission sponsored by the Borough of Spring Lake is a member of the Monmouth County Municipal Joint Insurance Fund (the "Fund"). This public entity risk pool is both an insured and self-administered group of municipalities established for the purpose of insuring against the above risks. The Fund will be self-sustaining through member premiums. The Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance

The Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "*Contributory Method*". Under this plan, the Commission is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The following is a summary of the employee and employer contributions for the current and prior two years:

<u>Year Ended</u> <u>June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Employer</u> <u>Contributions</u>	<u>Total</u> <u>Contributions</u>
2023	\$ 4,037.33	\$ 2,663.55	\$ 6,700.88
2022	1,131.19	594.11	1,725.30
2021	2,523.54	3,562.65	6,086.19

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(CONTINUED)

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the commission - wide statement of net position. As of December 31, 2023, a liability existed for compensated absences for governmental fund-types in the commission-wide statement of net position of \$18,074.93.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 12: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events occurring after the financial statement date through September 30, 2024, which is the date the financial statements were available to be issued. Based upon this evaluation, the Commission has determined that there were no subsequent events that needed to be disclosed.

NOTE 13: MAJOR MEMBERS - LOSS

The Commission derives its funding from member assessments and grant funding. In the event that further reduction in either member funding or grant funding occurs, it is possible that the Commission could significantly downsize or even discontinue operations. Many small communities (12) are served by the Commission who would have to obtain the service elsewhere. The Commission has introduced and is operating its 2024 operating budget and does not have the ability to levy taxes.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2023

	Adopted Budget	Final Budget	Actual Amounts Budgetary Basis See Note A at C-2	Variance Final To Actual (Unfavorable)
Revenues - Operating Fund:				
Member Town Assessments	\$ 510,618.00	\$ 510,618.00	\$ 534,838.59	\$ 24,220.59
Fees and Licenses	24,570.00	24,570.00	11,235.00	(13,335.00)
Clinics and Immunizations	1,460.00	1,460.00	3,042.40	1,582.40
Lead Meter Fund		-		-
Consortium Fees	40,027.25	40,027.25	9,648.01	(30,379.24)
Nursing Services	35,076.00	35,076.00	5,420.38	(29,655.62)
Operating Revenues	611,751.25	611,751.25	564,184.38	(47,566.87)
Interest Income	2,800.00	2,800.00	46,013.54	43,213.54
Total Operating Revenues	614,551.25	614,551.25	610,197.92	(4,353.33)
Total Revenues	\$ 614,551.25	\$ 614,551.25	\$ 610,197.92	\$ (4,353.33)
Expenditures Operating:				
Commissioners:				
Other Expenses	\$ 650.00	\$ 850.00	\$ 719.00	\$ 131.00
Administration:				
Salaries and Wages	225,530.00	205,530.00	5,089.16	200,440.84
Other Expenses	3,675.00	4,675.00	3,720.67	954.33
Finance:				
Salaries and Wages		-		-
Other Expenses	40,750.00	30,750.00	20,592.01	10,157.99
Annual Audit	8000.00	8,000.00	7,500.00	500.00
Data Processing:				
Other Expenses	9,450.00	9,450.00	7,605.48	1,844.52
Legal:				
Other Expenses	27,600.00	36,600.00	32,613.80	3,986.20
Inspections:				
Salaries and Wages	184,000.00	179,800.00	25,614.84	154,185.16
Other Expenses	3,250.00	3,250.00	935.80	2,314.20
Lead Services:				
Other Expenses	200.00	200.00	49.00	151.00
Insurances:				
Liability Insurance	22,000.00	22,000.00	22,000.00	-
Group Health	101,809.00	101,809.00	66,707.57	35,101.43
Waiver of Health Benefits	5,000.00	5,000.00	2,007.40	2,992.60
Consortium:				
Salaries and Wages	45,380.00	45,380.00	6,610.10	38,769.90
Other Expenses	10,000.00	10,000.00	42.54	9,957.46
Clinics:				
Salaries and Wages	6,000.00	6,000.00		6,000.00
Other Expenses	6,000.00	6,000.00	220.01	5,779.99
Public Education:				
Other Expenses	1,000.00	1,000.00	139.43	860.57
Maintenance of Equipment:				
Other Expenses	7,000.00	7,000.00	1,184.68	5,815.32
Buildings and Grounds:				
Other Expenses	6,140.00	8,140.00	7,524.53	615.47
Veterinary Services:				
Other Expenses	2,500.00	2,500.00	1,487.50	1,012.50

