

**OCEAN COUNTY  
MOSQUITO EXTERMINATION COMMISSION  
(A Component Unit of the County of Ocean, State of New Jersey)**

**Financial Statements and Supplementary Information**

**For the year ended December 31, 2024**

**(With Independent Auditor's Report Thereon)**

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION  
(A COMPONENT UNIT OF THE COUNTY OF OCEAN, STATE OF NEW JERSEY)**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the  
Ocean County Mosquito Extermination Commission  
County of Ocean  
Township of Barnegat, State of New Jersey

### 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 Ocean County Mosquito Extermination Commission (hereafter referred to as the Commission), County of Ocean, State of New Jersey, 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, each major fund, and the aggregate remaining fund information of the Commission, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Emphasis of Matter

##### *Change in Accounting Principle*

As discussed in Note 2 to the financial statements, during the fiscal year ended December 31, 2024, the Commission adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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, *Government Auditing Standards* and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and the other required supplementary information as listed in the table of contents information 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.

## **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2025 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

*Holman Frenia Allison, P.C.*

**HOLMAN FRENIA ALLISON, P.C.**

*Certified Public Accountants*

November 7, 2025  
Lakewood, New Jersey

**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 of the  
Ocean County Mosquito Extermination Commission  
County of Ocean  
Township of Barnegat, State of New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ocean County Mosquito Extermination Commission, (hereafter referred to as the Commission), a component unit of the County of Ocean, State of New Jersey, 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, and have issued our report thereon dated November 7, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Holman Frenia Allison, P.C.*

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

November 7, 2025  
Lakewood, New Jersey

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

November 7, 2025

To the Board of Commissioners of the  
Ocean County Mosquito Extermination Commission

This section of the annual financial report of the Ocean County Mosquito Extermination Commission, a component unit of the County of Ocean, State of New Jersey, (hereafter referred to as the Commission) presents a discussion and analysis of the financial performance of the Commission for the years ended December 31, 2024 and 2023. Please read it in conjunction with the basic financial statements, the notes to the financial statements, and supplementary information that follows this section.

**FINANCIAL HIGHLIGHTS**

- The net position of the Commission, which represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources, resulted in a surplus of \$184,348 at the close of the current year. As of the close of the current year, the Commission's total deficit net position of \$1,100,823 decreased by \$184,348 in comparison with the prior year total deficit net position of \$1,285,171.
- As described in Note 2: *Summary of Accounting Significant Policies* to the financial statements, the Authority has adopted the provisions of GASB Statement to No. 101, *Compensated Absences* for the year ended December 31, 2024. Implementation of these statements resulted in prior period adjustment of \$133,797, see Note 12 of the notes to the financial statements for additional information. Prior year balances reflected in the MD&A have also been updated for comparison purposes.

**FINANCIAL POSITION SUMMARY**

During 2024, the Commission's deficit net position decreased by \$184,345, decreasing from \$1,285,171 in 2023 to \$1,100,823. The analyses that follow focus on the net position (Table 1) and changes in net position (Table 2) of the Commission.

**FINANCIAL POSITION SUMMARY (continued)**

**Table 1 - Government Wide Statement of Net Position  
As of December 31,**

	<u>2024</u>	<u>2023</u>
Current assets	\$ 4,031,494	\$ 3,811,308
Capital asset, net	2,015,083	2,114,503
Deferred outflow of resources	<u>2,037,011</u>	<u>2,013,177</u>
 Total assets and deferred outflow of resources	 <u>\$ 8,083,588</u>	 <u>\$ 7,938,988</u>
 Current liabilities	 \$ 69,185	 \$ 41,274
Long-term liabilities	7,027,108	6,536,173
Deferred inflow of resources	<u>2,088,118</u>	<u>2,646,712</u>
 Total liabilities and deferred inflows or resources	 9,184,411	 9,224,159
 Investments in capital assets, net of related debt	 2,015,083	 2,114,503
Restricted net position	<u>(3,115,906)</u>	<u>(3,399,674)</u>
Total net position	<u>(1,100,823)</u>	<u>(1,285,171)</u>
 Total liabilities, deferred inflow of resources, and net position	 <u>\$ 8,083,588</u>	 <u>\$ 7,938,988</u>

In total, assets and deferred outflows of resources increased by \$144,600 while liabilities and deferred inflows of resources decreased by \$37,644. The increase in assets and deferred inflows of resources was primarily attributable to the increase in cash of \$237,557. The decrease in liabilities and deferred inflows of resources is primarily attributable to a reduction in net pension liability and deferred inflows of resources of \$690,661, offset by an increase in net other postemployment benefits liability of \$598,202.

\$2,015,083 of the Commission's net position at the end of the current year reflects its net investment in capital assets (i.e. buildings and improvements, helicopter improvements, various equipment, and vehicles). This component represents capital assets, net of accumulated depreciation, and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets. The Commission uses these assets to run their general operations consequently; these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources since the capital assets themselves cannot be used to liquidate these liabilities.

\$(3,115,906) of the Commission's net position at the end of the current year is restricted to the provisions and restrictions by supplemental resolutions thereto (See note 2 of the notes to the financial statements).

**FINANCIAL POSITION SUMMARY (continued)**

As stated previously, this deficit is directly attributable to the recognition of long-term liabilities, specifically related to pensions and other postemployment benefits, in which the Commission is not required to fund in accordance with State budgetary rules and regulations, but instead funds on a pay-as-you-go basis via contractual contributions. Table 2 that follows illustrates the changes in net position of the Commission.

**Table 2 - Government Wide Statement of Activities  
For the years ended December 31,**

	<u>2024</u>	<u>2023</u>
General revenues	\$ 2,588,891	\$ 2,542,207
Operating appropriations	<u>2,404,543</u>	<u>2,271,896</u>
Operating revenues over expenses	184,348	270,311
Net position, January 1	<u>(1,285,171)</u>	<u>(1,555,482)</u>
Net position, December 31	<u>\$ (1,100,823)</u>	<u>\$ (1,285,171)</u>

During 2024, the Commission’s general revenues increased by \$46,684, increasing from \$2,542,207 in 2023 to \$2,588,891 in 2024. Overall, in 2024, Ocean County operating grant constituted 93% of the Commission’s general revenues, while State grants and interest income constituted 7% of total general revenues.

