
**MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2010 AND 2009

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We have reviewed the accompanying statements of financial position of the Monmouth County Regional Health Commission #1 (an association) as of December 31, 2010 and 2009, and the related statements of activities and net assets and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principals generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

Panis & Attner, P.A.
Panis & Attner, P.A.

October 28, 2011

Monmouth County Regional Health Commission #1 (An Association)
Statements of Financial Position
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 579,283.65	\$ 573,027.04
Accounts receivable net of reserve for doubtful accounts (2010-\$ 0.00; 2009 - \$3,375.00)	1,191.36	34,886.01
Inventory	<u>1,855.53</u>	<u>1,154.65</u>
Total current assets	<u>582,330.54</u>	<u>609,067.70</u>
Fixed assets:		
Vehicles, equipment and leasehold improvements	491,693.61	445,615.61
Accumulated depreciation	<u>391,557.81</u>	<u>358,230.85</u>
Net fixed assets	<u>100,135.80</u>	<u>87,384.76</u>
 Total Assets	 <u>682,466.34</u>	 <u>696,452.46</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable	18,628.79	50,145.47
Accrued expenses	53,692.50	45,588.85
Deferred grant income	-	51,158.57
Total current liabilities	<u>72,321.29</u>	<u>146,892.89</u>
Long Term Liabilities:		
Deferred lease credits	6,643.84	9,381.83
Accrued sick leave	<u>53,245.00</u>	<u>47,360.00</u>
	<u>59,888.84</u>	<u>56,741.83</u>
 Total liabilities	 <u>132,210.13</u>	 <u>203,634.72</u>
Net Assets:		
Unrestricted	559,573.20	482,856.73
Unrestricted - reserved for:		
Capital acquisitions	8,928.01	23,321.01
Homeland security	25,000.00	25,000.00
Insurance	10,000.00	9,000.00
Retirement and sick leave	<u>(53,245.00)</u>	<u>(47,360.00)</u>
Total net assets	<u>550,256.21</u>	<u>492,817.74</u>
 Total Liabilities and Net Assets	 <u>\$ 682,466.34</u>	 <u>\$ 696,452.46</u>

See accompanying notes and accountants' report.

Monmouth County Regional Health Commission #1 (An Association)
Statements of Activities and Net Assets
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Unrestricted Net Assets:		
Unrestricted Revenues:		
Member and customer municipalities	\$ 1,331,954.90	\$ 1,167,341.86
Provision of epidemiologist and other specialized services	233,030.25	208,338.00
Clinics and other programs	51,090.45	59,778.65
State of New Jersey - state health aid	26,126.00	49,350.00
Landfill agreement	26,000.00	25,000.00
Fines and fees	41,481.21	22,759.82
Pandemic influenza and H1N1 grants	268,605.57	76,287.43
Sale of vehicles	-	3,411.07
Investment return	883.69	479.87
Total unrestricted revenues	<u>1,979,172.07</u>	<u>1,612,746.70</u>
Expenses:		
Salaries	1,157,147.05	1,003,311.49
Employee benefits	375,090.26	316,668.17
Lab, medical supplies and flu vaccines	108,932.79	55,743.02
Equipment repairs and maintenance	2,102.91	11,372.68
Nursing contracts	74,764.25	73,655.00
Rent, office cleaning and utilities	64,709.16	65,390.86
Office supplies and expenses	14,549.63	14,620.71
Insurance	28,059.45	27,269.19
Health education	5,339.92	1,200.90
Environmental services	3,200.81	348.00
Insect and rodent control	80.00	145.00
Travel and vehicle expense	14,822.42	12,326.26
Telephone	9,594.57	16,663.60
Professional	27,428.25	29,880.41
Dues, meetings and seminars	2,585.17	6,356.22
Depreciation	33,326.96	42,348.11
Total expenses	<u>1,921,733.60</u>	<u>1,677,299.62</u>
Increase (Decrease) in Unrestricted Net Assets	57,438.47	(64,552.92)
Net Assets - January 1	<u>492,817.74</u>	<u>557,370.66</u>
Net Assets - December 31	<u><u>\$ 550,256.21</u></u>	<u><u>\$ 492,817.74</u></u>

See accompanying notes and accountants' report.

