

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
REPORT OF AUDIT  
2024

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES  
YEAR ENDED DECEMBER 31, 2024  
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## Independent Auditors' Report

The Honorable Director and Members  
 of the Board of County Commissioners  
 County of Warren  
 Belvidere, New Jersey

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

#### ***Opinion***

We have audited the financial statements *–regulatory basis–* of the Office of the Warren County Mosquito Extermination Commission, in the County of Warren (the “Commission”), a component unit of the County of Warren, as of and for the years December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above presents fairly, in all material respects, the financial position of the Commission as of December 31, 2024 and 2023, and the results of operations and changes in fund balance for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”).

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Commission as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), and audit requirements prescribed by the Division. 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 opinion.

#### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 to the financial statements, the financial statements are prepared by the Commission on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division’s regulatory basis of accounting and the budget laws of New Jersey.

The Honorable Director and Members  
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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Emphasis of Matter***

As Discussed in Note 8 to financial statements, the Commission implemented GASB statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. Our opinions are 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 the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, and audit requirements prescribed by the Division 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 GAAS and audit requirements prescribed by the Division, 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.

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.

The Honorable Director and Members  
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*Supplementary Information*

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Commission's financial statements. The supplementary schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

Mount Arlington, New Jersey  
May 9, 2025

*Nisivoccia LLP*  
NISIVOCCIA LLP

  
John J. Moorhey  
Registered Municipal Accountant # 560  
Certified Public Accountant

FINANCIAL STATEMENTS

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
<u>ASSETS</u>	2024	2023
Cash and Cash Equivalents	\$ 150,177.91	\$ 146,912.20
Petty Cash	50.00	50.00
<b>TOTAL ASSETS</b>	<b>\$ 150,227.91</b>	<b>\$ 146,962.20</b>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Reserve For:		
Grant Expenditures	\$ 8,309.50	\$ 10,073.01
Unemployment Compensation Claims	7,134.89	7,307.80
Retirement Pay	20,862.12	15,860.04
Fund Balance - Operating Fund	113,921.40	113,721.35
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>	<b>\$ 150,227.91</b>	<b>\$ 146,962.20</b>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<b>Revenues and Other Income Realized:</b>		
Fund Balance Utilized	\$ 80,000.00	\$ 68,200.00
County of Warren Appropriation	848,684.00	876,333.00
Grants - State Grants	12,000.00	12,000.00
Miscellaneous Revenue Not Anticipated	11,170.78	20.48
	<u>951,854.78</u>	<u>956,553.48</u>
 <b>Expenditures - Paid or Charged:</b>		
Operating	859,654.73	911,267.65
Grants- State Grants	12,000.00	12,000.00
	<u>871,654.73</u>	<u>923,267.65</u>
 Excess in Revenue	80,200.05	33,285.83
 Fund Balance, January 1	<u>113,721.35</u>	<u>148,635.52</u>
	193,921.40	181,921.35
 Decreased by: Fund Balance Utilized as Anticipated Revenue	<u>80,000.00</u>	<u>68,200.00</u>
 Fund Balance, December 31	<u><u>\$ 113,921.40</u></u>	<u><u>\$ 113,721.35</u></u>

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Mosquito Extermination Commission (the "Commission"), County of Warren conform to the accounting practices applicable to counties which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds.

A. Reporting Entity

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America. Accordingly, the Mosquito Extermination Commission is a component unit of the County of Warren under the provisions of Governmental Accounting Standards Board's Codification Section 2100.

B. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the County. Grant revenue would be realized when it is received. Amounts that are due to the Commission, which are susceptible of accrual, would be recorded as receivables with offsetting reserves in the Operating Fund.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Basis of Accounting (Cont'd)

Expenditures are charged to operations generally on the modified accrual basis. Obligations for accumulated unused vacation and sick pay are not recorded in the financial statements. The cost of supplies and other items, which would otherwise be considered inventory and recorded as assets, are treated as expenditures and charged to operations when paid.