Regarding operating expenses, the Commission experienced an increase of \$134,751 compared to 2023. This net increase is largely attributable to the salaries and wages and related overhead expenses increase of \$140,355 from 2023.

**CAPITAL ASSETS**

The Commission’s net investment in capital assets as of December 31, 2024, amounts to a historical cost of \$5,642,735, or \$2,015,083 net of accumulated depreciation (see table 3 below that follows). This net investment in capital assets includes buildings and improvements, jet fuel tanks, vehicles, helicopter improvements and various equipment.

**Table 3 - Summary of Capital Assets  
As of December 31,**

	<u>2024</u>	<u>2023</u>
Capital assets being depreciated	<u>\$ 5,642,735</u>	<u>\$ 5,430,355</u>
Total capital assets	5,642,735	5,430,355
Less: accumulated depreciation	<u>(3,627,652)</u>	<u>(3,315,852)</u>
Total capital assets, net	<u>\$ 2,015,083</u>	<u>\$ 2,114,503</u>

## **CAPITAL ASSETS (continued)**

The net change in capital assets was attributable to the following:

- the Commission had an increase in depreciable assets of \$212,380; and
- depreciation expense for the current year totaled \$311,800.

Information on the Commission's capital assets can be found in Note 5 of the notes to the financial statements.

## **NON-CURRENT LIABILITIES**

*Compensated Absences.* At the end of the current year, the liability for compensated absences was \$318,322. Compensated absences are those absences for which employees will be paid, such as sick and vacation. Additional information on compensated absences can be found in Note 6 of the notes to the financial statements.

*Net Pension Liability.* The Commission's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis. For additional details on the net pension liability, see Note 7 of the notes to the financial statements.

*Other Postemployment Benefits Liability.* The Commission's annual required contributions to the state health benefit plan are budgeted and paid monthly. For additional details on the other postemployment benefits liability, see Note 8 of the notes to the financial statements.

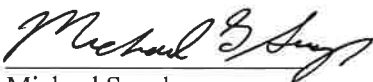
## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The 2025 budget was adopted on September 16, 2024, by the Board of Commissioners. For the year 2025, the Commission expects an increase of approximately \$48,354 in the County of Ocean operating grant.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

The Commission's management financial report is designed to provide users of the financial statements with a general overview of the Commission's finances and to show the Commission's accountability of the money it receives. The financial statements of the Commission are a matter of public record and may be examined at 784 West Bay Avenue, Barnegat, New Jersey during the Commission's business hours.

Respectfully Submitted,



Michael Senyk  
Superintendent

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Government Wide Statement of Net Position**  
**December 31, 2024**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current assets:	
Cash (Note 3)	\$ 3,795,328
Accounts receivable (Note 4)	66,296
Inventory, at cost	152,493
Prepaid assets	17,377
Total current assets	4,031,494
Capital assets, net:	
Depreciable (Note 5)	2,015,083
Total capital assets, net	2,015,083
Total assets	6,046,577
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions (Note 7)	148,308
Deferred outflows related to other postemployment benefits (Note 8)	1,888,703
Total deferred outflow of resources	2,037,011
Total assets and deferred outflows of resources	\$ 8,083,588

The accompanying notes are an integral part of the financial statements.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Government Wide Statement of Net Position (continued)**  
**December 31, 2024**

	<u><b>Governmental Activities</b></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts and other payables	\$ 37,001
Accrued payroll	<u>32,184</u>
Total current liabilities	<u>69,185</u>
Non-current liabilities:	
Compensated absences (Note 6)	318,322
Accrued pension payable (Note 6)	181,873
Net pension liability (Note 6)	1,816,169
Net other postemployment benefits liability (Note 6)	<u>4,710,744</u>
Total non-current liabilities	<u>7,027,108</u>
Total liabilities	<u>7,096,293</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions (Note 7)	139,848
Deferred inflows related to other postemployment benefits (Note 8)	<u>1,948,270</u>
Total deferred inflows of resources	<u>2,088,118</u>
Total liabilities and deferred inflows of resources	<u>9,184,411</u>
<b>NET POSITION</b>	
Investment in capital assets, net	2,015,083
Restricted (Note 11)	<u>(3,115,906)</u>
Total net position	<u>(1,100,823)</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 8,083,588</u></u>

The accompanying notes are an integral part of the financial statements.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Government Wide Statement of Activities**  
**For the year ended December 31, 2024**

	<b>Operating Appropriations</b>	<b>Governmental Activities</b>
Governmental activities:		
Operating appropriations:		
Salaries and wages	\$ 1,163,024	\$ 1,163,024
Professional services	37,052	37,052
Materials and supplies	346,216	346,216
Vehicle and equipment operations	168,077	168,077
Buildings and grounds	19,439	19,439
Professional development and public relations	11,366	11,366
Overhead expenses	334,984	334,984
Vehicle and equipment purchases and rental	12,585	12,585
Depreciation expense	311,800	311,800
Total operating appropriations	\$ 2,404,543	2,404,543
General revenues:		
County of Ocean operating grant		2,417,688
State of New Jersey pesticides grant		66,296
Interest on investments and deposits		104,907
Total general revenues		2,588,891
Change in net position		184,348
Net position, January 1, restated (Note 12)		(1,285,171)
Net position, December 31		\$ (1,100,823)

The accompanying notes are an integral part of the financial statements.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Governmental Fund**  
**Balance Sheet**  
**December 31, 2024**

ASSETS	General Fund	Total Governmental Funds
Current assets:		
Cash	\$ 3,795,328	\$ 3,795,328
Accounts receivable	66,296	66,296
Total current assets	\$ 3,861,624	\$ 3,861,624
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts and other payables	\$ 37,001	\$ 37,001
Accrued payroll	32,184	32,184
Total liabilities	69,185	69,185
Fund balance:		
Committed:		
Reserve for capital	1,901,213	1,901,213
Reserve for working capital	1,891,226	1,891,226
Total fund balance	3,792,439	3,792,439
Total liabilities and fund balance	\$ 3,861,624	