[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2023

	Adopted Budget	Final Budget	Actual Amounts Budgetary Basis See Note A at C-2	Variance Final To Actual (Unfavorable)
Expenditures (Continued):				
Nursing:				
Salaries and Wages	\$ 68,320.00	\$ 68,320.00	\$ 8,696.78	\$ 59,623.22
Other Expenses	6,000.00	8,000.00	4,000.00	4,000.00
Other Expenses:				
Postage	1,500.00	1,500.00	845.22	654.78
Electric	4,700.00	4,700.00	2,850.01	1,849.99
Telephone	8,000.00	8,000.00	5,901.94	2,098.06
Water	200.00	200.00		200.00
Natural Gas	2,000.00	2,000.00	1,452.81	547.19
Fuel	3,000.00	3,000.00	2,020.89	979.11
EZ Pass	200.00	200.00	125.00	75.00
Cable Service	100.00	100.00		100.00
Sewer Charges	50.00	50.00		50.00
Office Lease	57,000.00	77,000.00	75,922.48	1,077.52
Contingent	500.00	500.00		500.00
Social Security	42,000.00	42,000.00	40,675.04	1,324.96
Public Employees Retirement System	128,383.00	128,383.00	128,383.00	-
Defined Contribution Retirement Plan	2,698.00	2,698.00		2,698.00
Other Employment Payroll Taxes	5,500.00	5,500.00	2,663.55	2,836.45
Total Operating Expenditures	<u>1,046,085.00</u>	<u>1,046,085.00</u>	<u>485,900.24</u>	<u>560,184.76</u>
Capital Expenditures:				
Furniture & Fixtures	500.00	500.00		500.00
Automobiles	12,000.00	12,000.00	11,109.79	890.21
Total Capital Expenditures	<u>12,500.00</u>	<u>12,500.00</u>	<u>11,109.79</u>	<u>1,390.21</u>
Subtotal of Expenditures	<u>1,058,585.00</u>	<u>1,058,585.00</u>	<u>497,010.03</u>	<u>561,574.97</u>
Excess of Revenues Over Expenditures	\$ (444,033.75)	\$ (444,033.75)	\$ 113,187.89	\$ (557,221.64)
Nonoperating Revenues/(Expenses)				
Miscellaneous Revenue			629,710.66	629,710.66
Fund Balance, January 1	<u>477,883.57</u>	<u>477,883.57</u>	<u>477,883.57</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 33,849.82</u>	<u>\$ 33,849.82</u>	<u>\$ 1,220,782.12</u>	<u>\$ (1,186,932.30)</u>
Reconciliation of Budget				
Budgeted Revenue	\$ 614,551.25			
Budgeted Appropriations	<u>1,058,585.00</u>			
Fund Balance (Utilized)	<u>\$ (444,033.75)</u>			
Detail of Final Budget as Adopted				
Detail of Actual				
Cash Disbursements		509,336.89		
LESS:				
Cash Receipts - Reimbursements		<u>26,260.63</u>	\$ 483,076.26	
ADD:				
Accounts Payable			<u>13,933.77</u>	
			<u>\$ 497,010.03</u>	\$ -

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
 COUNTY OF MONMOUTH, NEW JERSEY

BUDGET-TO-GAAP RECONCILIATION
 For the Year Ended December 31, 2023

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

	General Fund
Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule (C-1)	\$ 610,197.92
Differences - budget to GAAP:	
Miscellaneous Revenue from Non-Operating Sources not included in the Budgeted Revenue	None
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	\$ <u>610,197.92</u>
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule (C-1)	\$ 497,010.03
Differences - budget to GAAP:	
Inventory is expensed at the time of purchase for budgetary purposes but is expensed in the year utilized for financial reporting purposes.	None
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but the year the supplies or equipment is received for financial reporting purposes - net change in encumbrances payable	None
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ <u>497,010.03</u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

