

*Financial Statements*

**Essex Regional Health Commission**

For the Year Ended December 31, 2024

**ESSEX REGIONAL HEALTH COMMISSION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Essex Regional Health Commission  
Livingston, New Jersey 07039

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Essex Regional Health Commission ("Commission") as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Commission, as of December 31, 2024, and the respective changes in financial position, and, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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, 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 [Name of Governmental Entity] 's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

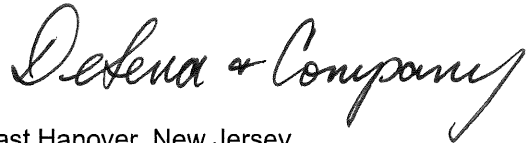
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–11 and 33-34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "DeSena & Company". The signature is written in black ink and is positioned above the printed text of the firm's name.

East Hanover, New Jersey

December 3, 2025

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

The discussion and analysis of the Essex Regional Health Commission financial performance provide an overall review of the Commission's financial activities for the year ended December 31, 2024. 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, 2024) and the prior year (December 31, 2023) is required to be presented in the MD&A.

**Financial Highlights**

Key Financial highlights for 2024 are as follows:

In the Commission Statements:

- General revenues accounted for \$957,104 in revenue or 69 percent of all revenues. Program specific revenues in the form of charges for services and operating grants accounted for \$422,852 or 30 percent of total revenues of \$1,387,268.
- Total assets of governmental activities increased by \$153,582. Cash and cash equivalents decreased by \$100,195. Capital assets decreased by \$21,658.
- The Commission had \$1,352,661 in expenses; \$422,852 of these expenses were offset by program specific charges for services and operating grants. General expenses amounted to \$929,749.

**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 the 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.

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

**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 2024?" 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.

**Notes to the Financial Statements**

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

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

The summary of changes in net position shows changes in net position for fiscal year 2024. In accordance with GASB Statement 34, revenue and expense comparisons to year 2023 is presented:

Summary of Changes in Net Position

	<u>12/31/2024</u>	<u>12/31/2023</u>	Increase (Decrease)	Percentag e Change
<u>Revenues</u>				
Registrations	\$372,776	\$310,139	\$62,637	20%
Municipal	129,031	148,601	(19,570)	(13)%
County	218,703	147,947	70,756	48%
County (105 Grant)	-	69,428	(69,428)	(100)%
Interest	97,676	96,526	1,150	1%
CEHA Fees - EQEF	27,025	51,968	(24,943)	(48)%
Maplewood REHS	56,375	-	56,375	100%
WO Generalist	54,725	57,025	(2,300)	(4)%
Public Health	-	57,200	(57,200)	(100)%
Public Health Activities	422,852	728,552	(305,700)	(42)%
Miscellaneous Income	<u>8,105</u>	-	<u>8,105</u>	100%
Total Revenues	<u>\$1,387,268</u>	<u>\$1,667,386</u>	<u>\$(280,118)</u>	
<u>Expenses</u>				
Personnel	\$762,533	\$791,412	\$(28,879)	(4)%
Contract	123,104	127,977	(4,873)	(1)%
Travel	16,031	16,067	(36)	0%
Office	19,584	21,892	(2,308)	(11)%
Other	1,125	3,054	(1,930)	(63)%
Equipment	5,282	39,186	(33,904)	(87)%
Public Health Activities	422,852	779,735	(356,883)	(46)%
WO Generalist	-	57,025	(57,025)	(100)%
Depreciation	29,106	20,109	8,997	45%
Assets Capitalized	(7,614)	(51,184)	43,570	(85)%
Interest & Amortization Expense	<u>2,150</u>	<u>5,117</u>	<u>(2,967)</u>	(58)%
Total Expenses	<u>\$1,374,153</u>	<u>\$1,810,391</u>	<u>\$(436,238)</u>	
Change in Net Position	\$13,115	\$(143,005)	\$156,120	123%
Beginning Net Position	1,688,264	1,831,269	(143,005)	(8)%
Prior Period Adjustment	<u>12,793</u>	-	-	
Ending Net Positions	<u>\$1,714,172</u>	<u>\$1,688,264</u>	<u>\$32,719</u>	

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

**The Commission as a Whole**

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

The statement below provides a summary of the Commission's net position for 2024. In accordance with GASB Statement 34, net position comparisons for the year 2023 are presented.

<u>Summary Statement of Net Position</u>				
	<u>12/31/2024</u>	<u>12/31/2023</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>Assets</u>				
Current & Other	\$ 2,960,706	\$ 2,785,466	\$ 257,130	6%
Capital Assets Net	67,531	89,189	(89,189)	(24)%
Total Assets	<u>\$ 3,028,237</u>	<u>\$ 2,874,655</u>	<u>\$ 167,941</u>	
<u>Liabilities</u>				
Current Liabilities	\$ 125,244	\$ 145,321	\$ (20,077)	(14)%
L/T Liabilities	20,179	110,654	(90,475)	100%
Unearned Registrations	<u>1,168,643</u>	<u>930,417</u>	<u>238,226</u>	26%
Total Liabilities	<u>\$ 1,314,066</u>	<u>\$ 1,186,392</u>	<u>\$ 127,674</u>	
<u>Net Position</u>				
Unassigned	\$ 1,498,756	\$ 1,458,442	\$ 40,313	3%
Assigned	147,885	140,632	7,253	5%
Capital Assets	67,531	89,189	(21,658)	(24)%
Total Net Positions	<u>\$ 1,714,172</u>	<u>\$ 1,688,264</u>	<u>\$ 25,908</u>	
Total Liabilities & Net Positions	<u>\$ 3,028,238</u>	<u>\$ 2,874,655</u>	<u>\$ 153,582</u>	

Note - Net Position may be a useful indicator of the Commission's financial position over time. In the case of the Commission, assets exceeded liabilities by \$1,714,172.

The assigned position of the Commission's net position, represents net position that can be expended by authorization of the Board of Commissions.

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

**General Fund Budgeting Highlights**

The Commission prepares and adopts an annual budget. The budget is designed to demonstrate that the cash flows 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 reorganize revenues that were not anticipated and to prevent over-expenditures in specific line-item accounts.

The following table provides a 2024 budgetary comparison:

	<u>Budgetary Comparison</u>		
	Budget as <u>Modified</u>	<u>Actual</u>	Favorable (unfavorable)
<u>Revenues</u>	<u>\$1,512,588</u>	<u>\$1,387,268</u>	<u>\$(125,320)</u>
<u>Expenditures</u>			
Personnel	\$ 799,911	\$ 762,533	\$ 37,378
Other Expenses	<u>712,677</u>	<u>590,128</u>	<u>122,549</u>
Total	<u>\$1,512,588</u>	<u>\$1,352,661</u>	<u>\$ 159,927</u>
Excess Revenues Over Expenditures		<u>\$ 34,607</u>	<u>\$ 34,607</u>

**Capital Assets**

At the end of December 31, 2024 the Commission had \$67,531 invested in capital assets. The schedule shows the year 2024 balance compared to 2023.

	Capital Assets at December 31	
	<u>2024</u>	<u>2023</u>
Automotive	\$ 99,124	\$ 9,124
Leasehold Improvements	50,657	50,657
Furniture & Fixtures	12,068	12,068
Equipment	387,278	379,664
Rounding	0	4
Total	<u>\$481,596</u>	<u>\$541,517</u>
Less Amortization & Depreciation	<u>481,596</u>	<u>(452,328)</u>
Net Book Value	<u>\$67,531</u>	<u>\$89,189</u>

Overall capital assets decreased \$21,658 from 2023 to 2024. For more information, please refer to the notes

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

**Economic Factors and Next Year's Budgets and Rates**

Essex Regional Health Commission  
BUDGET – JUSTIFICATION 2025

The 2025 Budget of \$1,309,718 reflects an overall increase of \$131,024 which is about 12.59% when compared to the 2024 Budget. This is due to the fact that personnel costs increased by \$118,153, the contract category increased by \$12,571, & the other cost category increased by \$300. This budget increase is due to grant funding reduction and the fact that the 2025 Budget anticipates only 6 months of grants and agreements funding, while the 2024 Budget reflects 12 months of funding from all grants and agreements.

**Increases/Decreases are summarized below.**

**Salary: Increase \$55,430:** The increase is due to grant funding reduction and due to the fact that the 2025 Budget anticipates only 6 months of Grants and Agreements funding while the 2024 Budget reflects 12 months of Grants and Agreements funding.