Amounts reported for governmental activities in the government wide statement of net position (Exhibit A-1) are different because:

Prepaid assets are reported in governmental funds as expenditures. However, in the government wide statement of net position, the cost of those assets is expensed.	17,377
Inventory is reported as an expenditure in the governmental fund financial statements when purchased. However, in the government wide statement of net position, the cost of inventory is capitalized as an asset and expensed over time as it is used.	152,493
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds financial statements.	2,015,083
Accrued pension payables are not recorded in the governmental fund financial statements because the liability is not due and payable in the current period.	(181,873)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future reporting periods and, therefore, are not reported in the governmental fund financial statements.	(51,107)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund financial statements.	(6,845,235)
Net position - Governmental Activities	\$ (1,100,823)

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Governmental Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the year ended December 31, 2024**

	<u>General Fund</u>	<u>Total Governmental Funds</u>
Revenues:		
Operating revenues:		
County of Ocean operating grant	\$ 2,417,688	\$ 2,417,688
State of New Jersey pesticides grant	66,296	66,296
Total operating revenues	<u>2,483,984</u>	<u>2,483,984</u>
Non-operating revenues:		
Interest on investments and deposits	<u>104,907</u>	<u>104,907</u>
Total non-operating revenues	<u>104,907</u>	<u>104,907</u>
Total revenues	<u>2,588,891</u>	<u>2,588,891</u>
Governmental expenditures:		
Salaries and wages	1,140,326	1,140,326
Professional services	37,052	37,052
Materials and supplies	356,223	356,223
Vehicle and equipment operations	247,056	247,056
Buildings and grounds	19,225	19,225
Professional development and public relations	11,366	11,366
Overhead	426,401	426,401
Vehicle and equipment purchases and rental	<u>147,581</u>	<u>147,581</u>
Total governmental expenditures	<u>2,385,230</u>	<u>2,385,230</u>
Excess of revenues over expenditures	203,661	203,661
Fund balance, January 1	<u>3,588,778</u>	<u>3,588,778</u>
Fund balance, December 31	<u>\$ 3,792,439</u>	<u>\$ 3,792,439</u>

The accompanying notes are an integral part of the financial statements.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the Government Wide Statement of Activities**  
**December 31, 2024**

Total net changes in Fund Balance - Governmental Funds (Exhibit B-2) \$ 203,661

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

Prepaid assets are reported as expenditures in the governmental fund financial statements, but in the government wide statement of net position, they are reported as assets and amortized over time as the benefits are consumed.

	Prior year	(40,047)	
	Current year	<u>17,377</u>	(22,670)

Inventory is reported as an expenditure in the governmental fund financial statements when purchased. However, in the government wide statement of net position, the cost of inventory is capitalized as an asset and expensed over time as it is used.

	Prior year	(141,209)	
	Current year	<u>152,493</u>	11,284

Certain activity related to the acquisition, construction, and/or improvements of assets are reported in governmental funds as expenditures. However, in the government wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

		212,381	
Capital outlays - General Fund		(311,800)	
Depreciation expense		<u></u>	(99,419)

The accompanying notes are an integral part of the financial statements.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balance to the Government Wide Statement of Activities (continued)**  
**December 31, 2024**

In the government wide statement of activities, certain operating expenses, such as compensated absences (e.g., sick leave), are measured by the amounts earned during the year. In the governmental fund financial statements, however, expenditures for these items are recognized to the extent that they are paid with available financial resources—that is, the amounts actually paid during the year.

(22,698)

Commission contributions to pension plans are reported as expenditures in the governmental fund financial statements when made. However, these contributions are reported as deferred outflows of resources in the government wide statement of net position because the net pension liability is measured as of a date one year prior to the Commission's reporting date. Pension expense (or benefit), which represents the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the government wide statement of activities.

	84,149	
Pension benefit (expense)		84,149

District contributions to other postemployment benefit plans are reported as expenditures in the governmental fund financial statements when made. However, these contributions are reported as deferred outflows of resources in the government wide statement of net position because the net other postemployment benefit liability is measured as of a date one year prior to the Commission's reporting date. Other postemployment benefit expense (or benefit), which represents the change in the net other postemployment benefit liability adjusted for changes in deferred outflows and inflows of resources related to other postemployment benefit, is reported in the government wide statement of activities.

	30,041	
Other postemployment benefit (expense)		30,041

		\$ 184,348
Changes in net position - Governmental Activities		

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements**

**NOTE 1: ORGANIZATION**

The Ocean County Mosquito Extermination Commission (hereafter referred to as the Commission), a component unit of the County of Ocean, State of New Jersey (the State), was created by State statute and exists with funding from State and County Governments. The Commission's principal activity is the prevention and control of mosquito infestation. This includes the use of a helicopter used mainly for spraying, which the County of Ocean provides to the Commission.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Commission conform to generally accepted accounting principles (GAAP) applicable to governmental funds of state and local governments in accordance with the provisions of *N.J.A.C. 5:31-7-1*. Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

The government wide financial statements report using the economic resources measurement focus and the accrual basis of accounting generally includes the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon thereafter, within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

**Fund Accounting**

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

Governmental Funds:

*General Fund*

The General Fund is the general operating fund of the Commission and is used to account for the inflows and outflows of financial resources. The acquisition of certain capital assets, such as equipment and helicopter and vehicle repairs, is accounted for in the General Fund when it is responsible for the financing of such expenditures.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Government Wide and Fund Financial Statements**

*Government Wide Financial Statements*

The government wide financial statements (Exhibit A-1 and Exhibit A-2) include the government wide statement of net position and the government wide statement of activities. These statements report financial information of the Commission as a whole excluding the fiduciary activities. All inter-fund activity, excluding the fiduciary funds, has been eliminated in the government wide statement of activities. Individual funds are not displayed but the statements distinguish governmental activities as generally supported through taxes and user fees. The government wide statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The Commission does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the government wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The fund financial statements provide detail of the governmental fund.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net position.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Accounting (continued)**

Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

**Encumbrances**

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances, other than in the special revenue fund, are reported as reservations of fund balances at year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Encumbered appropriations carry over into the next fiscal year. An entry will be made at the beginning of the next year to increase the appropriation reflected in the adopted budget by the outstanding encumbrance amounts as of the current year-end. As of December 31, 2024, the Commission did not have encumbrances.