Had the Commission's financial statements been prepared under accounting principles generally accepted in the United States of America, revenue susceptible to accrual would have been reflected without offsetting reserves, inventories would not be reflected as expenditures at the time of purchase, investments would generally be stated at fair value, and the Commission's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

C. Other Significant Accounting Policies Include

Management Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded and all amounts are considered collectible.

Inventories of Supplies – The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the balance sheet.

Fixed Assets – Property and equipment purchased are recorded as expenditures at the time of purchase and are not capitalized.

D. Function of the Mosquito Extermination Commission

The Mosquito Extermination Commission maintains the following funds/reserves:

Operating Fund- Accounts for revenue and expenditures of daily operations of the Commission.

Reserve for Unemployment Compensation Claims – Accounts for budgeted employer contributions and employee contributions used to offset unemployment claims.

Reserve for Retirement Pay – Accounts for the short term portion of future payouts of sick and vacation accruals upon retirement of employees who qualify for such pay.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Function of the Mosquito Extermination Commission (Cont'd)

Reserve for Grant Expenditures – Accounts for expenditures related to the New Jersey Department of Health Tick Surveillance Program.

Note 2: Cash and Cash Equivalents

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

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

GASB requires disclosure of the level of custodial credit risk assumed by the Commission in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with the County's cash management plan, the Commission ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Commission limits its investments to those authorized in the County's cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

Custodial Credit Risk – The County's policy with respect to custodial credit risk requires that the County ensures that Commission funds are only deposited in financial institutions in which NJ counties are permitted to invest their funds.

Deposits:

New Jersey statutes permits the deposit of public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories.

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

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

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

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

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
(Continued)

Note 2: Cash and Cash Equivalents (Cont'd)

Investments:

New Jersey statutes permit the Mosquito Extermination Commission to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other Bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund establish pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 C.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined section 1 of P.L. 1970, c.236 (C.17:9-41); and

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
(Continued)

Note 2: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Mosquito Extermination Commission did not hold any investments during the year ended December 31, 2024. As of December 31, 2024, cash and cash equivalents at the Mosquito Extermination Commission's office consisted of deposits in savings and checking accounts. The carrying amount of the Mosquito Commission's cash and cash equivalents at December 31, 2024 was \$150,177.91 and the bank balance was \$198,125.58.

Note 3: Pension Plans

Commission employees, participate in a contributory, defined benefit public employee retirement system: the State of New Jersey Public Employee's Retirement System (PERS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. 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 the PERS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

(Continued)

Note 3: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. 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. 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.

Commission contributions to PERS amounted to \$120,535 for 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$2,554 for normal pension benefits on behalf of the Commission.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

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

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
 (Continued)

Note 3: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2023, the Commission's liability was \$1,306,276 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Commission's proportion was 0.0050%, which was an increase of 0.004% from its proportion measured as of June 30, 2022. The Commission has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2023 information in the Notes to the Financial Statements as of June 30, 2024 pension information has not been released as of the date of this audit

For the year ended December 31, 2024, the Commission recognized actual pension expense in the amount of \$75,567.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
(Continued)

Note 3: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 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%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
 (Continued)

Note 3: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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 collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Commission's proportionate share of the Net Pension Liability	\$ 1,700,494	\$ 1,306,276	\$ 970,745

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the County recognized pension expense of \$67,326.18 for the year ended December 31, 2024. County employee contributions to DCRP amounted to \$90,704.30 for the year ended December 31, 2024.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024

(Continued)

Note 4: Accrued Sick and Vacation Benefits

The Commission permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$30,944.79 at December 31, 2024. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Commission's budget operating expenditures in the year in which it is used. The Commission set up a Reserve for Retirement Pay in 2004 to offset the short-term portion of the accrued sick and vacation payout. As of December 31, 2024, the reserve balance is \$20,862.12.