Monmouth County Regional Health Commission #1 (An Association)
Statements of Cash Flows
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities:		
Increase (decrease) in net assets	\$ 57,438.47	\$ (64,552.92)
Adjustments to reconcile change in net assets to net provided by operating activities:		
Depreciation	33,326.96	42,348.11
(Increase) decrease in:		
Accounts receivable	33,694.56	(13,122.87)
Inventory	(700.88)	(58.06)
(Decrease) increase in:		
Accounts payable	(31,516.68)	17,111.25
Deferred grant income	(51,158.57)	51,158.57
Deferred lease credits	(2,737.99)	434.49
Accrued expenses	13,988.65	15,126.60
Net cash provided by operating activities	<u>52,334.52</u>	<u>48,445.17</u>
Cash Flows From Investing Activities:		
Cash paid for acquisition of fixed assets	(46,078.00)	(18,101.62)
Maturity of (investment in) U.S. Government securities	-	-
Net cash provided (used) by investing activities	<u>(46,078.00)</u>	<u>(18,101.62)</u>
Cash Flows From Financing Activities:	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	6,256.52	30,343.55
Cash and Cash Equivalents at Beginning of Year	<u>573,027.04</u>	<u>542,683.49</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 579,283.56</u></u>	<u><u>\$ 573,027.04</u></u>

See accompanying notes and accountants' report.

MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 1. General

The Monmouth County Local Health Unit #2 Advisory Board held its organizational meeting on October 9, 1936. The Advisory Board was comprised of delegates from the Boards of Health of each District represented. Districts represented included the Borough of Monmouth Beach, Borough of Oceanport, Township of Ocean, City of Long Branch and the Borough of West Long Branch. The purpose for which the Board was formed was to consider the advisability of policy and activities in each of the districts and the Unit as a whole. Funds, provided by the State, were handled by the Commissioner of Finance of the City of Long Branch. On January 29, 1947, the organization reorganized and changed its name to the Monmouth County Regional Health Commission #1.

The Commission operates as an association of boards of health pursuant to an act of the Legislature of the State of New Jersey, entitled "Health and Vital Statistics", N.J.S.A. 26:3-83 et seq., and any amendments and supplements thereto. A regional health commission arranges annually with each participating board of health the nature and amount of public health services to be furnished and the sum to be paid for such services. It reports annually to each participating board of health and to the State Department of Health.

Note 2. Basis of Accounting

The statements and schedules are presented in accordance with generally accepted accounting principals.

Note 3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of interest bearing checking accounts and certificates of deposit with original maturities of three months or less. Certificates of deposit with original maturities of more than three months are classified as investments in accordance with financial accounting standards.

Operating cash, in the form of checking and money market accounts, is held in the Commission's name by commercial banking institutions. At December 31, 2010, the carrying amount of the Commission's deposits was \$579,283.65 and the bank balance was \$615,261.90. Of the bank balance, \$341,992.76 was insured with Federal Deposit Insurance Corporation. Public Funds in excess of \$250,000.00 are protected by the Governmental Unit Deposit Protection ACT (GUDPA).

MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 3. Cash and Cash Equivalents (Continued)

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the Commission's accounts are examined in order to determine exposure, if any, to determine exposure, if any, to Custodial Credit Risk (risk that in the event of bank failure, the Commission's deposits or investments may not be returned). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the Commission's name. At December 31, 2010 \$273,269.14 of the Commission's deposits were unsecured and uncollateralized. The Commission does not have a policy for custodial credit risk.