**Cash**

Cash include petty cash, change funds and cash in banks. All certificates of deposit are recorded as cash regardless of the date of maturity. The Commission is required by *N.J.S.A. 40A: 5-14* to deposit public funds in a bank or trust company having its place of business in the State organized under the laws of the United States or of the State or with the New Jersey Cash Management Fund. *N.J.S.A. 40A: 5-15.1* provides a list of investments that may be purchased by the Commission. *N.J.S.A. 17:9-42* requires New Jersey governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the provision of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in the State.

Public funds are defined as the funds of any governmental unit. Public depositories include savings and loan institutions, banks (both State and National banks) and savings banks the deposits of which they are federally insured. All public depositories must pledge collateral, having a market value of five percent of its average daily balance of collected public funds, to secure the deposits of governmental units. If public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**Accounts Receivable**

Accounts receivables represent amounts due from intergovernmental agencies for pesticide grants. Accounts receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible (see Note 4: *Accounts Receivables*).

**Inventory**

Inventory consists principally of parts and supplies utilized in maintaining equipment, insecticides used for the spraying of lands, and fuel for the helicopter, vehicles and other heavy machinery. Inventory is valued at cost, and determined on a first-in, first-out basis. Inventories, which benefit future periods, are recorded as an expenditure during the year of purchase. The amount of inventory held at cost as of December 31, 2024 was \$152,493.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Prepaid Assets**

Prepaid assets, which benefit future periods, are recorded as an expenditure during the year of purchase.

**Capital Assets**

Capital assets, which include building and improvements, computer and office equipment, field equipment, helicopter improvements, jet fuel tank and vehicles are reported in the government wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Although owned by the County of Ocean, the helicopter’s replacement costs and improvements are expensed and capitalized by the Commission. Helicopter improvements are capitalized when they materially extend the life of the helicopter. General helicopter parts are depreciated at three, five, seven, or ten years depending on estimated useful life. The Commission has set capitalization thresholds for reporting capital assets of \$2,000. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

<b>Description:</b>	<b>Useful Lives:</b>
Buildings and improvements	20 Years
Computer and office equipment	7 Years
Field equipment	7 – 20 Years
Helicopter improvements	3 – 10 Years
Jet Fuel Tank	20 Years
Vehicles	5 Years

**Compensated Absences**

Employees of the Commission earn various types of compensated leave, including vacation, sick leave, and other paid time off, in accordance with the entity’s personnel policies and applicable collective bargaining agreements. In accordance with GASB Statement No. 101, *Compensated Absences*, the entity recognizes a liability for compensated absences when the leave is earned through employee service and is attributable to services already rendered, regardless of whether the leave vests or accumulates. This includes leave that is expected to be used and compensated in the future, such as parental, military, and jury duty leave. The liability is measured using current pay rates (or expected rates at the time of leave usage, if applicable) and includes applicable salary-related costs, such as employer portions of Social Security and Medicare. The liability is reported in the government wide financial statements. Expenditures are recognized in the governmental funds as payments come due each period, for example, because of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government wide presentations.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the government wide 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.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Outflows and Deferred Inflows of Resources (continued)**

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

**Other Post-employment Benefits and Pension**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* requires participating employers, including the Commission, in the State of New Jersey Public Employees Retirement System (PERS) plan to recognize their proportionate share of the collective total pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 7: *Pension Obligations* for more information about the plan.

GASB Statement No. 75, *Accounting and Financial Reporting for the Post-employment Benefits Other Than Pensions* requires participating employers in the New Jersey State Health Benefit Local Government Retired Employees (OPEB Plan) plan to recognize their proportionate share of the collective total OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense based on the ratio of plan members of an individual employer to the total members of the plan. See Note 8: *Other post-employment Benefits Other Than Pension* for more information about the plan.

**Revenues and Expenditures – Governmental Funds**

Revenues are recorded when they are determined to be both available and measurable. Generally, fees and other non-tax revenues are recognized when qualifying expenditures are incurred.

Expenditures are recorded when the related liability is incurred, if measurable, except for un-matured interest on general long-term debt, which is recognized when due.

**Fund Equity**

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Commission classifies governmental fund balances as follows:

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making Commission and does not lapse at year-end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board.
- Unassigned – Includes balance within the General Fund which has not been classified within the aforementioned categories and negative fund balances in other governmental funds.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Equity (continued)**

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

**Net Position**

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

- Investment in Capital Assets, net – Represent capital assets, net of accumulated depreciation, and reduced by any related outstanding debt incurred for their acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Impact of Recently Issued Accounting Pronouncements**

*Accounting Pronouncements Adopted in Current Year*

The following GASB statements became effective for the fiscal year ended December 31, 2024:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement 62*.
- Statement No. 101, *Compensated Absences*.

Implementation of these standards had a material impact on the Commission's financial statements, see note 13 for additional information.

*Accounting Pronouncements Effective in Future Reporting Periods*

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Impact of Recently Issued Accounting Pronouncements (continued)**

*Accounting Pronouncements Effective in Future Reporting Periods (continued)*

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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

**Subsequent Events**

The Commission has evaluated subsequent events occurring after December 31, 2024, through the date of November 7, 2025, which is the date the financial statements were available to be issued.

