

BOROUGH OF MONTVALE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2024

BOROUGH OF MONTVALE

TABLE OF CONTENTS

| <u>Exhibits</u> | | <u>Page</u> |
|--|---|-------------|
| <u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u> | | |
| | Independent Auditor’s Report | 1-3 |
| Financial Statements | | |
| A | Comparative Balance Sheets - Regulatory Basis - Current Fund | 4 |
| A-1 | Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund | 5 |
| A-2 | Statement of Revenues – Regulatory Basis – Current Fund | 6-7 |
| A-3 | Statement of Expenditures – Regulatory Basis – Current Fund | 8-14 |
| B | Comparative Balance Sheets – Regulatory Basis - Trust Funds | 15-16 |
| B-1 | Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund | 17 |
| B-2 | Statement of Expenditures – Regulatory Basis – Open Space Preservation Trust Fund | 17 |
| C | Comparative Balance Sheets – Regulatory Basis - General Capital Fund | 18 |
| C-1 | Comparative Statements of Changes in Fund Balance – Regulatory Basis - General Capital Fund | 19 |
| D | Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund | 20 |
| E | Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group | 21 |
| | Notes to Financial Statements | 22-58 |
| Supplementary Schedules | | |
| <u>Current Fund</u> | | |
| A-4 | Statement of Cash and Cash Equivalents – Treasurer | 59 |
| A-5 | Statement of Change Funds | 60 |
| A-6 | Statement of Petty Cash Fund | 60 |
| A-7 | Statement of Grants Receivable | 61 |
| A-8 | Statement of Due to State of New Jersey - Senior Citizens' and Veterans' Deductions | 61 |
| A-9 | Statement of Taxes Receivable and Analysis of Property Tax Levy | 62 |
| A-10 | Statement of Tax Title Liens Receivable | 63 |
| A-11 | Statement of Property Acquired for Taxes (At Assessed Valuation) | 63 |
| A-12 | Statement of Revenue Accounts Receivable | 64 |
| A-13 | Statement of Appropriation Reserves | 65-66 |
| A-14 | Statement of Encumbrances Payable | 67 |
| A-15 | Statement of Accounts Payable | 67 |
| A-16 | Statement of Prepaid Taxes | 67 |
| A-17 | Statement of Tax Overpayments | 68 |
| A-18 | Statement of Local District School Taxes Payable | 68 |
| A-19 | Statement of Regional High School Taxes Payable | 68 |
| A-20 | Statement of County Taxes Payable | 68 |
| A-21 | Statement of Due County for Added and Omitted Taxes | 69 |
| A-22 | Statement of Municipal Open Space Taxes | 69 |
| A-23 | Statement of Fees Payable | 69 |