As of December 31, 2010, the Commission had funds invested and on deposit in an interest bearing checking account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

Risk Category	<u>Amount</u>
1	\$ 341,992.76
2	None
3	<u>273,269.14</u>
	<u>\$ 615,261.90</u>

The Commission's operating checking accounts are internally designated for the following purposes:

	<u>2010</u>	<u>2009</u>
Operations	\$ 305,479.94	\$ 239,552.33
Savings	225,769.39	272,767.39
Capital	8,928.01	23,321.01
Home Land Security	25,000.00	25,000.00
Insurance	10,000.00	9,000.00
Lead Activity	<u>4,106.31</u>	<u>3,386.31</u>
	<u>\$ 579,283.65</u>	<u>\$ 573,027.04</u>

MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 4. Inventory

Inventory consists of vaccines priced at cost.

Note 5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 6. Income Tax Status

The Commission is a public body politic of the State of New Jersey, created by virtue of resolutions adopted by the boards of health of the cities and boroughs that comprise its advisory board. As a public body, under existing statute, the Commission is exempt from federal taxes pursuant to Section 115 of the Internal Revenue Code and state taxes under Title 15 of the State of New Jersey.

Note 7. Vehicles, Equipment and Leasehold Improvements

Vehicles, equipment and leasehold improvements are carried at cost. Depreciation and amortization is provided using the straight-line method at rates based on the following estimated useful lives. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the asset are capitalized.

The following list summarizes assets owned by the Commission:

	Estimated Useful Lives	2010	2009
Vehicles	5	\$ 197,605.50	\$ 163,851.50
Computer equipment	5	46,128.87	43,489.87
Computer software	5	9,685.00	
Office furniture and equipment	5-12	139,421.57	139,421.57
Other equipment	8	54,820.90	54,820.90
Leasehold improvements	7	44,031.77	44,031.77
		491,693.61	445,615.61
Less accumulated depreciation and amortization		<u>391,557.81</u>	<u>358,230.85</u>
Net fixed assets		<u>\$ 100,135.80</u>	<u>\$ 87,384.76</u>

MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 8. Pensions and Retirement Plans

Substantially all of the Commission's employees participate in the Public Employees' Retirement System (PERS) contributory defined benefit retirement plan which has been established by State statute. This system is sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees Retirement System is considered a cost sharing multiple-employer plan. The Commission's total payroll for the years ended December 31, 2010 and 2009 amounted to \$1,157,147.05 and \$1,003,311.49; covered payroll for PERS amounted to \$1,094,102.00 and \$972,262.00, respectively. Information regarding contributions made by the State of New Jersey on behalf of the Association is not available. Contributions to PERS for the years ended December 31, 2010 and 2009 made by employees and the Commission follows:

	<u>PERS - December 31,</u>	
	<u>2010</u>	<u>2009</u>
Employees	\$61,151.73	\$56,986.36
Commission	\$92,998.68	\$78,691.04

Commission's employees have a voluntary tax sheltered Section 403(b) annuity plan available to them.

Note 9. Leasing Arrangement

The Commission moved its offices to a new site subject to a lease that began August 1, 2002, for a term of five years. The lease provides for the right to renew for an additional five-year term at a rate to be agreed to by the parties. Leasehold improvements amounted to \$44,031.77 at December 31, 2010 and 2009. The lease was renewed effective February 1, 2007 for a period of five years.

MONMOUTH COUNTY REGIONAL HEALTH COMMISSION #1
(AN ASSOCIATION)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

Note 9. Leasing Arrangement (Continued)

The following is a schedule by years of future minimum payments required under the lease.

Year Ending December 31:	<u>2010</u>	<u>2009</u>
2009		\$ 54,741.11
2010	\$ 58,126.09	58,126.09
2011	61,499.14	61,499.14
Thereafter	<u>5,148.47</u>	<u>5,148.47</u>
Total minimum lease payments	<u>\$ 124,773.70</u>	<u>\$ 179,514.81</u>

Note 10. Grants

Grants of \$115,900.00 less amounts deferred of \$51,158.57 from the State of New Jersey in 2009 for Pandemic Influenza and H1N1 Preparedness were utilized for wages, supplies and other related costs.