**NOTE 3: CASH**

The Commission is governed by the deposit and investment limitations of New Jersey state law. The deposits and investments held at December 31, 2024, and reported at fair value, are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits:</b>	
Demand deposits	\$ 3,795,228
Petty Cash	<u>100</u>
Total deposits	<u>\$ 3,795,328</u>
 <b>Reconciliation to the Governmental Funds:</b>	
Current assets:	
Cash	<u>\$ 3,795,328</u>
Total	<u>\$ 3,795,328</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Commission’s deposits may not be returned. The Commission does not have a deposit policy for custodial credit risk. As of December 31, 2024, the Commission’s bank balance of \$3,796,633 was insured or collateralized as follows:

Insured	\$ 250,000
Collateralized in the Commission’s name under GUDPA	<u>3,546,633</u>
Total	<u>\$ 3,796,633</u>

**NOTE 4: ACCOUNTS RECEIVABLE**

As of December 31, 2024, accounts receivables consisted of the following:

State of New Jersey Pesticides Grant	<u>\$ 66,296</u>
Total	<u>\$ 66,296</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 5: CAPITAL ASSETS, NET**

Capital assets consist of the following at December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets being depreciated:				
Building and improvements	\$ 790,860	\$ -	\$ -	\$ 790,860
Computer and office equipment	85,057	-	-	85,057
Field equipment	1,273,947	27,700	-	1,301,647
Helicopter improvements	1,494,117	77,384	-	1,571,501
Jet fuel tank	902,097	-	-	902,097
Vehicles	884,277	107,297	-	991,573
Total capital assets being depreciated	5,430,355	212,381	-	5,642,735
Less: accumulated depreciation	(3,315,852)	(311,800)	-	(3,627,652)
Total capital assets, net	<u>\$ 2,114,503</u>	<u>\$ (99,419)</u>	<u>\$ -</u>	<u>\$ 2,015,083</u>

Depreciation expense for the year ended December 31, 2024 was \$311,800.

**NOTE 6: LONG-TERM LIABILITIES**

During the year ended December 31, 2024, the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Accrued/ increases</u>	<u>(Retired)/ (decreases)</u>	<u>Ending Balance</u>
Governmental activities:				
Compensated absences	\$ 295,624	\$ 22,698	\$ -	\$ 318,322
Accrued pension payable	179,771	2,102	-	181,873
Net pension liability	1,948,236	-	(132,067)	1,816,169
Net other postemployment benefits liability	4,112,542	598,202	-	4,710,744
Total	<u>\$ 6,536,173</u>	<u>\$ 623,002</u>	<u>\$ (132,067)</u>	<u>\$ 7,027,108</u>

**Compensated Absences**

The Commission accounts for compensated absences as in accordance with GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As of December 31, 2024, the liability for compensated absences reported on the Commission wide statement of net position was \$318,322.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 6: LONG-TERM LIABILITIES (continued)**

**Net Pension Liability**

For details on the net pension liability, see Note 7: *Pension Obligations*. The Commission's annual required contribution to the Public Employees' Retirement System is budgeted and paid on an annual basis.

**Other Postemployment Benefits Liability**

For details on the other postemployment benefits liability, see Note 8: *Postemployment Benefits Other Than Pensions*. The Commission's contribution into the postemployment benefits plan is budgeted and paid on an annual basis.

**NOTE 7: PENSION OBLIGATIONS**

**Public Employees' Retirement System (PERS)**

**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 annual financial statements, which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>. The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

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

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

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 7: PENSION OBLIGATIONS (continued)**

**Public Employees' Retirement System (PERS) (continued)**

**Basis of Presentation**

The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS 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.

**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 2023, the State's pension contribution was more 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 \$181,873.

**Components of Net Pension Liability**

At December 31, 2024, the Commission's proportionate share of the PERS net pension liability was \$1,816,169. 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 updated 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 0.01337% which was a decrease of 0.00008% from its proportion measured as of June 30, 2023.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 7: PENSION OBLIGATIONS (continued)**

**Public Employees' Retirement System (PERS) (continued)**

**Components of Net Pension Liability (continued)**

	<b>Balance December 31,</b>	
	<b>2024</b>	<b>2023</b>
	June 30, 2024	June 30, 2023
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 148,308	\$ 218,139
Deferred Inflows of Resources	139,848	163,864
Net Pension Liability	1,816,169	1,948,236
Commission's portion of the plan's total Net Pension Liability	0.01337%	0.01345%

**Pension Expense (Benefit) and Deferred Outflows/Inflows of Resources**

On December 31, 2024, the Commission's proportionate share of the PERS (benefit) expense, calculated by the plan as of June 30, 2024, measurement date is \$99,470. At December 31, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 36,381	\$ 4,835
Changes of assumptions	2,256	20,664
Net difference between projected and actual earnings on pension plan investments	-	84,211
Changes in proportion and differences between the Commission's contributions and proportion share of contributions	109,671	30,138
	<u>\$ 148,308</u>	<u>\$ 139,848</u>

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:

<b>Year Ending December 31,</b>	<b>Amount</b>
2025	\$ (61,203)
2026	75,572
2027	(18,420)
2028	(3,910)
2029	16,421
Total	<u>\$ 8,460</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 7: PENSION OBLIGATIONS (continued)**

**Public Employees' Retirement System (PERS) (continued)**

**Special Funding Situation**

Under *N.J.S.A. 43:15A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Commission as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the Commission, calculated by the plan as of June 30, 2024, measurement date was \$5,855.

**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 updated 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
 Investment Rate of Return	 7.00%

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

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 7: PENSION OBLIGATIONS (continued)**

**Public Employees' Retirement System (PERS) (continued)**

**Actuarial Assumptions (continued)**

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

**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%	8.68%
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%

**Discount Rate**

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

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 7: PENSION OBLIGATIONS (continued)**

**Public Employees' Retirement System (PERS) (continued)**

**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 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 were 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>1 % Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Commission's proportionate share of the Net Pension Liability	\$ 2,433,556	\$ 1,816,169	\$ 1,319,071

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**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) annual financial statements, 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 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.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**General Information about the OPEB Plan (continued)**

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 nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of 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 expense (benefit). 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 \$4,833,833,875 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 nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The components of the collective net OPEB liability of the plan as of June 30, 2024, is as follows:

Total OPEB liability	\$ 17,748,257,548
Plan fiduciary net position	<u>(157,187,957)</u>
Net OPEB liability	<u>\$ 17,905,445,505</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**Net OPEB Liability (continued)**