BOROUGH OF MONTVALE

TABLE OF CONTENTS

| <u>Exhibits</u> | | <u>Page</u> |
|--|---|-------------|
| Supplementary Schedules (Continued) | | |
| <u>Current Fund (Continued)</u> | | |
| A-24 | Statement of Prepaid Revenue | 70 |
| A-25 | Statement of Reserve for Tax Appeals | 70 |
| A-26 | Statement of Miscellaneous Reserves | 70 |
| A-27 | Statement of Reserve for Grants and Aid – Unappropriated | 71 |
| A-28 | Statement of Reserves for Grants – Appropriated | 71 |
| <u>Trust Funds</u> | | |
| B-3 | Statement of Trust Cash - Treasurer | 72 |
| B-4 | Statement of Due to State of New Jersey – Fees Payable - Animal Control Fund | 73 |
| B-5 | Statement of Reserve for Animal Control Expenditures – Animal Control Fund | 73 |
| B-6 | Statement of Due to Current Fund – Animal Control Fund | 74 |
| B-7 | Statement of Due to State of New Jersey – Claims Payable – Unemployment Insurance Fund | 74 |
| B-8 | Statement of Reserve for Unemployment Compensation Insurance – Unemployment Insurance Fund | 74 |
| B-9 | Statement of Other Receivables – Other Trust Fund | 75 |
| B-10 | Statement of Encumbrances Payable – Other Trust Fund | 75 |
| B-11 | Statement of Due to Unemployment Insurance Trust Fund – Other Trust Fund | 75 |
| B-12 | Statement of Due To Current Fund – Other Trust Fund | 76 |
| B-13 | Statement of Escrow Deposits – Other Trust Fund | 76 |
| B-14 | Statement of Payroll Deductions Payable – Other Trust Fund | 77 |
| B-15 | Statement of Miscellaneous Reserves and Deposits – Other Trust Fund | 77 |
| B-16 | Statement of Net Payroll Payable – Other Trust Fund | 78 |
| B-17 | Statement of Due from Current Fund – Open Space Preservation Trust Fund | 78 |
| B-18 | Statement of Reserve for Open Space Preservation – Open Space Preservation Trust Fund | 78 |
| B-19 | Statement of Encumbrances Payable – Open Space Preservation Trust Fund | 79 |
| <u>General Capital Fund</u> | | |
| C-2 | Statement of General Capital Cash and Cash Equivalents - Treasurer | 80 |
| C-3 | Analysis of General Capital Cash and Cash Equivalents | 81 |
| C-4 | Statement of Grants Receivable | 82 |
| C-5 | Statement of Due from Current Fund | 82 |
| C-6 | Statement of Deferred Charges to Future Taxation - Funded | 82 |
| C-7 | Statement of Deferred Charges to Future Taxation – Unfunded | 83 |
| C-8 | Statement of Improvement Authorizations | 84 |
| C-9 | Statement of Encumbrances Payable | 85 |
| C-10 | Statement of Capital Improvement Fund | 85 |
| C-11 | Statement of Reserve for Payment of Debt | 86 |
| C-12 | Statement of Reserve for Improvement of Fields | 86 |
| C-13 | Statement of Reserve for Sale of Assets | 86 |
| C-14 | Statement of General Serial Bonds | 87 |
| C-15 | Statement of Bond Anticipation Notes | 88 |
| C-16 | Statement of Bonds and Notes Authorized But Not Issued | 89 |
| <u>Public Assistance Fund</u> | | |
| D-1 | Statement of Public Assistance Cash - Treasurer | 90 |
| D-2 | Statement of Reserve for Public Assistance Expenditures | 90 |
| D-3 | Statement of Public Assistance Revenues | 91 |

BOROUGH OF MONTVALE

TABLE OF CONTENTS

| <u>Exhibits</u> | | <u>Page</u> |
|--|---|-------------|
| <u>Part II – Government Auditing Standards</u> | | |
| | 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-Independent Auditor’s Report | 92-93 |
| Schedule A | Schedule of Expenditures of Federal Awards | 94 |
| Schedule B | Schedule of Expenditures of State Financial Assistance | 95 |
| | Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance | 96-97 |
| | Schedule of Findings and Responses | 98-100 |
| <u>Part III – Supplementary Data and Letter of Comments and Recommendations</u> | | |
| | Comparative Statement of Operations and Changes in Fund Balance - Current Fund | 101 |
| | Comparative Schedule of Tax Rate Information | 102 |
| | Comparison of Tax Levies and Collection | 102 |
| | Delinquent Taxes and Tax Title Liens | 103 |
| | Property Acquired by Tax Title Lien Liquidation | 103 |
| | Comparative Schedule of Fund Balances | 103 |
| | Officials in Office and Surety Bonds | 104 |
| | General Comments | 105-106 |
| | Appreciation | 106 |
| | Recommendations | 107 |

**BOROUGH OF MONTVALE
BERGEN COUNTY, NEW JERSEY**

PART I

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2024**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Montvale
Montvale, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the Borough of Montvale which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Montvale as of December 31, 2024 and 2023, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2024 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 each fund of the Borough of Montvale as of December 31, 2024 and 2023, or changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed 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 Borough of Montvale and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2024 and 2023. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 21 percent and 21 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2024 and 2023, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Montvale on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Borough of Montvale’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 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 requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Borough of Montvale’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 Borough of Montvale’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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Montvale as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Montvale. Such information is the responsibility of management and was derived from and relate 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 listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

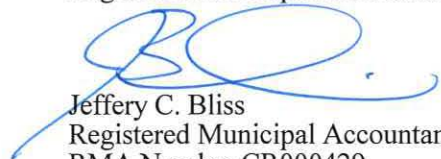
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor’s report thereon. Our opinions on the financial statements 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 June 26, 2025 on our consideration of the Borough of Montvale’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Montvale’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Montvale’s internal control over financial reporting and compliance.