**Overtime/On Call: No Increase/Decrease:** These categories' costs remain under the amount budgeted in 2024 and are estimated to remain the same in 2025.

**Payroll Taxes Increase \$3,272:** Payroll taxes are directly related to the amount reflected under the employee's compensation (FICA 7.65% and SUI 0.8%). The Payroll Tax calculation formula **reflects the FICA tax exemption for the employees' health insurance contribution portion of the bill** (2025 contribution estimated to be \$48,639).

**Health Benefit: Increase \$20,414:** The amount budgeted under this category was based on previous years' experience. There was a 7.58% rate increase from 2023 to 2024 and anticipated in the 2025 Budget. The 2024 Budget anticipates 12 months of Grants and Agreements funding, while the 2025 Budget shows a grant funding reduction and only reflects 6 months' funding from these Grants and Agreements.

**Retiree Health Benefit: Increase \$6,579:** There are two (2) employees under this policy. There was an 8.92% rate increase from 2023 to 2024 and anticipated in the 2025 budget. There is no new enrollment anticipated in 2025.

**Dental: Increase \$1,180:** The amount budgeted under this category was based on previous years' experience. The 2025 budget amount was based on the current 2024 bill's amount. No premium increase is anticipated in 2025. The 2024 Budget anticipates 12 months of Grants and Agreements funding, while the 2025 Budget shows a grant funding reduction and only reflects 6 months' funding from these Grants and Agreements.

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Workers Compensation: Increase \$3,025:** The amount budgeted under this category was based on previous years' experience. There was a premium increase of 34% from 2023 to 2024. The 2025 Budget only anticipates a 15% increase, a grants/agreements reduction and only 6 months of Grants funding, while the 2024 Budget reflects 12 months of these Grants and Agreements funding.

**P.E.R.S: Increase \$28,253:** The Public Employee Retirement System is at 100% of contribution. There was a 59.54% rate increase from 2023 to 2024 but only a 2% increase was anticipated in the 2025 Budget. The 2024 Budget anticipates 12 months of Grants and Agreements funding, while the 2025 Budget shows a grant funding reduction and only reflects 6 months' funding from these Grants and Agreements.

**All Other Budget Categories: Increase \$300:** All other budget categories were calculated based on previous years' experience. When comparing the 2024 Budget "other cost" to the 2025 Proposed Budget "other cost", there is an overall increase of \$300. This is due to an increase in communication cost of \$300. The 2024 Budget anticipates 12 months of Grants and Agreements funding for the employees' cellphones that are split between consolidated and these grants, while the 2025 Budget shows a grant funding reduction and only reflects 6 months' funding from these Grants and Municipalities Agreements.

**REVENUE INCREASE/DECREASE:**

The Commission's revenue portion of the budget is as follows: The 2025 Commission's Budget of \$1,309,718 reflects an overall increase of \$131,024 which is about 12.59% when compared to the 2024 Budget.

Increases/Decreases are summarized below:

- 1- Deferred Revenue R&C increased by **\$57,579**. This increase reflects the amount on account, which also reflects the additional fees collected and divided by only the number of years remaining in the cycle (2025 is year number 4 of the 5 years cycle).
- 2- The Reserve category was increased by **\$238,957**. This amount was required to balance the budget due to the fact that the 2025 Budget shows a grant & agreements funding reduction and only reflects 6 months' funding from these Grants and Agreements.
- 3- EQEF Decrease of **(\$18,037)**: All funds available under this account were utilized in the 2024 Budget, leaving no funds available to be allocated to the 2025 Budget.
- 4- County Agreement Decrease by **(\$106,500)** due to the fact that the 2025 Budget anticipates only 6 months of this agreement, while the 2024 Budget reflects 12 months for this agreement.
- 5- West Orange & Maplewood REHS decreased by **(\$40,975)** due to the fact that the 2025 Budget anticipates only 6 months of these agreements, while the 2024 Budget reflects 12 months for these agreements.

**ESSEX REGIONAL HEALTH COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
UNAUDITED**

**Appropriations**

Personnel	\$879,328
Contractual	221,744
Office	19,700
Travel	22,400
Equipment	10,500
Other	18,200
Grant Program	<u>137,846</u>
Total Appropriations	<u>\$1,309,718</u>

**Revenue**

Sufficient revenue must be raised from various sources to support the annual spending plan. Revenues used to support the 2024 Budget are summarized below:

<u>Revenue Sources</u>	
Local Revenues (Municipal & County)	\$181,603
ERHC EQEF	-
Local Court Penalty (Source R&C)	-
Deferred Revenue R&C	353,643
Miscellaneous Revenue	106,093
Reserve	<u>424,033</u>
Total	<u>\$1,065,372</u>
State (CEHA) Revenues	\$74,285
Federal (EPA 105/SLPH COVID)	<u>170,061</u>
Total Revenues	<u>\$1,309,718</u>

**Contacting the Commission**

This financial report is designed to provide a general overview of the Essex Regional Health Commission finances for all of those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Essex Regional Health Commission, 204 Hillside Avenue, Livingston NJ 07039.