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:

Salary Increases\*:

PERS:

Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate of all future years 3.25% to 16.25%

\* Salary increases are based on years of service within the respective plan

*Pre-retirement Healthy Mortality*

Pre-retirement mortality rates for PERS were based on the PUB-2010 General classification Headcount-weighted mortality table with fully generational improvement projections from the central year using Scale MP-2021. Pre-retirement mortality rates for PFRS were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Post-retirement Healthy Mortality*

Post-retirement mortality rates for Chapter 330 retirees were based on the PUB-2010 Safety classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates for other retirees is based on the PUB-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

*Disabled Retiree Mortality*

Disabled retiree mortality rates for PERS future disabled retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for PFRS future disabled retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled retiree mortality rates for Chapter 330 current retirees were based on the PUB-2010 Safety classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disabled retiree mortality rates for other current retirees were based on the PUB-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**OPEB Obligation and OPEB (Benefit) Expense (continued)**

The Commission’s proportionate share of the total OPEB obligation was \$4,710,744. 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 entities, actuarially determined. At June 30, 2024, the State proportionate share of the OPEB obligation attributable to the Commission was 0.02631%, which was a decrease of 0.00110% 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) expense in the amount of \$91,576 for the State’s proportionate share of the OPEB (benefit) expense attributable to the Commission. This OPEB (benefit) expense was based on the OPEB plans June 30, 2024, measurement date.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 22.62% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 23.58% in fiscal year 2027 and decreases to 4.50% 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 5.00%

**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 Healthcare Trend Rate**

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

	<u>1 % Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
State’s proportionate share of the Net OPEB Liability associated with the Commission	\$ 3,984,328	\$ 4,710,744	\$ 5,644,711
State’s Total Nonemployer OPEB Liability	<u>\$ 15,144,352,142</u>	<u>\$ 17,905,445,505</u>	<u>\$ 21,455,435,620</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**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, 2024, 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:

	<u>1 % Decrease (2.93%)</u>	<u>Current Discount Rate (3.93%)</u>	<u>1% Increase (4.93%)</u>
State's proportionate share of the Net OPEB liability associated with the Commission	\$ 5,487,509	\$ 4,710,744	\$ 4,088,624
State's Total Nonemployer OPEB Liability	<u>\$ 20,857,914,273</u>	<u>\$ 17,905,445,505</u>	<u>\$ 15,540,780,410</u>

**Additional Information**

The following is a summary of the deferred outflows of resources, deferred inflows of resources, and net OPEB liability balances as of June 30, 2024:

	<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 1,888,703	\$ 1,795,038
Deferred Inflows of Resources	1,948,270	2,482,848
Net OPEB Liability	4,710,744	4,112,542
Commission's portion of the plan's total Net OPEB Liability	0.02631%	0.02741%

**OPEB Deferred Outflows/Inflows of Resources**

At December 31, 2024, the Commission's proportionate share of the OPEB outflows and inflows, calculated by the plan as of the June 30, 2024 measurement date is \$1,888,703 and \$1,948,270, respectively. At December 31, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 238,566	\$ 798,162
Changes of assumptions	787,547	781,954
Net difference between projected and actual earnings on pension plan investments	-	2,132
Changes in proportion	862,590	366,022
	<u>\$ 1,888,703</u>	<u>\$ 1,948,270</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

**OPEB Deferred Outflows/Inflows of Resources (continued)**

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

<b>Year Ending December 31,</b>	<b>Amount</b>
2025	\$ (224,769)
2026	(56,372)
2027	49,060
2028	(45,699)
2029	(3,371)
Thereafter	221,584
Total	<u>\$ (59,567)</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow 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 years for the 2024, 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At July 1, 2023, the Program membership consisted of the following:

Active plan members	60,691
Retirees currently receiving benefits	28,899
Total plan members	<u>89,590</u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the measurement date June 30, 2024, is as follows:

Service cost	\$ 545,086,159
Interest on Total OPEB Liability	554,448,470
Changes in benefit terms	107,670,542
Differences in expected and actual experience	408,491,660
Changes in assumptions	1,735,990,164
Contributions from the employer	(399,436,504)
Contributions from non-employer contributing entities	(62,827,411)
Net investment income	(1,636,336)
Administrative expenses	11,119,284
Net changes	<u>2,898,906,028</u>
Total OPEB Liability (Beginning)	<u>15,006,539,477</u>
Total OPEB Liability (Ending)	<u>\$ 17,905,445,505</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Financial Statements (continued)**

**NOTE 9: RISKS, CONCENTRATIONS AND UNCERTANTIES**

**Concentration**

The Commission is entirely dependent upon funding allocations by the County of Ocean, including the County-owned helicopter used for spraying. During the year ended December 31, 2024, the Commission received 93% of its support from the County of Ocean. A significant reduction in this support could result in a reduction of Commission’s operations.

**NOTE 10: FUND BALANCE**

**General Fund** – Of the \$3,792,439 General Fund balance at December 31, 2024, \$1,901,213 is committed for – reserve for capital and \$1,891,226 committed for – reserve for working capital.

**NOTE 11: DEFICIT RESTRICTED NET POSITION**

As reflected on Exhibit A-1, government wide statement of net position, a deficit in restricted net position of (\$3,115,906) existed as of December 31, 2024 for governmental activities. The primary cause of this deficit is the recording of the long-term liabilities for net pension and long-term liability of other postretirement benefits liability. In accordance with full accrual accounting, which is the basis of accounting for Exhibit A-1, government wide statement of net position, such liabilities are required to be recorded in the period in which they are incurred. However, in accordance with the rules and regulations that govern the Commission in the formulation of their annual budget (see Note 1), pension liabilities that relate to future services, or that are contingent on a specific event outside the control of the Commission and its employees, are funded in the period in which such services are rendered or in which such events take place. If this was not required, the restricted net position before the net pension liability and net other postemployment benefit liability and deferred outflows and inflows related to pensions and other postemployment benefits would be \$3,460,010 as of December 31, 2024. This deficit in restricted net position does not indicate that the Commission is facing financial difficulties.