SPECIAL REVENUE FUND
SCHEDULE OF GRANT EXPENDITURES - ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	Sub-Total From Sheet 2	STRENGTHEN LOCAL PUBLIC HEALTH CAPACITY					TOTAL
		SLPH 2022-2023	Grant Acc 2023-2024	OP Grant 2023-2024	LHOC Grant 2023-2024	2022-2023	
REVENUE:							
State	\$ 699,240.01						
Federal							
Local	2,167.01	\$ 2,532.39	\$ 25,830.12	\$ 11,062.73	\$ 64,311.81	\$ 64,172.80	\$ 699,240.01
	<u>\$ 701,407.02</u>	<u>\$ 2,532.39</u>	<u>\$ 25,830.12</u>	<u>\$ 11,062.73</u>	<u>\$ 64,311.81</u>	<u>\$ 64,172.80</u>	<u>\$ 869,316.87</u>
EXPENDITURES:							
Salaries & Wages	\$ 467,003.96		\$ 25,830.12	\$ 5,039.26	\$ 64,311.81	\$ 29,873.12	\$ 592,058.27
Fringe Benefits	34,559.52	\$ (27.11)				13,044.42	47,576.83
Contracted Services	13,427.81					3,742.33	17,170.14
Office Supplies		2,559.50				1,528.74	4,088.24
Equipment	44,145.00						44,145.00
Computer Software	57,213.60						57,213.60
Supplies	4,273.11						4,273.11
Professional Services	50,260.71						56,233.03
Other	1,046.49			5,972.32		5,180.75	6,278.39
Indirect	18,960.57			51.15		10,803.44	29,764.01
Security	10,516.25						10,516.25
	<u>\$ 701,407.02</u>	<u>\$ 2,532.39</u>	<u>\$ 25,830.12</u>	<u>\$ 11,062.73</u>	<u>\$ 64,311.81</u>	<u>\$ 64,172.80</u>	<u>\$ 869,316.87</u>

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY

SPECIAL REVENUE FUND
SCHEDULE OF GRANT EXPENDITURES - ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	IDPG Grant		NJCLEP GRANT		Vaccination Supplemental Fund Grant	Colts Neck Covid-19 Vaccine Grant	ELPI ELC Grant	Sub-Total Sheet 2
	2023-2024	2022-2023	2023-2024	2022-2023				
REVENUE:								
State	\$ 53,306.40	\$ 33,367.58	\$ 52,215.30	\$ 32,091.05	\$ 46,877.40	\$ 2,167.01	\$ 481,382.28	\$ 699,240.01
Federal								\$ -
Local								\$ 2,167.01
	<u>\$ 53,306.40</u>	<u>\$ 33,367.58</u>	<u>\$ 52,215.30</u>	<u>\$ 32,091.05</u>	<u>\$ 46,877.40</u>	<u>\$ 2,167.01</u>	<u>\$ 481,382.28</u>	<u>\$ 701,407.02</u>
EXPENDITURES:								
Salaries & Wages	\$ 53,306.40	\$ 19,357.73	\$ 17,065.30		\$ 20,064.14	\$ 2,167.01	\$ 355,043.38	\$ 467,003.96
Fringe Benefits		4,958.25			5,098.02		6,757.00	\$ 34,559.52
Contracted Services								\$ 13,427.81
Equipment								\$ 44,145.00
Computer Software			35,150.00					\$ 57,213.60
Supplies								\$ 4,273.11
Professional Services				916.99	3,174.75			\$ 50,260.71
Other					169.71			\$ 1,046.49
Indirect		9,051.60			7,854.53			\$ 18,960.57
Security					10,516.25			\$ 10,516.25
	<u>\$ 53,306.40</u>	<u>\$ 33,367.58</u>	<u>\$ 52,215.30</u>	<u>\$ 32,091.05</u>	<u>\$ 46,877.40</u>	<u>\$ 2,167.01</u>	<u>\$ 481,382.28</u>	<u>\$ 701,407.02</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

JERSEY SHORE REGIONAL HEALTH COMMISSION
(FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1)
COUNTY OF MONMOUTH, NEW JERSEY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE HEALTH COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST TEN (10) YEARS

	Measurement Date Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's Proportion of the Net Pension Liability	0.872933940%	0.011753399%	0.011273518%	0.012518859%	0.013800000%	0.013937290%	0.014725605%	0.013746056%	0.013708810%	0.014656127%
Commission's Proportionate Share of the Net Pension Liability	\$ 1,264,390.00	\$ 1,773,750.00	\$ 1,335,517.00	\$ 2,041,498.00	\$ 2,487,028.00	\$ 2,744,183.00	\$ 3,427,885.00	\$ 4,071,188.00	\$ 3,077,353.00	\$ 2,744,028.00
Commission's Covered - Employee Payroll	\$ 398,047.00	\$ 560,819.00	\$ 914,726.87	\$ 817,974.00	\$ 932,622.00	\$ 967,823.00	\$ 1,009,758.00	\$ 945,636.00	\$ 906,812.00	\$ 1,013,564.00
Commission's Proportionate Share as a Percentage of Covered - Employee Payroll	317.65%	316.28%	146.00%	249.58%	266.67%	263.54%	339.48%	430.52%	339.36%	270.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.32%	56.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