**ESSEX REGIONAL HEALTH COMMISSIONS**  
**GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	General Fund	Penalty Enforcement Fund	Total	Adjustments	Statement of Net Position
<b>Assets</b>					
Cash & Equivalents	\$ 181,848	\$ 1,747	\$ 183,595	\$ -	\$ 183,595
New Jersey Cash Management Fund	2,046,898	146,138	2,193,035	-	2,193,035
Accounts Receivable Grants & Contracts	552,824	-	552,824	-	552,824
Accounts Receivable Municipalities	8,234	17,608	25,842	-	25,842
Right of Use Assets	5,410	-	5,410	-	5,410
Capital Assets Net of Accumulated Depreciation (Note 2)	-	-	-	67,531	67,531
<b>Total Assets</b>	<b>\$ 2,795,214</b>	<b>\$ 165,493</b>	<b>\$ 2,960,706</b>	<b>\$ 67,531</b>	<b>\$ 3,028,237</b>
<b>Deferred Outflows of Resources:</b>					
Pension Related	\$ -	\$ -	\$ -	\$ 547,647	\$ 547,647
OPEB Related	-	-	-	1,608,318	1,608,318
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,155,965</b>	<b>\$ 2,155,965</b>
<b>Liabilities</b>					
Accounts Payable	\$ 117,612	\$ -	\$ 117,612	\$ -	\$ 117,612
Accrued Payroll	1,166	-	1,166	-	1,166
Payroll Deductions	3,992	-	3,992	-	3,992
Unearned MRC	579	-	579	-	579
Unearned Grants	342,782	-	342,782	-	342,782
Unearned Registrations	808,253	17,608	825,861	-	825,861
Short Term Lease Liabilities	1,895	-	1,895	-	1,895
<b>Total</b>	<b>\$ 1,276,279</b>	<b>\$ 17,608</b>	<b>\$ 1,293,887</b>	<b>\$ -</b>	<b>\$ 1,293,887</b>
<b>Long Term Liabilities</b>					
Accrued Vacation & Sick leave	\$ 16,664	\$ -	\$ 16,664	\$ -	\$ 16,664
Net Pension Liability	-	-	-	1,620,335	1,620,335
Net OPEB Liability	-	-	-	1,884,369	1,884,369
Long Term Lease Liabilities	3,515	-	3,515	-	3,515
<b>Total</b>	<b>\$ 20,179</b>	<b>\$ -</b>	<b>\$ 20,179</b>	<b>\$ 3,504,704</b>	<b>\$ 3,524,883</b>
<b>Total Liabilities</b>	<b>\$ 1,296,458</b>	<b>\$ 17,608</b>	<b>\$ 1,314,066</b>	<b>\$ 3,504,704</b>	<b>\$ 4,818,770</b>
<b>Deferred Inflows:</b>					
Pension Related	\$ -	\$ -	\$ -	\$ 97,881	\$ 97,881
OPEB Related	-	-	-	1,544,423	1,544,423
<b>Total Deferred Inflows</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,642,304</b>	<b>\$ 1,642,304</b>
<b>Fund Balances:</b>					
Restricted: Penalty Enforcement Fund	\$ -	\$ 147,885	\$ 147,885	\$ (147,885)	\$ -
Unassigned	1,498,756	-	1,498,756	(1,498,756)	-
<b>Total Fund Balances</b>	<b>\$ 1,498,756</b>	<b>\$ 147,885</b>	<b>\$ 1,646,641</b>	<b>\$ (1,646,641)</b>	<b>\$ -</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 2,795,214</b>	<b>\$ 165,493</b>	<b>\$ 2,960,706</b>		
<b>Net Position</b>					
Net Investment in Capital Assets				\$ 67,531	\$ 67,531
Restricted Penalty Enforcement Fund				147,885	147,885
Unrestricted (Deficit)				(1,492,287)	(1,492,287)
<b>Total Net Position (Deficit)</b>				<b>\$ (1,276,871)</b>	<b>\$ (1,276,871)</b>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
STATEMENT OF GOVERNMENT FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund	Public Health Fund	Penalty Enforcement Fund	Total	Adjustments Note A	Statement of Activities
<b>Revenues</b>						
Registrations	\$ 372,776	\$ -	\$ -	\$ 372,776	\$ -	\$ 372,776
Municipal	129,031	-	-	129,031	-	129,031
County	218,703	-	-	218,703	-	218,703
County (105 Grant)	-	-	-	-	-	-
Interest	90,363	-	7,313	97,676	-	97,676
NJACCHO 2023-2024	-	51,481	-	51,481	-	51,481
NJACCHO 2024-2025	-	48,498	-	48,498	-	48,498
CEHA Settlement	27,025	-	-	27,025	-	27,025
Overdose 2023-2024	-	35,652	-	35,652	-	35,652
Overdose 2024-2025	-	36,618	-	36,618	-	36,618
Overdose Supp	-	12,510	-	12,510	-	12,510
SLPH IDPG 2023-2024	-	92,501	-	92,501	-	92,501
SLPH LHOC 2023-2024	-	108,532	-	108,532	-	108,532
SLPH OP 2024-2025	-	14,572	-	14,572	-	14,572
SLPH PHC 2024-2025	-	22,488	-	22,488	-	22,488
Maplewood REHS	56,375	-	-	56,375	-	56,375
West Orange REHS	54,725	-	-	54,725	-	54,725
Public Health	-	-	-	-	-	-
Miscellaneous Income	8,105	-	-	8,105	-	8,105
<b>Total Revenues</b>	<b>\$ 957,104</b>	<b>\$ 422,852</b>	<b>\$ 7,313</b>	<b>\$ 1,387,268</b>	<b>\$ -</b>	<b>\$ 1,387,268</b>
Adjustment for PERS & OPEB Liability					(39,315)	(39,315)
<b>Total</b>	<b>\$ 957,104</b>	<b>\$ 422,852</b>	<b>\$ 7,313</b>	<b>\$ 1,387,268</b>	<b>\$ (39,315)</b>	<b>\$ 1,347,953</b>
<b>Expenses</b>						
Personnel	\$ 762,533	\$ -	\$ -	\$ 762,533	\$ -	\$ 762,533
Contract	123,104	-	-	123,104	-	123,104
Travel	16,031	-	-	16,031	-	16,031
Office	19,584	-	-	19,584	-	19,584
Other	1,065	-	60	1,125	-	1,125
Equipment	3,204	-	-	3,204	-	3,204
NJACCHO 2023-2024	-	51,481	-	51,481	-	51,481
NJACCHO 2024-2025	-	48,498	-	48,498	-	48,498
Overdose 2023-2024	-	35,652	-	35,652	-	35,652
Overdose 2024-2025	-	36,618	-	36,618	-	36,618
Overdose Supp	-	12,510	-	12,510	-	12,510
SLPH IDPG 2023-2024	-	92,501	-	92,501	-	92,501
SLPH LHOC 2023-2024	-	102,995	-	102,995	-	102,995
SLPH OP 2024-2025	-	14,572	-	14,572	-	14,572
SLPH PHC 2024-2025	-	22,488	-	22,488	-	22,488
Interest & Amortization Expense	2,150	-	-	2,150	-	2,150
Depreciation	-	-	-	-	29,106	29,106
Capital Outlay	2,077	5,537	-	7,614	(7,614)	-
<b>Total</b>	<b>\$ 929,749</b>	<b>\$ 422,852</b>	<b>\$ 60</b>	<b>\$ 1,352,661</b>	<b>\$ 21,492</b>	<b>\$ 1,374,153</b>
<b>Excess Revenues/Expenditures</b>	<b>\$ 27,354</b>	<b>\$ -</b>	<b>\$ 7,253</b>	<b>\$ 34,607</b>	<b>\$ (60,807)</b>	<b>\$ (26,200)</b>
<b>Changes in Net Assets</b>						
Fund Balances/Net Assets						
Beginning of Year						\$ (1,263,465)
Prior Period Adjustment						\$ 12,793
End of Year						<u>\$ (1,276,871)</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 1 - Summary of Significant Accounting Policies**

The financial statements of the Commission are prepared in accordance with generally accepted accounting principals (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements report using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, ie. both measurable and available. 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 program liability is incurred.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by fees and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statements presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period

The government reports the following major governmental funds:

The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another manner. The Penalty Enforcement Fund consists of fines collected and funds restricted for future expenditures designated by the Board of Commissions.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity**

**Cash and Cash Equivalents** - The Commission maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less.

**Advances to and from other funds** - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables, which arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

**Capital Assets** - Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Property, Plant, and Equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture & Equipment	5
Vehicle	5

**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.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Fund equity** - In the fund financial statements, the unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved balances for governmental funds represent the amount that has been legally identified for specific purposes. Designations of fund balance represent tentative management plans that are subject to change.

**Fund Equity and Net Position**— In the government-wide financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

**Restricted Net Position** – This category presents external restrictions imposed by Board of Commissions for Board approved expenditures.

**Unrestricted Net Position** – This category represents the net position of the Commission, which are not restricted for any other purpose.

**Leases** - In June 2017, the Governmental Accounting Standards Board (“GASB”) issued guidance under GASB Statement No. 87, Leases, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the Statement of Net Assets. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Commission adopted the standard effective January 1, 2022, and recognized and measured leases existing on January 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment with certain practical expedients available. The Commission elected the available practical expedients to account for their operating leases as operating leases (the Commission did not have any capital leases classified as financing leases as of January 1, 2022), under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, the Commission elected the hindsight practical expedient to determine the lease term for existing leases. Our election of the hindsight practical expedient may have resulted in the shortening of lease terms for certain existing leases since the adoption of the new standard was as of January 1, 2022, and certain leases may have commenced prior to January 1, 2022. Lastly, in the application of hindsight, the Commission used the determination that most renewal options would not be reasonably certain in determining the expected lease term unless the lease was renewed during 2022 or as a subsequent event through the date the financial statements were issued for 2022 in 2023.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Leases (Cont.)**

As a result of the adoption of the new lease accounting guidance, the Commission recognized on January 1, 2023, a lease liability at the carrying amount of their operating lease obligations on January 1, 2023, of \$9,759, and a right-of-use asset of \$9,759. The lease liability the Fund recognized on January 1, 2023, of \$9,759, represents the present value of the remaining operating lease payments, discounted using an average "risk-free treasury rates" ranging from 0.78% to 4.25% (see Note 3) and the right-of-use asset of \$9,759, represents the operating lease liability of \$9,759.

The implementation of the new standard had a material impact on the Commission's Fund Balance Sheet/ Statement of Net Assets but did not have an impact on the Commission's Statement of Government Fund Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

**Note 2 - Capital Assets**

When Capital Assets (equipment) that are to be used in governmental activities are purchased, the cost of those assets are reported as expenditures in government funds. However, the Statement of Net Assets includes those Capital Assets among the assets of the Commission.

Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>			
Capital Assets:			
Automobiles	\$ 99,124	\$ -	\$ 99,124
Furniture & Fixtures	12,068	-	12,068
Leasehold Improvements	50,657	-	50,657
Equipment	<u>379,664</u>	<u>7,614</u>	<u>387,278</u>
Totals at historical cost	<u>\$541,513</u>	<u>\$7,614</u>	<u>\$549,127</u>
Accumulated depreciation for:			
Automobiles	\$ 51,353	\$16,443	\$ 67,796
Furniture & Fixtures	6,035	2,414	8,449
Leasehold Improvements	50,657	-	50,657
Equipment	<u>344,445</u>	<u>10,249</u>	<u>354,694</u>
Total accumulated depreciation	<u>\$452,490</u>	<u>\$29,106</u>	<u>\$481,596</u>
Capital Assets value less depreciation:			
Automobiles			\$31,328
Furniture & Fixtures			3,619
Leasehold Improvements			-
Equipment			<u>32,584</u>
Total Value of Capital Assets			<u>\$67,531</u>

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 3 - Lease Agreements**

**Rental Spaces**

Essex Regional Health Commission entered into a lease with the Commission of Livingston for the rental of approximately 4,200 square feet of the Senior Community Center (the "Building") located at 204 Hillside Avenue, Livingston, New Jersey. The term of the lease is for five (5) years commencing on December 1, 2010 and ending on November 30, 2015 unless sooner terminated as provided in the lease. At the expiration of the initial term the Lease shall automatically renew for additional one (1) year terms ("Extended Terms") unless terminated by either Landlord or Tenant upon sixty (60) days written notice prior to the end of the initial term or the last extended term. During the first year of the initial term, Essex Regional Health Commission agrees to pay the landlord \$37,800, or \$3,150 a month. Beginning with the rent due on December 1, 2011, the rent to be paid will be calculated in accordance with price indexes listed in Schedule B of the lease. Should the application of this formula result in a percentage increase of less than 1% in the year, Essex Regional Health Commission agrees that there will be a one percent (1%) increase in the rent for the year. In no event will the increase exceed three percent (3%) in the year. As of December 1, 2023, the new monthly rent is \$4,282.98 or \$12,848.94 per quarter. (This lease is renewed annually at the Commission's option and is not included in GASB No. 87, lease classification & disclosures).

**Operating Leases**

The Commission leases a copier. The Commission determines if an arrangement is a lease at inception. Any leases for operating leases that did not extend for more than a year after January 1, 2022, or that were considered immaterial were accounted for and are disclosed in these financial statements under the prior lease standard. Operating leases that commenced prior to January 1, 2022, and any new leases after January 1, 2022, that expire more than twelve months after January 1, 2022 are classified and disclosed under the new lease accounting standard (GASB No. 87) as operating lease right-of-use ("ROU") assets, and included as other assets, and operating lease liabilities on the Fund Balance Sheet/ Statement of Net Assets. The Commission did not have any finance leases classified as capital leases as of December 31, 2024. ROU assets represent the Commission's right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Commission has elected to use the risk-free treasury rate based on the information available at the commencement date of each lease in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Commission's lease terms may include options to extend or terminate the lease when it is certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term as an administrative expense.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 3 - Lease Agreements (Cont.)**

	<u>Year Ending 12/31/2024</u>
<b>Leases Accounted for Under GASB 87</b>	
<b>Lease expense Kyocera Copier</b>	
Operating lease expense	<u>\$2,150</u>
Total	<u>\$2,150</u>
<b>Other Information Kyocera Copier</b>	
Operating cash out flows from this operating lease	\$2,150
ROU assets obtained in exchange for new operating lease liabilities	\$9,390
Weighted-average remaining lease term in years for operating lease	3
Weighted-average discount rate for operating lease	4.25%
<b>Maturity Analysis – Pitney Bowes Postage Meter</b>	
2025	\$2,088
2026	2,088
2027	<u>1,566</u>
Total undiscounted cash flows	<u>\$5,742</u>
Less: present value discount	<u>(332)</u>
Total lease liabilities	<u>\$5,410</u>

**Note 4 - Interlocal Service Agreement**

An Interlocal Services Agreement was signed on March 14, 2011 between the Commission of Livingston and the Commission. Under the terms of this agreement the Commission shall institute and prosecute violations of the "Air Pollution Control Code of the Essex Regional Health Commission" in the Municipal Court of the Commission of Livingston. The Commission shall collect all fines associated with the violations of the Ordinance. Livingston shall keep 50% of the penalties or fines collected. The other 50% shall be paid over to the Commission. The Commission shall pay all legal fees necessary to prosecute all Ordinance violations out of its portion. On December 11, 1998 the Commission adopted a resolution establishing the disposition of penalty proceeds received from the Environmental Court. All penalty proceeds collected by the Commission will be maintained in the custody of the Commission and be utilized for purposes deemed appropriate by the Board. The term of the agreement is from June 1, 2011 to May 31, 2021, and may be extended for further periods of ten (10) years upon mutual agreement by the governing bodies of Livingston and the Commission. Either party may, at any time, cancel this agreement upon 60 days written notice to the other party. Payments due the Commission are to be paid by Livingston on a quarterly basis beginning September 2011.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 5 - Registration and Certification Fees**

Registration and Certification Fees are recognized ratably over the registration period from January 1, 2022 to December 31, 2026. Registration fees collected during the twelve month period of January 1, 2024 to December 31, 2024 were collected for the 2024 registration period, and income was recognized thru December 31, 2024.

**Note 6 - Grant Funds**

In the normal course of operations the Commission receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**Note 7 – Line of Credit**

As of December 2, 2024 the Commission’s line of credit was renewed by PNC Bank, NA in the amount of \$200,000. The initial rate of interest was 6.25%. The Line was extended from February 1, 2025 to February 1, 2026.

**Note 8 – Compensated Absences & Lease Liabilities**

Compensated absences consist of unpaid accumulated annual sick leave, vacation time and compensation time as specified by the Commission’s employment policy and procedures. A liability has been calculated by the Commission and an accrual for the liability is included in the financial statements based on current pay rates.

Compensated Absences and Long-term liability activity for the year ended December 31, 2024 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Other liabilities:					
Compensated Absences	\$110,654	\$ -	\$(93,990)	\$16,664	\$ -
Copier	<u>5,524</u>	<u>-</u>	<u>(2,009)</u>	<u>3,515</u>	<u>1,895</u>
Total Other Liabilities	<u>\$229,420</u>	<u>\$ -</u>	<u>\$(95,999)</u>	<u>\$229,050</u>	<u>\$1,895</u>

\*The compensated absences & lease liabilities attributed to governmental activities will be payable by the Commission’s Unrestricted General Fund.

**Note 9 - Credit Risk Uninsured Cash Balances**

As of December 31, 2024 the Commission had uninsured cash balances totaling \$2,193,035 in the New Jersey Cash Management Fund. Other operating cash accounts deposited in banks may also go over the FDIC insured limit of \$250,000 when reimbursement checks are received from the State of New Jersey.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS)**

Substantially all of the Commission's employees participate in the Public Employee's Retirement System (PERS). This system is sponsored and administered by the New Jersey Division of Pensions and Benefits.

The Public Employee Retirement System is considered a cost sharing multiple employer plan. The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contribution of 7.5%, as of 7/1/18, of employees annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for the cost-of-living adjustments and noncontributory death benefits. The commission offers a 457(b) Deferred Compensation Plan to its employees. Under this plan employee contributions are made pre-tax and are accumulated tax deferred. The plan is administered by Valic Retirement Services and AXA.

The Commission's Employees participate in the State of New Jersey's Health Insurance Plan. As of July 15, 2014 contributions will be based on percentage of salary range and the plan selected. Employee contributions are pre-tax under a Section 125 plan.

**Pension Obligations**

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

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

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

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

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS) (Cont.)**

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the Commission's contractually required contribution to PERS plan was \$162,262.

**Components of Net Pension Liability** - At December 31, 2024, the Commission's proportionate share of the PERS net pension liability was \$1,620,335. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Commission's proportion of the net pension liability was based on the Commission's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Commission's proportion measured as of June 30, 2024, was 0.011924% which was an increase of 0.00094% from its proportion measured as of June 30, 2023.

**Balances at December 31, 2024 and December 31, 2023**

	<u>12/31/2024</u>	<u>12/31/2023</u>
	June 30, 2024	June 30, 2023
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 547,647	\$ 567,213
Deferred Inflows of Resources	97,881	102,926
Net Pension Liability	1,620,335	1,591,005
Commission's portion of the Plan's total Net Pension Liability	0.011924%	0.010984%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2024, the Commission's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2024 measurement date is \$35,312. This expense is not recognized by the Commission because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Commission contributed \$162,262 to the plan in 2024.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS) (Cont.)**

At December 31, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 32,458	\$ 4,314
Changes of Assumptions	2,013	18,436
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	75,131
Changes in Proportion and Differences between Commission Contributions and Proportionate Share of Contributions	513,176 <u>\$547,647</u>	- <u>\$97,851</u>

The Commission will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years

Differences between Expected and Actual Experience

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Year of Pension Plan Deferral:		
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	5.04	-
June 30, 2023	5.08	-
June 30, 2024	5.08	-

Net Difference between Projected and Actual Earnings on Pension Plan Investments

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Year of Pension Plan Deferral:		
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS) (Cont.)**

Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions

Year of Pension Plan Deferral:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
June 30, 2018	-	5.21
June 30, 2020	-	5.16
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	-	5.08
June 30, 2024	-	5.08

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending Dec 31</u>	<u>Amount</u>
2025	\$(187,664)
2026	145,209
2027	(83,542)
2028	(48,228)
2029	<u>1,255</u>
Total	<u>\$(172,970)</u>

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation:		
Price	2.75%	
Wage	3.25%	
Salary Increases:	2.75 – 6.55%	Based on Years of Service
Years of Service Investment Rate of Return	7.00%	
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from central year using Scale MP-2021	
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based		
	July 1, 2018 – June 30, 2021	

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS) (Cont.)**

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 June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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

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

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 10 - Public Employees' Retirement System (PERS) (Cont.)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer 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 in determining the total pension liability.