**NOTE 12: PRIOR PERIOD RESTATEMENT**

During the fiscal year ended December 31, 2024, the Commission implemented GASB Statement No. 101, *Compensated Absences*, which requires governments to recognize a liability for compensated absences when the leave is earned, rather than when it becomes payable. The standard also expands the types of compensated absences that must be recognized, including certain non-vesting leave such as parental, military, and jury duty leave. As a result of implementing GASB 101, the beginning net position was restated to reflect the updated liability for compensated absences. The impact of this restatement is shown below:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>as Restated</u>
Governmental Activities:			
Net position	<u>\$ 1,151,374</u>	<u>\$ 133,797</u>	<u>\$ 1,285,171</u>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Budgetary Comparison Schedule**  
**For the year ended December 31, 2024**

	<b>Original Budget</b>	<b>Modified Budget Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance</b>
<b>Operating revenues:</b>				
County of Ocean operating grant	\$ 2,417,688	\$ 2,417,688	\$ 2,417,688	\$ -
State of New Jersey pesticides grant	50,000	50,000	66,296	16,296
<b>Total operating revenues</b>	<b>2,467,688</b>	<b>2,467,688</b>	<b>2,483,984</b>	<b>16,296</b>
<b>Non-operating revenues:</b>				
Interest on investments and deposits	1,500	1,500	104,907	103,407
<b>Total non-operating revenues</b>	<b>1,500</b>	<b>1,500</b>	<b>104,907</b>	<b>103,407</b>
<b>Total revenues</b>	<b>2,469,188</b>	<b>2,469,188</b>	<b>2,588,891</b>	<b>119,703</b>
<b>Expenditures:</b>				
<b>Salaries and wages:</b>				
Permanent employees	1,136,700	1,136,700	1,102,704	33,996
Temporary employees	39,500	39,500	37,622	1,878
Overtime	12,000	12,000	-	12,000
<b>Total salaries and wages</b>	<b>1,188,200</b>	<b>1,188,200</b>	<b>1,140,326</b>	<b>47,874</b>
<b>Professional services:</b>				
Legal	15,500	15,500	13,874	1,626
Audit	16,500	16,500	15,613	887
Accounting	9,000	9,000	7,565	1,435
<b>Total professional services</b>	<b>41,000</b>	<b>41,000</b>	<b>37,052</b>	<b>3,948</b>
<b>Materials and supplies:</b>				
Shop materials	9,250	9,250	4,667	4,583
Office supplies	7,000	7,000	1,595	5,405
Operational supplies	30,000	30,000	21,597	8,403
Safety Supplies	5,000	5,000	2,617	2,383
Insecticides	319,000	319,000	325,747	(6,747)
<b>Total materials and supplies</b>	<b>370,250</b>	<b>370,250</b>	<b>356,223</b>	<b>14,027</b>
<b>Vehicle and equipment operations:</b>				
Vehicle maintenance	22,000	161,827	13,366	148,461
Equipment maintenance	26,000	26,000	7,620	18,380
Spray maintenance	4,000	4,000	1,300	2,700
Radio maintenance	1,500	1,500	-	1,500
Marine maintenance	3,000	3,000	-	3,000
Office and scientific	20,000	20,000	17,305	2,695
Gasoline, Propane	81,000	81,000	65,040	15,960
Lubricants	2,834	2,834	925	1,909
Helicopter operations	15,000	15,000	10,682	4,318
Helicopter parts	137,100	137,100	130,818	6,282
<b>Total vehicle and equipment operations</b>	<b>312,434</b>	<b>452,261</b>	<b>247,056</b>	<b>205,205</b>

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Budgetary Comparison Schedule (continued)**  
**For the year ended December 31, 2024**

	<b>Original Budget</b>	<b>Modified Budget Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance</b>
Buildings and grounds:				
Repairs and maintenance.	50,000	50,000	4,924	45,076
Services	24,000	24,000	14,301	9,699
Total buildings and grounds	<u>74,000</u>	<u>74,000</u>	<u>19,225</u>	<u>54,775</u>
Professional development and public relations	<u>18,000</u>	<u>18,000</u>	<u>11,366</u>	<u>6,634</u>
Overhead:				
Insurance	141,000	141,000	119,221	21,779
Social security	88,000	88,000	81,537	6,463
Unemployment and disability	8,500	8,500	4,495	4,005
Retirement	188,086	188,086	183,620	4,466
Uniform rental	12,500	12,500	11,637	863
Utilities	31,318	31,318	25,891	5,427
Total overhead	<u>469,404</u>	<u>469,404</u>	<u>426,401</u>	<u>43,003</u>
Vehicle and equipment purchases and rental	<u>169,000</u>	<u>169,000</u>	<u>147,581</u>	<u>21,419</u>
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total governmental expenditures	<u>2,652,288</u>	<u>2,792,115</u>	<u>2,385,230</u>	<u>406,885</u>
Excess (deficiency) of revenues over (under) expenditures	(183,100)	(322,927)	203,661	526,588
Fund balance, January 1	<u>3,588,778</u>	<u>3,588,778</u>	<u>3,588,778</u>	<u>-</u>
Fund balance, December 31	<u>\$ 3,405,678</u>	<u>\$ 3,265,851</u>	<u>\$ 3,792,439</u>	<u>\$ 526,588</u>

SCHEDULE II

OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION  
 (A Component Unit of the County of Ocean, State of New Jersey)  
 Schedule of the Commission's Proportionate Share of Net Pension Liability  
 Public Employee's Retirement System  
 Last Ten Fiscal Years