JERSEY SHORE REGIONAL HEALTH COMMISSION
 (FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1)
 COUNTY OF MONMOUTH, NEW JERSEY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE HEALTH COMMISSION'S CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN (10) YEARS

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Commission's Contractually Required Contribution	\$ 116,670.00	\$ 148,216.00	\$ 132,026.00	\$ 136,950.00	\$ 134,259.00	\$ 138,631.00	\$ 136,417.00	\$ 122,118.00	\$ 117,859.00	\$ 120,823.00
Commission's Contribution In Relation to the Contractually Required Contribution	(116,670.00)	(148,216.00)	(132,026.00)	(136,950.00)	(134,259.00)	(138,631.00)	(136,417.00)	(122,118.00)	(117,859.00)	(120,823.00)
Commission's Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-	-
Commission's Covered - Employee Payroll	\$ 398,047.00	\$ 629,496.00	\$ 914,726.87	\$ 826,168.00	\$ 866,931.00	\$ 943,108.00	\$ 984,012.00	\$ 1,016,802.00	\$ 982,078.00	\$ 921,371.00
Commission's Contribution as a Percentage of Covered - Employee Payroll	29.31%	23.55%	14.43%	16.58%	15.49%	14.70%	13.86%	12.01%	12.00%	13.11%

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate was 7.00% as of June 30, 2022 and June 30, 2023.
The inflation rate remained at 7.00% for both June 30, 2022 and June 30, 2023.
The investment rate of return remained at 3.65% as of June 30, 2023.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
SCHEDULE OF THE HEALTH COMMISSION'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN
LAST SEVEN (7) YEARS

	Measurement Date, June 30,						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Commission's proportion of the net OPEB Liability	0.9866000%	0.0011294%	0.013264%	0.011516%	0.011625%	0.013518%	1.239100%
Commission's proportionate share of the net OPEB Liability (asset)	\$ 1,480,545	\$ 1,823,935	\$ 2,387,491	\$2,066,732	\$1,574,731	\$2,117,813	\$2,529,720
Commission's covered-employee payroll	398,047	629,496	991,340	914,727	866,931	943,108	984,012
Commission's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	371.95%	289.75%	240.83%	225.94%	181.64%	224.56%	257.08%
Plan fiduciary net position as a percentage of the total OPEB liability (deficit)	0.0098 %	0.0036 %	0.0092 %	0.0028 %	0.0198 %	0.0197 %	0.0103 %

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
SCHEDULE OF THE HEALTH COMMISSION CONTRIBUTIONS
STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN
LAST SIX (6) YEARS

	Measurement Date, June 30,					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$2,290.32	\$2,288.16	\$1,855.32	\$2,285.70	\$2,285.70	\$1,128.95
Contributions in relation to the contractually required contribution	\$2,290.32	\$2,288.16	\$1,855.32	\$2,285.70	\$2,285.70	\$1,128.95
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$398,047.00	\$629,496.00	\$991,340.00	\$914,726.87	\$866,931.00	\$943,108.00
Contributions as a percentage of covered-employee payroll	0.58%	0.36%	0.19%	0.25%	0.26%	0.12%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]
COUNTY OF MONMOUTH, NEW JERSEY
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

State Health Benefits Local Government Retirement Employees Plan

Changes in Benefit Terms - None

Changes in Assumptions -

The discount rate changed from 3.54% as of June 30, 2022 to 3.65% as of June 30, 2023.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]

FOR THE YEAR ENDED DECEMBER 31, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Federal Awards and State Financial Assistance Findings and Questioned Costs

No federal or state award findings or questioned costs noted that are required to be reported in accordance with the Uniform Guidance or NJ OMB 15-08.

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2022

FOR THE YEAR ENDED DECEMBER 31, 2022:

There were no findings for the year ended December 31, 2022.

JERSEY SHORE REGIONAL HEALTH COMMISSION
[FORMERLY MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1]

FOR THE YEAR ENDED DECEMBER 31, 2023

RECOMMENDATIONS

NONE

The problems and weaknesses noted in my audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'G Stankiewicz', is written over a light gray circular background.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431
for The Firm
SAMUEL KLEIN AND COMPANY, LLP