Balance at December 31, 2023 (Restated)	\$ 28,936.96
Net Change	2,007.83
Balance at December 31, 2024	\$ 30,944.79
Amount Due within One Year	\$ - 0 -

Note 5: Risk Management

The Commission maintains commercial insurance policies for general and property liability. The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Commercial insurance coverage for general liability, property and auto insurance are covered through various carriers such as Travelers Insurance, CIGNA, James River and Lloyds of London. Health benefits are provided to employees through the State Health Benefits Plan (SHBP).

Workers' Compensation and Employee Liability Insurance

The Commission is a member of the New Jersey Intergovernmental Insurance Fund (the "Fund"). The Fund provides its members with Workers' Compensation and Employee Liability Insurance.

The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of governmental entities established for the purpose of providing low-cost insurance coverage for its members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of the Fund, the Commission could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The 2024 & 2023 audit reports were not available as of the date of this report. Selected financial information for the Fund is as follows for the year ended December 31, 2022:

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
(Continued)

Note 5: Risk Management (Cont'd)

Workers' Compensation and Employee Liability Insurance (Cont'd)

Total Assets	\$ 104,505,470
Net Position	\$ 3,402,838
Total Revenue	\$ 26,862,209
Total Expenses	\$ 23,634,554
Change in Net Position	\$ 3,227,655
Members Dividends	\$ -0-

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Robert W. Mania  
c/o RHM Benefits Inc.  
1001 Route 517, Suite 1  
Hackettstown, New Jersey 07840  
1-908-852-0222

The Commission has another separate insurance policy through the Fund that covers Environmental Commercial General Liability with Pollution Coverage.

New Jersey Unemployment Compensation Insurance

The Commission has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Commission is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Commission is billed quarterly for amounts due to the State.

The following is a summary of the employee contributions, interest earned, employee claims and the ending balance of the Commission's expendable trust fund for the current and previous two years:

Year	Employee Contributions	Interest Earned	Employee Claims	Ending Balance
2024	\$ 973.36	\$ 0.75	\$ 1,147.02	\$ 7,134.89
2023	979.63	0.67		7,307.80
2022	934.51	0.58		6,327.50

Note 6: Economic Dependency

The Commission receives a substantial amount of its support from the County of Warren. A significant reduction in the level of support, if this were to occur, may have an effect on the Commission's programs and activities.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
(Continued)

Note 7: Post-Employment Benefits Other Than Pensions (OPEB)

General Information about the County's OPEB Plan

Plan Description and Benefits Provided

The County provides post-retirement benefits, as follows, to Commission employees who meet the following criteria:

All retired employees and their dependents are covered under the program including surviving spouses, if such employees retired from a State or locally-administered retirement system effective after the date the employer adopted the State Health Benefits Program on a benefit based on 25 years or more of service credited in such retirement system, excepting the employees who elected deferred retirement, but including the employees who retired on disability pensions based on fewer years of service credits in such retirement system and also to reimburse such retired employees and their spouses in accordance with the regulations of the State Health Benefits Commission.

Contributions

The County subsidizes 100% of the cost of coverage for current retirees meeting the requirements outlined above and for future retirees who had at least 25 years of service as of May 91, 2010. The County will reimburse 100% of eligible Police Benevolent Association and Superior Officer Association retiree's Medicare Part B premiums.

NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowances from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contribution percentage rates will not increase. Thus, it was assumed that a future retiree will contribute his/her current employee contribution as reported by the County increased annually by the rate of the medical trend.

2024 employer contributions for retiree benefits paid by the County were \$5,168,978.78 for 405 retirees.

Employees Covered by Benefit Terms

As of December 31, 2024, there were 429 participants currently receiving retiree benefits and 412 active participants, of which 70 are eligible to retire as of the valuation date.

Total OPEB Liability

The County's OPEB liability of \$256,360,603 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2023.

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
 (Continued)

Note 7: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26% at December 31, 2024 3.72% at December 31, 2023
Salary Increases	2.50% per year
Inflation Assumptions	2.50% per year

The selected discount rate was based on the Bond Buyer 20 Index at December 31, 2024.