	Measurement Date Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.01337%	0.01345%	0.01365%	0.01250%	0.01211%	0.01173%	0.01300%	0.01234%	0.01421%	0.01274%
Commission's proportionate share of the net pension liability	\$ 1,816,169	\$ 1,948,236	\$ 2,059,470	\$ 1,481,404	\$ 1,974,328	\$ 2,113,024	\$ 2,558,804	\$ 2,872,909	\$ 4,290,474	\$ 2,858,913
Commission's covered-employee payroll	\$ 1,091,218	\$ 1,011,700	\$ 980,348	\$ 920,879	\$ 849,021	\$ 797,145	\$ 880,297	\$ 819,079	\$ 926,259	\$ -
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	166.44%	192.57%	210.08%	160.87%	232.54%	265.07%	290.68%	350.75%	463.20%	322.33%
Plan fiduciary net position as a percentage of the total net pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

SCHEDULE III

OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION  
 (A Component Unit of the County of Ocean, State of New Jersey)  
 Schedule of the Commission's Contributions  
 Public Employees' Retirement System  
 Last Ten Fiscal Years

	Year Ended December 31,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commission's contractually required contribution	\$ 181,873	\$ 179,771	\$ 172,091	\$ 146,448	\$ 132,444	\$ 144,070	\$ 129,266	\$ 114,331	\$ 126,266	\$ 109,493
Commission's contribution in relation to the contractually required contribution	(181,873)	(179,771)	(172,091)	(172,091)	(132,444)	(144,070)	(129,266)	(114,331)	(126,266)	(109,493)
Commission's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$ 1,055,370	\$ 1,091,218	\$ 1,011,700	\$ 980,348	\$ 920,879	\$ 849,021	\$ 797,145	\$ 880,297	\$ 819,079	\$ 926,259
Commission's contributions as a percentage of its covered-employee payroll	17.23%	16.47%	17.01%	14.94%	14.38%	16.97%	16.22%	12.99%	15.42%	11.82%

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
 (A Component Unit of the County of Ocean, State of New Jersey)  
 Schedule of the Commission's Proportionate Share of the Net Other Postemployment Benefit Liability  
 Last Nine Fiscal Years \*

	Measurement Date Ended June 30,								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Commission's proportion of the other postemployment benefit liability	0.02631%	0.02741%	0.02353%	0.02463%	0.02399%	0.02236%	0.02221%	0.02192%	0.0002107
Commission's proportionate share of the net other postemployment benefit liability	\$ 4,710,744	\$ 4,112,542	\$ 3,799,677	\$ 4,433,886	\$ 4,305,751	\$ 3,028,224	\$ 3,479,399	\$ 4,475,549	\$ 4,575,001
Commission's covered-employee payroll	\$ 1,091,218	\$ 1,011,700	\$ 980,348	\$ 920,879	\$ 849,021	\$ 797,145	\$ 880,297	\$ 819,079	\$ 926,259
Commission's proportionate share of the net other postemployment benefit liability as a percentage of its covered-employee payroll	431.70%	406.50%	387.58%	481.48%	507.14%	379.88%	395.25%	546.41%	493.92%
Plan fiduciary net position (deficit) as a percentage of the total other postemployment benefit liability	(0.89%)	(0.79%)	(0.36%)	0.28%	0.91%	1.98%	1.97%	1.03%	0.69%

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

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**Notes to the Required Supplementary Information**

**Public Employees' Retirement System (PERS)**

***Changes of Benefit Terms***

None noted.

***Changes of Assumptions***

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

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

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

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

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

**Other Post-Employment Benefits (OPEB)**

***Changes in Benefits***

The change in benefit terms from June 30, 2023, to June 30, 2024 was a result of employers adopting and or changing Chapter 48 provisions.

***Differences Between Expected and Actual Experiences***

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

***Changes of Assumptions***

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

The discount rate used as of June 30, measurement date for the last eight fiscal years is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2024	3.93%	2019	3.50%
2023	3.65%	2018	3.87%
2022	3.54%	2017	3.58%
2021	2.16%	2016	2.85%
2020	2.21%		

**OCEAN COUNTY MOSQUITO EXTERMINATION COMMISSION**  
**(A Component Unit of the County of Ocean, State of New Jersey)**  
**List of Board of Commissioners and Management**

David E. Ekelmann.....President  
John Downing.....Vice-President  
Thomas Candeletti.....Treasurer  
Barbara Jo Crea.....County Commissioner/Member  
Ralph Lanuto.....Member  
Michael H. Mathis.....Member  
Gary Cottrell.....Member  
Michael Senyk.....Superintendent

To the Chairman and Commissioners of the  
Ocean County Mosquito Extermination Commission  
County of Ocean  
Township of Barnegat, New Jersey

We have audited the basic financial statements of the Ocean County Mosquito Extermination Commission (hereafter referred to as the Commission), a component unit of the County of Ocean State of New Jersey, for the year ended December 31, 2024. In accordance with requirements prescribed by the Local Finance Board and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

## GENERAL COMMENTS AND RECOMMENDATIONS

### **Contracts and Agreements Required to be Advertised by *N.J.S.A.40A:11-4***

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement.

It is pointed out that the members of the Commission has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Review of the minutes and financial transactions identified the following bids requested by public advertising and awarded by resolution; pesticides, helicopter parts, fuel, and architectural drawing.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. The results of our examination did not disclose any discrepancies.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$2,625 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a

resolution had been previously adopted under the provision of *N.J.S.A.40A:11-6.1*. The supporting documentation indicated that quotes were requested for all items that required them.

### **Examination of Cash Receipts**

A test check of cash receipts was performed. The results of the test did not disclose any discrepancies.

### **Capital Assets**

The capital asset subledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

### **Examination of Bills**

A test check of paid bills was performed and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

### **Examination of Payroll**

The examination of the payroll account included the detailed computation of various deductions or other credits from the payroll of the Commission employees and we ascertained that the accumulated withholdings were disbursed to the proper agencies.

### **Current Year Findings**

There were no current year findings.

### **Follow-up on Prior Years' Findings**

In accordance with *Government Auditing Standards* and audit requirements prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, our procedures included a review of all prior year findings. There were no prior year findings.

### **Acknowledgment**

We received the complete cooperation of all the Commission officials and employees and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions, please contact us.

*Holman Frenia Allison, P.C.*

**HOLMAN FRENIA ALLISON, P.C.**  
*Certified Public Accountants*

November 7, 2025  
Lakewood, New Jersey