Lerch, Vinci & Bliss, LLP
 LERCH, VINCI & BLISS, LLP
 Certified Public Accountants
 Registered Municipal Accountants


 Jeffery C. Bliss
 Registered Municipal Accountant
 RMA Number CR000429

Fair Lawn, New Jersey
 June 26, 2025

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|---|------------------|----------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | A-4 | \$ 11,299,050 | \$ 11,614,201 |
| Cash - Change Fund | A-5 | 600 | 600 |
| Grants Receivable | A-7 | <u>294,914</u> | <u>559,372</u> |
| | | <u>11,594,564</u> | <u>12,174,173</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-9 | 420,802 | 239,011 |
| Tax Title Liens Receivable | A-10 | 73,116 | 62,468 |
| Property Acquired for Taxes at Assessed Valuation | A-11 | 29,400 | 29,400 |
| Revenue Accounts Receivable | A-12 | 41,656 | 18,109 |
| Due from Animal Control Fund | B-6 | 947 | 1,347 |
| Due from Other Trust Fund | B-12 | <u>184,193</u> | <u>21,811</u> |
| | | <u>750,114</u> | <u>372,146</u> |
| Total Assets | | <u>\$ 12,344,678</u> | <u>\$ 12,546,319</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| Appropriation Reserves | A-3,A-13 | \$ 1,364,031 | \$ 1,267,592 |
| Encumbrances Payable | A-14 | 668,916 | 853,331 |
| Accounts Payable | A-15 | 123,543 | 324,405 |
| Due to Length of Service Award Program Fund | B | 30,723 | 27,489 |
| Due to General Capital Fund | C-5 | 96,309 | |
| Fees Payable | A-23 | 20,113 | 15,354 |
| Prepaid Taxes | A-16 | 386,571 | 418,547 |
| Tax Overpayments | A-17 | 242,600 | 2,452 |
| Regional District School Taxes Payable | A-19 | 283,066 | |
| County Taxes Payable - Added and Omitted Taxes | A-21 | 126,402 | 44,321 |
| Prepaid Revenues - Sewer Fees | A-24 | 46,093 | 41,189 |
| Due to State of New Jersey Senior Citizens' and Veterans' Deductions | A-8 | 15,221 | 15,971 |
| Reserve for Tax Appeals | A-25 | 738,385 | 759,673 |
| Miscellaneous Reserves | A-26 | 60,060 | 836,526 |
| Reserve for Grants and Aid: | | | |
| Unappropriated | A-27 | 4,062 | 142,045 |
| Appropriated | A-28 | <u>769,954</u> | <u>865,472</u> |
| | | 4,976,049 | 5,614,367 |
| Reserve for Receivables | A | 750,114 | 372,146 |
| Fund Balance | A-1 | <u>6,618,515</u> | <u>6,559,806</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 12,344,678</u> | <u>\$ 12,546,319</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|--|------------------|---------------------|---------------------|
| REVENUE AND OTHER INCOME REALIZED | | | |
| Fund Balance Utilized | A-2 | \$ 4,160,000 | \$ 4,160,000 |
| Miscellaneous Revenue Anticipated | A-2 | 3,926,485 | 3,884,621 |
| Receipts from Delinquent Tax | A-2 | 236,795 | 239,659 |
| Receipts from Current Taxes | A-2 | 56,911,022 | 54,908,790 |
| Non-Budget Revenue | A-2 | 828,711 | 1,613,993 |
| Other Credits to Income | | | |
| Unexpended Balance of Appropriation Reserves | A-13 | 1,086,507 | 1,102,314 |
| Miscellaneous Reserves Cancelled | A-26 | 3,966 | |
| Accounts Payable Cancelled | A-15 | 183,539 | |
| Statutory Excess in Animal Control Fund | B-6 | 947 | 1,347 |
| Other Trust Fund Reserves Cancelled | B-12 | 83 | - |
| | | <u>67,338,055</u> | <u>65,910,724</u> |
| Total Income | | | |
| EXPENDITURES | | | |
| Budget Appropriations | | | |
| Operations | | | |
| Salaries and Wages | A-3 | 6,604,556 | 6,396,050 |
| Other Expenses | A-3 | 10,357,716 | 9,657,025 |
| Deferred Charges and Statutory Expenditures - | | | |
| Municipal | A-3 | 1,715,256 | 1,908,020 |
| Capital Improvements | A-3 | 74,250 | 510,125 |
| Municipal Debt Service | A-3 | 1,899,305 | 1,730,853 |
| County Taxes Payable | A-20 | 6,425,932 | 6,414,925 |
| Due County for Added Taxes | A-21 | 126,402 | 44,321 |
| Local District School Taxes Payable | A-18 | 19,932,328 | 19,260,339 |
| Regional High School Taxes Payable | A-19 | 15,505,109 | 15,097,897 |
| Municipal Open Space Taxes | A-22 | 228,736 | 112,228 |