<u>Health Care Trend Rates</u>	<u>Year</u>	<u>Medical</u>	<u>Drug</u>	<u>Dental &amp; Vision</u>
Year 1 Trend	2024	6.50%	14.00%	3.50%
Ultimate Trend	2032	4.50%	4.50%	3.50%

The medical trend rate reduces .25% per annum, leveling at 4.5% per annum in 2032.

The drug trend rate reduces .75% per annum, leveling at 4.5% per annum in 2030.

Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates set forward three years.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at January 1, 2024	\$ 272,134,613
Changes for Year:	
Service Cost	3,250,616
Interest on Total OPEB liability	8,893,304
Change in Assumptions	(22,748,951)
Benefit Payments, Including Employee Refunds	<u>(5,168,979)</u>
Net Changes	<u>(15,774,010)</u>
Balance at December 31, 2024	<u>\$ 256,360,603</u>

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
 (Continued)

Note 7: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (1.06 percent) or 1 percentage higher (3.26 percent) than the current discount rate:

	December 31, 2024		
	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$ 284,926,857	\$ 256,360,603	\$ 234,250,437

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2024		
	1% Decrease	Current Healthcare Trend Rate	1% Increase
Total OPEB Liability	\$ 234,329,785	\$ 256,360,603	\$ 284,282,504

OPEB Expense

For the year ended December 31, 2024, the County's OPEB expense was \$12,356,358 as determined by the actuarial valuation.

Note 8: Prior Period Adjustment

GASB Statement No. 101, *Compensated Absences*, was implemented during the year ended December 31, 2024. As required under the standard, the Township made a restatement to the amount reported as compensated absences in the Notes to the Financial Statements at December 31, 2023.

	Balance at December 31, 2023 as Previously Reported	Change in Accounting Principle	Balance at December 31, 2023 as Restated
Compensated Absences	\$ 40,361.00	\$ (11,424.04)	\$ 28,936.96

## SUPPLEMENTAL SCHEDULES

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
ROSTER OF OFFICIALS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Jennifer Gruener	Superintendent
Bradley Burke	Chairman
Peter Summers	Vice Chairman
Eileen Greason	Secretary/Treasurer
Cristianna Cooke-Gibbs	Member
Robert E. Eriksen	Member
Dr. Douglas Roscoe	Member
Lori Ciesla	County Commissioner Liaison

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
STATEMENT OF REVENUES  
YEAR ENDED DECEMBER 31, 2024

	Anticipated	Added By Grant Award	Realized	Excess/ (Deficit)
Fund Balance Utilized	\$ 80,000.00		\$ 80,000.00	
County of Warren Appropriation	848,684.00		848,684.00	
New Jersey Department of Health: Tick Surveillance Program	928,684.00	\$ 12,000.00	12,000.00	
		12,000.00	940,684.00	
Nonbudget Revenue	\$ 928,684.00	\$ 12,000.00	11,170.78	\$ 11,170.78
	\$ 928,684.00	\$ 12,000.00	\$ 951,854.78	\$ 11,170.78
Nonbudget Revenue:				
Interest Earned			\$ 20.38	
PMA Insurance Company Claim Reimbursement			11,146.00	
Metal Recycling			4.40	
			\$ 11,170.78	
			\$ 11,170.78	