**Sensitivity of the Commission's proportionate share of the 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, 2024, 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 (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	<b>At 1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>At 1% Increase (8.00%)</b>
Commission Proportionate Share of the Net Pension Liability	\$2,171,151	\$1,620,335	\$1,176,841

**Note 11 - Postemployment Benefits Other Than Pensions**

**Pensions General Information about the OPEB Plan** - 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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating 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. 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

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 11 - Postemployment Benefits Other Than Pensions (Cont.)**

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. In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage.

Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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.

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

**Allocation Methodology** - GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2024 were \$4,838,833,875 and \$12,914,432,673, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers 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, 2023 through June 30, 2024. Employer and non-employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and non-employer may result in immaterial differences.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

Discount Rate:	3.93%	
Salary Increases*:		
Public Employees' Retirement System (PERS) Rate for all Future Years	2.75% to 6.55%	Based on years of service
Police and Firemen's Retirement System (PFRS) Rate for all future years	3.25% to 16.25%	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
PFRS	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 years of service within the respective plan.

**OPEB Obligation and OPEB (benefit) Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Commission's as of June 30, 2024 was \$1,884,369. The Commission's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the Commission was based on projection of the State's long-term contributions to the OPEB plan associated with the Commission relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB Obligation attributable to the Commission was 0.010524%, which was a decrease of 0.004823% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2024, the State of New Jersey recognized an OPEB benefit in the amount of \$21,960 for the State's proportionate share of the OPEB benefit attributable to the Commission. This OPEB benefit was based on the OPEB plans June 30, 2024 measurement date.

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

100% of active members are considered to participate in the Plan upon retirement.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 11 - Postemployment Benefits Other Than Pensions (Cont.)**

**Health Care Trend Assumptions** - For pre-Medicare medical benefits, the trend rate is initially 7.5% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits PPO, the trend is increasing to 22.62% in the fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.5% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.75% decreasing to a 4.5% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate** - The discount rate for June 30, 2024 was 3.93%. 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 Net OPEB Liability to Changes in the Discount Rate:**

The following presents the collective net OPEB liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net 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:

	At 1% Decrease <u>(2.93%)</u>	At Discount Rate <u>(3.93%)</u>	At 1% Increase <u>(4.93%)</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Commission	\$2,195,087	\$1,884,369	\$1,635,512
State of New Jersey's Total Non-employer OPEB Liability	\$20,857,914,273	\$17,905,445,505	\$15,540,780,410

<u>Healthcare Cost</u>	At 1% <u>Decrease</u>	<u>At Trend Rate</u>	At 1% <u>Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Commission	\$1,593,792	\$1,884,369	\$2,257,970
State of New Jersey's Total Non-employer OPEB Liability	\$15,144,352,142	\$17,905,445,505	\$21,455,435,620

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 11 - Postemployment Benefits Other Than Pensions (Cont.)**

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2024:

**Collective Balances at December 31, 2024 and December 31, 2023**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Actuarial Valuation Date (including roll forward)	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Collective Deferred Outflows of Resources	\$3,900,235,821	\$2,635,934,069
Collective Deferred Inflows of Resources	6,014,094,455	8,319,630,219
Collective Net OPEB Liability	17,905,445,505	15,006,539,477
 Commission's Portion	 0.039900%	 0.043849%

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

Year Ending June 30:	
2025	\$ (1,123,975,872)
2026	(483,903,543)
2027	(83,156,324)
2028	(443,334,965)
2029	(282,447,899)
Thereafter	<u>(302,959,969)</u>
	<u><u>\$(2,113,858,634)</u></u>

**Changes in Proportion** - The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.89, 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 for the years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

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

	<u>June 30, 2023</u>
Active Plan Members	60,691
Retirees Currently Receiving Benefits	<u>28,899</u>
Total Plan Members	<u>89,590</u>

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 11 - Postemployment Benefits Other Than Pensions (Cont.)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

Service Cost	\$ 545,086,159
Interest on the Total OPEB Liability	554,448,470
Change of Benefit Terms	107,670,542
Differences Between Expected and Actual Experience	408,491,660
Changes of Assumptions	1,735,990,164
Contributions From the Employer	(399,436,504)
Contributions From Non-Employer Contributing Entity	(62,827,411)
Net Investment Income	(1,636,336)
Administrative Expense	<u>11,119,284</u>
Net Change in Total OPEB Liability	(2,898,906,028)
Total OPEB Liability (Beginning)	<u>15,006,539,477</u>
Total OPEB Liability (Ending)	<u>\$ 17,905,445,505</u>

Note that the information presented above is in accordance with Local Finance Notice 2021-10, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Note 12 - Program Agreements**

The County of Essex through Essex County Health Department, designated as the CEHA entity entered into an agreement with Essex Regional Health Commission to provide for the provision of the programs for the control of air, noise and water pollution, solid waste and pesticide control and motor vehicle idling. This one year agreement from July 1, 2024 (retroactive) through June 30, 2025 includes the maintenance of documents required under the Community Right to Know Act regarding the public disclosure of hazardous waste.

The following are the contract amounts:

Air Service	\$73,570
Idling Service	5,000
Solid Waste	70,000
EPA (105)	<u>69,430</u>
Total	<u>\$218,000</u>

The Commission shall deposit all fees, fines and penalties collected into the Certified Agency's EQEF Account (Essex County). All penalty proceeds from CEHA related enforcement actions will be paid to the Commission net of the following administrative charges, which shall be retained by the County; 20% for all penalty actions and 30% for actions adjudicated or settled in the Superior Court.

**ESSEX REGIONAL HEALTH COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**Note 13 - Contracts for Service and Grant Agreement Contracts**

The Commission has entered into Contracts for Services with:

		<b>2025 Portion</b>
Strengthening Local Public Health		
Capacity Grant 2024/2025	01/01/25-06/30/25	\$ 37,604
Overdose Fatality Review Team 2024/2025	01/01/25-06/30/25	38,383
NJACCHO Grant 2023/2025	01/01/25-12/31/25	132,022
Essex County CEHA	01/01/25-12/31/25	<u>69,430</u>
Total		<u>\$ 277,439</u>

**Note 14 – Service Agreement Hudson Regional Health Commission**

On January 19, 2017, Essex Regional Health Commission entered into an agreement with Hudson Regional Health Commission, where by Hudson Regional Health Commission was to provide the services of a Chief Financial Officer and Qualified Purchasing Agent. The terms of this Agreement shall be automatically extended for successive one (1) year periods unless renegotiated or terminated by either party. Payments under this contract are to be paid quarterly in the amount of \$8,750 (\$35,000 annually).

On April 1, 2014, Essex Regional Health Commission entered into an agreement with Hudson Regional Health Commission, where by Hudson Regional Health Commission was to provide the services of a licensed health officer who will administer all Commission agency activities. All the Commission’s activities shall meet “Public Health Practice Standards of Performance for the Local Boards of Health in N.J. (N.J. A.C. 8:52)”. The terms of the Agreement shall be automatically extended for successive (1) year periods unless renegotiated or terminated by either party. Payments under this contract are to be paid quarterly in the amount of \$16,117 per calendar quarter (\$64,468 annually).