| Prior Year Senior Citizen Deduction Disallowed | A-8 | 250 | |
| Refund Prior Year Revenue | A-4 | 87,524 | 32,787 |
| Interfunds Advanced | A | 161,982 | 15,035 |
| | | <u>63,119,346</u> | <u>61,179,605</u> |
| Total Expenditures | | | |
| Excess in Revenue | | 4,218,709 | 4,731,119 |
| Fund Balance, January 1 | A | <u>6,559,806</u> | <u>5,988,687</u> |
| | | 10,778,515 | 10,719,806 |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1 | <u>4,160,000</u> | <u>4,160,000</u> |
| Fund Balance, December 31 | A | <u>\$ 6,618,515</u> | <u>\$ 6,559,806</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Reference | Budget | Added by NJSA 40A:4-87 | Realized | Excess or (Deficit) |
|---|-----------|---------------|------------------------------|---------------|---------------------------|
| Surplus Anticipated | A-1 | \$ 4,160,000 | - | \$ 4,160,000 | - |
| Miscellaneous Revenues | | | | | |
| Licenses | | | | | |
| Alcoholic Beverages | A-12 | 18,000 | | 18,090 | \$ 90 |
| Other | A-2 | 45,000 | | 56,355 | 11,355 |
| Fees and Permits | A-2 | 195,000 | | 162,095 | (32,905) |
| Fines and Costs - Municipal Court | A-12 | 145,000 | | 237,504 | 92,504 |
| Interest and Costs on Taxes | A-12 | 50,000 | | 62,139 | 12,139 |
| Interest on Investments and Deposits | A-12 | 135,000 | | 308,774 | 173,774 |
| Uniform Fire Safety Act Local Enforcement Fees | A-12 | 140,000 | | 178,375 | 38,375 |
| Energy Receipts Tax | A-12 | 1,277,431 | | 1,277,431 | - |
| Municipal Relief Fund | A-27 | 131,672 | | 131,672 | - |
| Uniform Construction Code Fees | A-12 | 580,000 | | 515,071 | (64,929) |
| Municipal Court Shared Service | A-12 | 214,472 | | 191,393 | (23,079) |
| Pascack Valley - Special Police Shared Service | A-12 | 194,400 | | 189,599 | (4,801) |
| Public and Private Revenues Offset With Appropriations | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse | A-27 | 439 | | 439 | - |
| Body Armor Fund | A-27 | 2,164 | | 2,164 | - |
| BCMJIF - Safety Incentive Program | A-27 | 1,750 | | 1,750 | - |
| Spotted Lanternfly Prevention Program | A-27 | 15,000 | | 5,520 | (9,480) |
| Recycling Tonnage Grant | A-7 | 13,196 | | 13,196 | - |
| BMED Fund - Wellness Program Grant | A-27 | | \$ 2,513 | 2,513 | - |
| Mini-Grant Waterways Program | A-27 | 500 | | 500 | - |
| Drive Sober or Get Pulled Over | A-7 | | 7,000 | 7,000 | - |
| Distracted Driving Grant | A-27 | | 7,000 | 7,000 | - |
| Alcohol Education and Rehabilitation Fund | A-27 | | 1,594 | 1,594 | - |
| Clean Communities Grant | A-27 | | 24,223 | 24,223 | - |
| Uniform Fire Safety Act - LEA Rebate | A-12 | 20,000 | | 27,696 | 7,696 |
| Cable TV Franchise Fees | A-12 | 126,453 | | 126,453 | - |
| Sewer Agreement - Marriott Corporation | A-12 | 20,000 | | 7,947 | (12,053) |
| Hotel/Motel Tax | A-12 | 140,000 | | 44,080 | (95,920) |
| Reserve for Field Maintenance | C-5 | 50,000 | | 50,000 | - |
| Sloan Kettering Contribution - Municipal Services | A-12 | 72,000 | | 72,000 | - |
| Clothing Bin Fees - American Recycling | A-12 | 3,000 | | 3,000 | - |
| Reserve for Payment of Debt | C-5 | 150,000 | | 150,000 | - |
| Reserve for Sale of Assets | C-5 | 50,912 | | 50,912 | - |
| Total Miscellaneous Revenues | A-1 | 3,791,389 | 42,330 | 3,926,485 | 92,766 |
| Receipts from Delinquent Taxes | A-1,A-2 | 150,000 | - | 236,795 | 86,795 |
| Sub-Total General Revenues | | 8,101,389 | 42,330 | 8,323,280 | 179,561 |
| Amount to be Raised by Taxes for Support of Municipal Budget | | | | | |
| Local Tax for Municipal Purposes | A-9 | 13,472,021 | | 15,647,692 | 2,175,671 |
| Minimum Library Tax | A-9 | 914,823 | - | 914,823 | - |
| Total Amount to be Raised by Taxes | A-2 | 14,386,844 | - | 16,562,515 | 2,175,671 |
| Total General Revenues | A-3 | \$ 22,488,233 | \$ 42,330 | 24,885,795 | \$ 2,355,232 |
| Non-Budget Revenue | A-1,A-2 | | | 828,711 | |
| | | | | \$ 25,714,506 | |