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
STATEMENT OF EXPENDITURES  
YEAR ENDED DECEMBER 31, 2024

	Budget	Budget After Modification	Paid or Charged	Unexpended Balance
Salaries and Wages, Including				
Seasonal Help - Mosquito	\$ 518,596.00	\$ 514,596.00	\$ 476,296.95	\$ 38,299.05
Fringe Benefits - Mosquito	112,836.00	122,694.11	122,694.11	
Insurance	26,652.00	26,152.00	24,984.00	1,168.00
Telephone and Internet	6,762.00	5,567.00	5,488.72	78.28
Legal Advertising	2,288.00	2,288.00	1,507.83	780.17
Meeting and Membership	10,677.00	10,677.00	9,134.39	1,542.61
Professional Services	3,225.00	3,225.00	1,609.11	1,615.89
Permits/Water Management	1,875.00	1,875.00	793.21	1,081.79
Contract Services	58,278.00	56,919.89	34,202.26	22,717.63
Insecticides	56,590.00	56,590.00	56,331.02	258.98
Vehicle and Equipment Maintenance	39,160.00	40,355.00	36,090.33	4,264.67
Office Supplies	2,900.00	2,900.00	2,077.90	822.10
Shop Supplies	1,000.00	1,500.00	1,260.36	239.64
Lab/Field Supplies	7,845.00	7,845.00	6,774.50	1,070.50
Equipment Purchase	80,000.00	84,000.00	80,410.04	3,589.96
New Jersey Department of Health:				
Tick Surveillance Program		12,000.00	12,000.00	
	<u>\$ 928,684.00</u>	<u>\$ 949,184.00</u>	<u>\$ 871,654.73</u>	<u>\$ 77,529.27</u>

General Operations	\$ 859,654.73
Expenditures of State Awards	12,000.00
	<u>\$ 871,654.73</u>

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Balance, December 31, 2023		\$ 146,912.20
<b>Increased by Receipts:</b>		
County of Warren Appropriation	\$ 848,684.00	
Grants Receivable:		
New Jersey Department of Health:		
Tick Surveillance Program	12,000.00	
Nonbudget Revenue	11,170.78	
Interest Earned on:		
State Unemployment Insurance Funds	0.75	
Retirement Pay Fund	2.08	
State Unemployment Insurance		
Employee Share of Contributions	973.36	
Budgeted Retirement Funds	5,000.00	
		877,830.97
		1,024,743.17
<b>Decreased by Disbursements:</b>		
General Operations	859,654.73	
Expenditures of State Awards	12,000.00	
Unemployment Claims	1,147.02	
Reserve for Grant Expenditures	1,763.51	
		874,565.26
Balance, December 31, 2024		\$ 150,177.91

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION CLAIMS

Balance, December 31, 2023		\$ 7,307.80
Increased By:		
Interest Earned	\$ 0.75	
Employee Contributions	<u>973.36</u>	
		<u>974.11</u>
		<u>8,281.91</u>
Decreased By:		
Unemployment Claims		<u>1,147.02</u>
Balance, December 31, 2024		<u><u>\$ 7,134.89</u></u>

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
SCHEDULE OF RESERVE FOR RETIREMENT PAY

Balance, December 31, 2023		\$ 15,860.04
Increased By:		
Interest Earned	\$ 2.08	
Budgeted Retirement Funds	<u>5,000.00</u>	
		<u>5,002.08</u>
Balance, December 31, 2024		<u>\$ 20,862.12</u>

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
YEAR ENDED DECEMBER 31, 2024



Mount Arlington, NJ  
Newton, NJ  
Bridgewater, NJ  
973.298.8500  
nisivoccia.com  
Independent Member  
BKR International

May 9, 2025

The Honorable Director and Members  
of the Board of County Commissioners  
County of Warren  
Belvidere, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Mosquito Extermination Commission in the County of Warren for the year ended December 31, 2024, and have issued our report thereon dated May 9, 2025.

As part of our audit, we performed procedures required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the findings and results, if any, thereof are disclosed on the following page. This letter does not affect our report dated May 9, 2025, on the financial statements of the Mosquito Extermination Commission.

*Nisivoccia LLP*

NISIVOCCIA LLP

A handwritten signature in black ink, appearing to read "John J. Mooney". The signature is written over a horizontal line.

John J. Mooney  
Registered Municipal Accountant # 560  
Certified Public Accountant

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
COMMENTS AND RECOMMENDATIONS

Status of Prior Year Recommendations

None

COUNTY OF WARREN  
MOSQUITO EXTERMINATION COMMISSION  
SUMMARY OF RECOMMENDATIONS

None

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