Monmouth County Regional Health Commission #1 (An Association)
Schedule I
Cash and Cash Equivalents
Years Ended December 31, 2010 and 2009

Balance - January 1, 2009	\$ 542,683.49
Receipts	1,736,902.53
Interest Income	479.87
Disbursements- operations	(1,688,937.23)
Disbursements- capital	<u>(18,101.62)</u>
Balance - December 31, 2009	573,027.04
Receipts	1,961,032.46
Interest Income	883.69
Disbursements- operations	(1,909,581.54)
Disbursements- capital	<u>(46,078.00)</u>
Balance - December 31, 2010	<u><u>\$ 609,627.20</u></u>

See accountants' report.

Monmouth County Regional Health Commission #1 (An Association)
Schedule II
Comparison of Actual Expenditures with Budget
For the Year Ended December 31, 2010

	Original Budget	Expenditures	Excess or (Deficit)
Salaries	\$ 1,142,095.00	\$ 1,157,147.05	\$ (15,052.05)
Social security tax	97,000.00	88,532.12	8,467.88
Pension contributions	80,000.00	92,998.68	(12,998.68)
Hospital and dental insurance	189,600.00	178,589.08	11,010.92
Employment and disability contributions	18,000.00	9,085.38	8,914.62
Other insurance	29,000.00	28,059.45	940.55
Lab and medical expenses	500.00	240.00	260.00
Inspection supplies	1,000.00	793.59	206.41
Flu and pneumonia immunizations	20,000.00	103,625.72	(83,625.72)
Childhood and adult immunization clinics	1,100.00	1,059.34	40.66
Chronic disease		1,790.73	(1,790.73)
Blood chemistry screening	2,500.00	2,217.00	283.00
Health education	4,444.00	5,339.92	(895.92)
Environmental services	1,000.00	2,407.22	(1,407.22)
Insect and rodent control	500.00	80.00	420.00
Travel/ upkeep cars	9,500.00	14,822.42	(5,322.42)
Office rent	62,459.00	55,136.67	7,322.33
Utilities	7,500.00	5,249.39	2,250.61
Telephone services	17,450.00	7,187.00	10,263.00
Computer system maintenance and repairs	11,438.00	6,400.79	5,037.21
Internet services	1,500.00	2,407.57	(907.57)
Legal, accounting and veterinary services	33,500.00	21,027.46	12,472.54
Advertising	2,500.00	206.52	2,293.48
Dues, meetings and seminars	4,656.00	2,585.17	2,070.83
Office supplies	10,148.00	14,343.11	(4,195.11)
Office services - cleaning	7,852.00	4,323.10	3,528.90
Equipment repair and maintenance	5,312.00	2,102.91	3,209.09
Operating budget total	<u>1,760,554.00</u>	<u>1,807,757.39</u>	<u>(47,203.39)</u>
Capital budget	67,000.00	46,078.00	20,922.00
Nursing services	<u>99,001.00</u>	<u>74,764.25</u>	<u>24,236.75</u>
	<u>\$ 1,926,555.00</u>	<u>\$ 1,928,599.64</u>	<u>\$ (2,044.64)</u>

See accountants' report.

Monmouth County Regional Health Commission #1 (An Association)
Schedule III
Accounts Payable
December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Ardem, Inc.	\$ -	\$ 1,555.52
Birdsall & Laughlin, LLC	891.00	351.00
Borough of Tinton Falls		2,664.16
Bull Publishing Company	144.00	
Central Voice	76.40	165.20
Environmental Express	100.00	
Jersey Central Power & Light		317.56
Jersey Coast Chapter American Red Cross	318.61	3,017.16
Lube It All	104.30	24.95
Master Maintenance	400.00	320.00
New Jersey Natural Gas Co.	265.87	235.44
Nextel Communications		190.27
Panis & Attner, P.A.	7,500.00	14,500.00
Quickie Print		417.46
Staples	248.92	174.90
Thermoworks, Inc.	140.00	
Tinton Falls	2,391.69	
Township of Ocean		650.00
Verizon		751.85
VNA-CJ - Public Health Programs	<u>6,048.00</u>	<u>24,810.00</u>
	<u>\$ 18,628.79</u>	<u>\$ 50,145.47</u>

See accountants' report.