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Reference</u> | |
|---|--------------------------|----------------------|
| ANALYSIS OF REALIZED REVENUES | | |
| Allocation of Current Tax Collections | | |
| Revenue from Current Taxes | A-9 | \$ 57,161,022 |
| Transferred to Reserve for Tax Appeals | A-25 | <u>250,000</u> |
| Revenue Realized | A-1 | 56,911,022 |
| Allocated to School, County and Municipal Open Space Taxes | A-18,A-19,A-20,A-21,A-22 | <u>42,218,507</u> |
| Balance for Support of Municipal Budget Appropriation | | 14,692,515 |
| Add: Appropriation "Reserve for Uncollected Taxes" | A-3 | <u>1,870,000</u> |
| Amount for Support of Municipal Budget Appropriation | A-2 | <u>\$ 16,562,515</u> |
| Licenses - Other | | |
| Board of Health | A-12 | \$ 45,505 |
| Other - Business Registration/Insurance Fees | A-12 | <u>10,850</u> |
| | A-2 | <u>\$ 56,355</u> |
| Fees and Permits | | |
| Registrar of Vital Statistics | A-12 | \$ 359 |
| Planning Board | A-12 | 27,647 |
| Police | A-12 | 10,440 |
| Tax Collector | A-12 | 80 |
| Recreation | A-12 | 11,150 |
| Construction Code Official - Zoning | A-12 | <u>112,419</u> |
| | A-2 | <u>\$ 162,095</u> |
| <u>Reference</u> | | |
| ANALYSIS OF NON-BUDGET REVENUE | | |
| Excess Sewer Fees | | \$ 296,468 |
| Police Outside Duty Fees | | 226,811 |
| Interlocal Sewer Maintenance Fees | | 135,172 |
| Sale of Assets (Land) | | 85,000 |
| Cell Tower Rent | | 51,057 |
| Miscellaneous | | 23,394 |
| PILOT - Montvale Commons | | 9,144 |
| Insurance Dividends | | 1,045 |
| Sr/Vets 2% Admin Fee | | <u>620</u> |
| | A-2 | <u>\$ 828,711</u> |
| Cash Receipts | A-4 | \$ 532,243 |
| Revenue Accounts Receivable | A-12 | <u>296,468</u> |
| | A-2 | <u>\$ 828,711</u> |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|--|---------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| OPERATIONS - WITHIN "CAPS" | | | | | |
| GENERAL GOVERNMENT FUNCTIONS | | | | | |
| Administrative and Executive | | | | | |
| Salaries and Wages | \$ 343,000 | \$ 343,000 | \$ 329,364 | \$ 13,636 | |
| Other Expenses | 234,168 | 234,168 | 221,135 | 13,033 | |
| Mayor and Council | | | | | |
| Salaries and Wages | 55,550 | 55,550 | 55,523 | 27 | |
| Other Expenses | 30,950 | 30,950 | 19,843 | 11,107 | |
| Borough Clerk | | | | | |
| Salaries and Wages | 93,250 | 93,250 | 92,850 | 400 | |