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**ESSEX REGIONAL HEALTH COMMISSION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
DECEMBER 31, 2024**

Category	Budgeted Amounts		Actual Amounts
	Original	Final	Budgetary Basis (See Note A)
<u>Personnel</u>			
Salaries	\$ 430,426	\$ 486,541	\$ 384,717
Overtime	21,970	21,970	15,623
On Call	4,860	4,860	3,400
Payroll Taxes - FICA	32,906	36,306	35,750
Payroll Taxes - SUI	1,800	2,000	1,900
P.E.R.S. - Pension	61,386	103,215	101,967
Retiree Health Benefit	4,135	6,535	23,827
Health Benefit	101,586	117,221	94,166
Dental Benefit	6,093	5,921	4,972
Workers Compensation	12,742	15,342	15,276
Compensable Absences	-	-	-
Total	<u>\$ 677,904</u>	<u>\$ 799,911</u>	<u>\$ 681,598</u>
<u>Grant Programs (Inclusive of P/R)</u>			
OVERTIME IDLING 2023/2024	\$ 2,500	\$ 4,006	\$ 4,010
SLPH COVID LHOC 2023/2024	91,911	108,533	108,533
SLPH COVID IDPG 2023/2024	96,108	92,502	92,501
OPIOID OVERDOSE 2023/2024	37,500	35,651	35,652
NJACCHO 2023/2024	50,000	51,481	51,481
OVERTIME IDLING 2024/2025	-	1,714	1,714
SLPH COVID PHC 2024/2025	-	22,488	22,488
SLPH COVID OP 2024/2025	-	14,572	14,572
OPIOID OVERDOSE 2024/2025	-	36,618	36,618
OPIOID OVERDOSE SUPP 2024/2025	-	12,510	12,510
NJACCHO 2024/2025	-	48,498	48,498
Total	<u>\$ 278,019</u>	<u>\$ 428,573</u>	<u>\$ 428,577</u>
<u>Contract</u>			
Hudson Regional- H.O.	\$ 51,576	\$ 45,576	\$ 45,127
Hudson Regional- CFO	29,750	28,750	28,000
Hudson Regional- IT	8,786	17,359	17,358
Legal	6,000	6,000	747
Office Rental	49,510	49,510	44,514
Office Cleaning	9,540	9,540	9,540
Auditor	20,595	25,095	24,476
Insurance	25,567	26,967	26,886
Payroll Service	2,849	3,363	3,337
Total	<u>\$ 204,173</u>	<u>\$ 212,160</u>	<u>\$ 199,985</u>
<u>Travel</u>			
Gas	\$ 3,600	\$ 3,600	\$ 1,862
Mileage Reimbursement	1,800	1,800	403
Auto Maintenance	5,000	5,000	4,332
Conventions/ Meetings	12,000	12,000	9,434
Total	<u>\$ 22,400</u>	<u>\$ 22,400</u>	<u>\$ 16,031</u>
<u>Office</u>			
Office Supplies/ Printing	\$ 5,000	\$ 5,144	\$ 5,143
Postage	5,000	5,000	2,978
Legal Advertising	1,000	1,000	-

**ESSEX REGIONAL HEALTH COMMISSION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
DECEMBER 31, 2024**

Publications/Subscriptions	1,700	3,000	2,635
Copier Lease	2,500	2,500	479
Office Equipment	4,500	4,500	3,681
Total	<u>\$ 19,700</u>	<u>\$ 21,144</u>	<u>\$ 14,916</u>
<u>Other</u>			
Communication	\$ 8,000	\$ 8,000	\$ 7,614
Medical Surveillance	1,200	1,200	-
Bank Service Charges	700	700	568
Miscellaneous	3,000	3,000	558
Record Destruction	5,000	5,000	-
Total	<u>\$ 17,900</u>	<u>\$ 17,900</u>	<u>\$ 8,740</u>
<u>Equipment</u>			
Equipment	\$ 5,000	\$ 5,000	\$ -
General Supplies	2,500	2,500	1,214
Equipment Maintenance	3,000	3,000	1,600
Total	<u>\$ 10,500</u>	<u>\$ 10,500</u>	<u>\$ 2,814</u>
Total Expenditures	<u>\$ 1,230,596</u>	<u>\$ 1,512,588</u>	<u>\$ 1,352,661</u>
<u>Estimated Revenue</u>			
Municipal Assessments	\$ 124,403	\$ 124,403	129,031
County 2023/2024	71,500	71,500	71,500
County SOLID WASTE 2023/2024	35,000	35,000	35,000
County IDLING 2023/2024	2,500	4,006	4,006
County 2024/2025	-	71,500	71,500
County SOLID WASTE 2024/2025	-	35,000	35,000
County IDLING 2024/2025	-	1,714	1,697
Reserve	273,317	142,855	-
Deferred Revenue R&C	296,064	372,776	372,776
ERHC EQEF Fund	-	27,025	27,025
Misc Revenue	95,093	105,781	105,781
Maplewood REHS 2023/2024	28,600	26,675	26,675
West Orange REHS 2023/2024	28,600	14,300	14,300
SLPH COVID LHOC 2023/2024	91,911	108,533	108,533
SLPH COVID IDPG 2023/2024	96,108	92,502	92,502
OPIOID OVERDOSE 2023/2024	37,500	35,651	35,651
NJACCHO 2023/2024	50,000	51,481	51,481
Hudson Regional IT	-	-	-
Maplewood REHS 2024/2025	-	28,600	29,700
West Orange REHS 2024/2025	-	28,600	40,425
SLPH COVID PHC 2024/2025	-	22,488	22,488
SLPH COVID OP 2024/2025	-	14,572	14,572
OPIOID OVERDOSE 2024/2025	-	36,618	36,618
OPIOID OVERDOSE SUPP 2024/2025	-	12,510	12,510
NJACCHO 2024/2025	-	48,498	48,498
Total	<u>\$ 1,230,596</u>	<u>\$ 1,512,588</u>	<u>\$ 1,387,269</u>
Excess Expenditures Over Revenues			<u>\$ 34,607</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 BUDGET TO GAAP RECONCILIATION GENERAL FUND  
 DECEMBER 31, 2024**

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

	<u>General Fund</u>
<u>Sources/Inflows of Resources</u>	
Actual Amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,387,269
Adjustment for PERS & OPEB Liability	(39,315)
Reserve	<u>-</u>
Total Revenues as reported on Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds/Statement of Activities	<u>\$ 1,347,954</u>
<u>Uses/Outflows of Resources</u>	
Actual amounts (budgetary basis) "total charges to appropriations" from Budgetary Comparison Schedule	\$ 1,352,661
<u>Differences - Budget to GAAP</u>	
Governmental Funds report Capital Outlay as expenditures. However in the Statement of Activities, the cost of these 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.	<u>21,492</u>
Total Expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds/Statement of Activities	<u>\$ 1,374,153</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
STATE OF NJ - PERS - LOCAL EMPLOYER GROUP  
SCHEDULE OF CONTRIBUTIONS  
LAST EIGHT YEARS\***

	2024	2023	2022	2021	2020	2019	2018	2017
Commission's Contractually Required Contribution	\$ 162,262	\$ 146,808	\$ 92,022	\$ 82,386	\$ 75,864	\$ 66,200	\$ 65,587	\$ 69,396
Commission's in Relation to the Contractually Required Contribution	162,262	146,808	92,022	82,386	75,864	66,200	65,587	69,396
Commission's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's Covered Payroll	\$ 568,721	\$ 775,960	\$ 537,782	\$ 515,540	\$ 501,813	\$ 483,634	\$ 463,054	\$ 518,922
Contributions as a Percentage of Covered Payroll	28.53%	18.92%	17.11%	15.98%	15.12%	13.69%	14.16%	13.37%

\*this schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Actuarial Cost Method  
Asset Valuation Method  
Investment Rate of Return  
Retirement Age  
Mortality

Entry age - Level % of Salary  
Market value of assets  
7%, compounded annually  
60  
PUB-2010 "General" and "Safety classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2020

Notes to Schedule:

Valuation Date  
Timing  
Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Investment Rate of Return  
Salary Increases

July 1, 2022  
Actuarial determined contributions are calculated as of the July 1 preceding the fiscal year in which contributions are made  
Projected Unit Credit  
Level Dollar  
27 years  
5-year smoothing of difference between market value and expected actuarial value  
7.00%  
Service-based rates scaling from 6.00% at enrollment to 2.75% at 28 or more years of services

ESSEX REGIONAL HEALTH COMMISSION  
STATE OF NJ - PERS - LOCAL EMPLOYERS GROUP  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST EIGHT FISCAL YEARS\*

	2024	2023	2022	2021	2020	2019	2018	2017
Commission's Percentage of Collective Net Pension Liability	0.011925%	0.010984%	0.007297%	0.007034%	0.006935%	0.006806%	0.006594%	0.007490%
Commission's Portion of Net Pension Liability	<u>\$ 1,620,355</u>	<u>\$ 1,591,005</u>	<u>\$ 1,101,258</u>	<u>\$ 833,381</u>	<u>\$ 1,130,896</u>	<u>\$ 1,226,295</u>	<u>\$ 1,298,286</u>	<u>\$ 1,743,782</u>
Commission's Covered Payroll	<u>\$ 568,721</u>	<u>\$ 775,960</u>	<u>\$ 537,782</u>	<u>\$ 515,540</u>	<u>\$ 501,813</u>	<u>\$ 483,634</u>	<u>\$ 463,054</u>	<u>\$ 518,922</u>
Commission's Portion of Net Pension Liability as a % of Covered Payroll	284.91%	205.04%	204.78%	161.65%	225.36%	253.56%	280.37%	336.04%
Plan Fiduciary Net Position as a % of Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%

\*this schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

**ESSEX REGIONAL HEALTH COMMISSION  
PROPORTIONATE SHARE OF NET OPEB LIABILITY  
LAST SIX FISCAL YEARS\***

<u>Schedule of Proportionate Share of Net OPEB Liability</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commission's Percentage of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of NJ's Proportionate Share of the Net OPEB Liability Associated with the Commission	1,884,369	2,303,054	1,823,935	1,377,941	1,390,599	1,210,246
Total	<u>\$ 1,884,369</u>	<u>\$ 2,303,054</u>	<u>\$ 1,823,935</u>	<u>\$ 1,377,941</u>	<u>\$ 1,390,599</u>	<u>\$ 1,210,246</u>
Commission's Covered Employee Payroll	<u>\$ 568,721</u>	<u>\$ 775,960</u>	<u>\$ 592,269</u>	<u>\$ 374,148</u>	<u>\$ 343,511</u>	<u>\$ 358,974</u>
Commission's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered Employee Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>-0.89%</u>	<u>-0.79%</u>	<u>-0.36%</u>	<u>0.28%</u>	<u>0.92%</u>	<u>2.00%</u>

\*this schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

Notes to Schedule:

Valuation Date June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry age - Level % of Salary  
 Asset Valuation Method Market value of assets  
 Investment Rate of Return 3.93%  
 Retirement Age 60  
 Mortality PUB-2010 "General" and "Safety classification headcount-weighted mortality table with fully generation mortality improvement projections from the central year using Scale MP-2021

**SUPPLEMENTARY INFORMATION**

**ESSEX REGIONAL HEALTH COMMISSION  
SCHEDULE OF GRANTS AND CONTRACTS FOR SERVICES RECEIVABLE  
DECEMBER 31, 2024**

Essex County CEHA & 105 Grant	\$ 227,488
SLPH	56,179
NJACCHO	169,157
Overdose Grant	<u>100,000</u>
Total	<u>\$ 552,824</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
SCHEDULE OF ACCOUNTS RECEIVABLE MUNICIPALITIES  
DECEMBER 31, 2024**

<u>Current</u>	
Maplewood	\$ 1,100
Orange	3,284
West Orange	<u>3,850</u>
Total Current	<u>\$ 8,234</u>

See accompanying notes to financial statements.

**Essex Regional Health Commission  
Schedule of Federal and State Financial Assistance  
For the Year Ended December 31, 2024**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Award Dates	Award Amount	Expenditures 2024		
					From Pass- Through Awards	From Direct Awards	Total
<b>US Environmental Protection Agency</b>	Performance Partnership Grant	66.605	07/01/23-06/30/24 07/01/24-06/30/25	\$ 34,715 34,715	\$ - -	\$ 34,715 34,715	\$ 34,715 34,715
Total US Environmental Protection Agency				<u>\$ 69,430</u>	<u>\$ -</u>	<u>\$ 69,430</u>	<u>\$ 69,430</u>
<b>Department of Health and Human Services</b>							
(via NJ Department of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) SLPH	93.323	07/01/24-6/30/25	92,502	92,502	-	92,502
(via NJ Department of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Maplewood REHS	93.323	07/01/23-06/30/24 07/01/24-06/30/25	\$ 26,675 28,600 <u>\$ 55,275</u>	\$ - - <u>\$ -</u>	\$ 26,675 29,700 <u>\$ 56,375</u>	\$ 26,675 29,700 <u>\$ 56,375</u>
(via NJ Department of Health)	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) NJACCHO	93.323	10/01/22-06/30/24 10/01/24-06/30/25	\$ 51,481 48,498 <u>99,979</u>	\$ 51,481 48,498 <u>99,979</u>	\$ - - <u>-</u>	\$ 51,481 48,498 <u>99,979</u>
(via NJ Department of Health)	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response (SLPH)	93.354	07/01/23-06/30/24	94,878	94,878	-	94,878
(via NJ Department of Health)	Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	07/01/24-06/30/25	37,060	37,060	-	37,060
Total Department of Health and Human Services				<u>379,694</u>	<u>324,419</u>	<u>56,375</u>	<u>380,794</u>
<b>Total Federal Agency</b>				<u>\$449,124</u>	<u>\$ 324,419</u>	<u>\$ 125,805</u>	<u>\$450,224</u>
<b>State Agency and Other Awards</b>							
<b>NJ Dept Environmental Protection</b>	Overdose		07/01/23-06/30/24 07/01/24-06/30/25	\$ 35,651 49,128 <u>\$ 84,779</u>	\$ - - <u>\$ -</u>	\$ 35,651 49,128 <u>\$ 84,779</u>	\$ 35,651 49,128 <u>\$ 84,779</u>
Total NJ Dept of Environmental Protection				<u>\$ 84,779</u>	<u>\$ -</u>	<u>\$ 84,779</u>	<u>\$ 84,779</u>
<b>NJ Department of Health</b>	Strengthening Local Public Health		07/01/23-06/30/24	13,655	-	13,655	13,655
Total NJ Department of Health				<u>\$ 13,655</u>	<u>\$ -</u>	<u>\$ 13,655</u>	<u>\$ 13,655</u>
<b>Total State Agency and Other Awards</b>				<u>\$ 98,434</u>	<u>\$ -</u>	<u>\$ 98,434</u>	<u>\$ 98,434</u>
<b>Total Federal, State and Other Awards</b>				<u>\$547,558</u>	<u>\$ 324,419</u>	<u>\$ 224,239</u>	<u>\$548,658</u>

See accompanying notes to financial statements.

**Essex Regional Health Commission**  
**Schedule of Expenditures of Federal Awards**  
**And State and Local Financial Assistance**  
**For the Year Ended December 31, 2024**

*Note 1. Basis of Presentation*

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Essex Regional Health Commission ("The Commission") under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Commission, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Commission.

*Note 2. Summary of Significant Accounting Policies*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

*Note 3. Indirect Cost Rate*

The Commission has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ESSEX REGIONAL HEALTH COMMISSION**  
**STATE OF NJ DEPT. OF HEALTH LOCAL PUBLIC HEALTH**  
**OVERDOSE FATALITY REVIEW TEAMS 2024**  
**GRANT AWARD No. OORP24OFR017**  
**DECEMBER 31, 2024**

<u>Budget Period 07/1/23-6/30/24</u>	<u>Final Budget</u>	<u>Expenditures 2023</u>	<u>Expenditures 2024</u>	<u>Total Expenditures</u>	<u>Questioned Costs</u>
<u>Personnel Costs</u>					
Salaries	\$ 56,912	\$ 29,854	\$ 27,058	\$ 56,912	\$ -
Fringe Benefits (Federal)	9,569	5,232	4,337	9,569	-
Total	<u>\$ 66,481</u>	<u>\$ 35,086</u>	<u>\$ 31,395</u>	<u>\$ 66,481</u>	<u>\$ -</u>
<u>Other Direct Costs</u>					
Professional Services	\$ 7,196	\$ 3,598	\$ 3,598	\$ 7,196	\$ -
Program Expense	1,323	665	658	1,323	-
Total	<u>\$ 8,519</u>	<u>\$ 4,263</u>	<u>\$ 4,256</u>	<u>\$ 8,519</u>	<u>\$ -</u>
Total	<u>\$ 75,000</u>	<u>\$ 39,349</u>	<u>\$ 35,651</u>	<u>\$ 75,000</u>	<u>\$ -</u>
Total State	<u>\$ 75,000</u>	<u>\$ 39,349</u>	<u>\$ 35,651</u>	<u>\$ 75,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
STATE OF NJ DEPT. OF HEALTH LOCAL PUBLIC HEALTH  
OVERDOSE FATALITY REVIEW TEAMS 2025  
GRANT AWARD No. OORP25OFR016  
DECEMBER 31, 2024**

<u>Budget Period 07/1/24-6/30/25</u>	<u>Final Budget</u>	<u>Expenditures 2024</u>	<u>Expenditures Total</u>	<u>Questioned Costs</u>
<u>Personnel Costs</u>				
Salaries	\$ 65,193	\$ 30,664	\$ 30,664	\$ -
Fringe Benefits (Federal)	21,272	10,400	10,400	-
Total	<u>\$ 86,465</u>	<u>\$ 41,064</u>	<u>\$ 41,064</u>	<u>\$ -</u>
 <u>Other Direct Costs</u>				
Professional Services	\$ 7,196	\$ 3,598	\$ 3,598	\$ -
Program Expense	6,339	4,465	4,465	-
Total	<u>\$ 13,535</u>	<u>\$ 8,063</u>	<u>\$ 8,063</u>	<u>\$ -</u>
Total	<u>\$ 100,000</u>	<u>\$ 49,127</u>	<u>\$ 49,127</u>	<u>\$ -</u>
 Total State	 <u>\$ 100,000</u>	 <u>\$ 49,127</u>	 <u>\$ 49,127</u>	 <u>\$ -</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
STATE OF N.J. DEPT. OF HEALTH  
STRENGTHENING LOCAL PUBLIC HEALTH CAPACITY PROGRAM 2024  
GRANT #OLPH24PHC002  
DECEMBER 31, 2024**

<u>Budget Period 7/1/23-6/30/24</u>	Final Approved Budget	Expenditures <u>2023</u>	Expenditures <u>2024</u>	Total <u>Expenditures</u>	Questioned <u>Costs</u>
<u>Personnel Costs</u>					
Salaries & Wages	\$ 275,386	\$ 143,897	\$ 131,489	\$ 275,386	\$ -
Fringe Benefits	100,652	44,761	55,891	100,652	-
	<u>\$ 376,038</u>	<u>\$ 188,658</u>	<u>\$ 187,380</u>	<u>\$ 376,038</u>	<u>\$ -</u>
<u>Other Direct Costs</u>					
Professional Services	\$ 14,006	\$ 7,004	\$ 7,002	\$ 14,006	\$ -
Equipment	7,717	7,717	-	7,717	-
Supplies	-	-	-	-	-
Travel	-	-	-	-	-
Other	8,285	1,632	6,653	8,285	-
	<u>\$ 30,008</u>	<u>\$ 16,353</u>	<u>\$ 13,655</u>	<u>\$ 30,008</u>	<u>\$ -</u>
Total	<u>\$ 406,046</u>	<u>\$ 205,011</u>	<u>\$ 201,035</u>	<u>\$ 406,046</u>	<u>\$ -</u>
Federal Award	\$ 376,038	\$ 188,658	\$ 187,380	\$ 376,038	\$ -
State Award	30,008	16,353	13,655	30,008	-
Total	<u>\$ 406,046</u>	<u>\$ 205,011</u>	<u>\$ 201,035</u>	<u>\$ 406,046</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION  
STATE OF N.J. DEPT. OF HEALTH  
STRENGTHENING LOCAL PUBLIC HEALTH CAPACITY PROGRAM 2025  
GRANT #OLPH25PHC019  
DECEMBER 31, 2024**

<u>Budget Period 7/1/24-6/30/25</u>	Final Approved <u>Budget</u>	Expenditures <u>2024</u>	Total <u>Expenditures</u>	Questioned <u>Costs</u>
<u>Personnel Costs</u>				
Salaries & Wages	\$ 48,985	\$ 25,040	\$ 25,040	\$ -
Fringe Benefits	24,950	11,686	11,686	-
	<u>\$ 73,935</u>	<u>\$ 36,726</u>	<u>\$ 36,726</u>	<u>\$ -</u>
 <u>Other Direct Costs</u>				
Professional Services	\$ 729	\$ 334	\$ 334	\$ -
Equipment	-	-	-	-
Supplies	-	-	-	-
Travel	-	-	-	-
Other	-	-	-	-
	<u>\$ 729</u>	<u>\$ 334</u>	<u>\$ 334</u>	<u>\$ -</u>
 Total	 <u>\$ 74,664</u>	 <u>\$ 37,060</u>	 <u>\$ 37,060</u>	 <u>\$ -</u>
 Federal Award	 \$ 73,935	 \$ 36,726	 \$ 36,726	 \$ -
State Award	729	334	334	-
Total	<u>\$ 74,664</u>	<u>\$ 37,060</u>	<u>\$ 37,060</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**New Jersey Association of County and City  
Health Officials (NJACCHO)  
Enhancing Local Public Health Infrastructure 2022/2024  
December 2024**

<u>Budget Period 10/1/22-6/30/24</u>	Final Approved Budget	Expenditures 2022	Expenditures 2023	Expenditures 2024	Total Expenditures	Questioned Costs
<u>Personnel Costs</u>						
Salaries & Wages	\$ 89,502	\$ 14,325	\$ 51,809	\$ 20,979	\$ 87,113	\$ -
Fringe Benefits	43,236	6,961	26,022	14,849	47,832	-
	<u>\$ 132,738</u>	<u>\$ 21,286</u>	<u>\$ 77,831</u>	<u>\$ 35,828</u>	<u>\$ 134,945</u>	<u>\$ -</u>
<u>Other Direct Costs</u>						
Professional Services	\$ 51,200	\$ 7,793	\$ 29,260	\$ 12,051	\$ 49,104	\$ -
Equipment	1,750	-	1,750	-	1,750	-
Facility Cost	12,105	1,615	6,854	3,525	11,994	-
Supplies	-	-	-	-	-	-
Other	2,207	471	1,659	77	2,207	-
	<u>\$ 67,262</u>	<u>\$ 9,879</u>	<u>\$ 39,523</u>	<u>\$ 15,653</u>	<u>\$ 65,055</u>	<u>\$ -</u>
<b>Total</b>	<u>\$ 200,000</u>	<u>\$ 31,165</u>	<u>\$ 117,354</u>	<u>\$ 51,481</u>	<u>\$ 200,000</u>	<u>\$ -</u>
Federal Award	\$ 200,000	\$ 31,165	\$ 117,354	\$ 51,481	\$ 200,000	\$ -
State Award	-	-	-	-	-	-
<b>Total</b>	<u>\$ 200,000</u>	<u>\$ 31,165</u>	<u>\$ 117,354</u>	<u>\$ 51,481</u>	<u>\$ 200,000</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**ESSEX REGIONAL HEALTH COMMISSION**  
**New Jersey Association of County and City**  
**Health Officials (NJACCHO)**  
**Sustaining Local Public Health Infrastructure 2024/2025**  
**December 2024**

<u>Budget Period 10/1/24-6/30/25</u>	Final Approved Budget	Expenditures 2024	Total Expenditures	Questioned Costs
<u>Personnel Costs</u>				
Salaries & Wages	\$ 82,673	\$ 23,129	\$ 23,129	\$ -
Fringe Benefits	53,533	15,875	15,875	-
	<u>\$ 136,206</u>	<u>\$ 39,004</u>	<u>\$ 39,004</u>	<u>\$ -</u>
 <u>Other Direct Costs</u>				
Professional Services	\$ 19,953	\$ 5,941	\$ 5,941	\$ -
Equipment	-	-	-	-
Facility Cost	11,588	3,476	3,476	-
Supplies	-	-	-	-
Other	303	77	77	-
	<u>\$ 31,844</u>	<u>\$ 9,494</u>	<u>\$ 9,494</u>	<u>\$ -</u>
 Total	 <u>\$ 168,050</u>	 <u>\$ 48,498</u>	 <u>\$ 48,498</u>	 <u>\$ -</u>
 Federal Award	 \$ 168,050	 \$ 48,498	 \$ 48,498	 \$ -
State Award	-	-	-	-
Total	<u>\$ 168,050</u>	<u>\$ 48,498</u>	<u>\$ 48,498</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**INDEPENDENT AUDITOR'S REPORTS**



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

To the Board of Commissioners  
Essex Regional Health Commission  
Livingston, NJ 07039

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 governmental activities of Essex Regional Health Commission (Essex), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Essex's basic financial statements, and have issued our report thereon dated December 3, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*DeSena & Company*  
East Hanover, New Jersey  
December 3, 2025

**ESSEX REGIONAL HEALTH COMMISSION**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Financial Statement Findings

No Current Year Findings

**ESSEX REGIONAL HEALTH COMMISSION**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*.

**Financial Statement Findings**

No Prior Year Findings

**Federal Awards**

N/A – No Federal Single Audit in prior year.

**State Financial Assistance**

N/A – No State Single Audit in prior year.