| Other Expenses | 12,050 | 12,050 | 9,237 | 2,813 | |
| Elections | | | | | |
| Salaries and Wages | 2,500 | 2,500 | 922 | 1,578 | |
| Other Expenses | 11,250 | 11,250 | 9,532 | 1,718 | |
| Financial Administration | | | | | |
| Salaries and Wages | 238,396 | 238,396 | 237,997 | 399 | |
| Other Expenses | 34,200 | 34,200 | 33,664 | 536 | |
| Audit Services | | | | | |
| Other Expenses | 49,000 | 49,000 | 12,050 | 36,950 | |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 42,000 | 42,000 | 41,978 | 22 | |
| Other Expenses | 42,930 | 42,930 | 20,244 | 22,686 | |
| Collection of Taxes | | | | | |
| Salaries and Wages | 75,000 | 75,000 | 74,659 | 341 | |
| Other Expenses | 32,850 | 32,850 | 20,080 | 12,770 | |
| Legal Services and Costs | | | | | |
| Other Expenses | 225,800 | 225,800 | 92,165 | 133,635 | |
| Engineering Services and Costs | | | | | |
| Other Expenses | 132,000 | 132,000 | 91,666 | 40,334 | |
| Cable TV Committee | | | | | |
| Salaries and Wages | 7,500 | 7,500 | 4,975 | 2,525 | |
| Other Expenses | 68,000 | 68,000 | 58,351 | 9,649 | |
| Historic Preservation Commission | | | | | |
| Other Expenses | 1,000 | 1,000 | 95 | 905 | |
| Historian | | | | | |
| Other Expenses | 50 | 50 | | 50 | |
| Municipal Land Use Law Planning Board | | | | | |
| Salaries and Wages | 104,000 | 104,000 | 97,558 | 6,442 | |
| Other Expenses | 119,550 | 119,550 | 91,207 | 28,343 | |

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended</u> |
|--|---------------------|---------------------|-----------------|-----------------|-------------------|
| | <u>Budget</u> | <u>Budget After</u> | <u>Paid or</u> | <u>Reserved</u> | <u>Balance</u> |
| | | <u>Modification</u> | <u>Charged</u> | | <u>Cancelled</u> |
| OPERATIONS - WITHIN "CAPS" (Continued) | | | | | |
| GENERAL GOVERNMENT FUNCTIONS (Continued) | | | | | |
| Zoning Official | | | | | |
| Salaries and Wages | \$ 10,400 | \$ 10,400 | \$ 10,303 | \$ 97 | |
| Master Plan | | | | | |
| Other Expenses | 35,000 | 35,000 | 35,000 | | - |
| Code Enforcement and Administration | | | | | |
| Property Maintenance | | | | | |
| Salaries and Wages | 25,000 | 25,000 | 22,947 | 2,053 | |
| Insurance | | | | | |
| Life Insurance | 3,400 | 3,400 | 2,726 | 674 | |
| General Liability | 278,388 | 278,388 | 223,640 | 54,748 | |
| Workers Compensation | 212,823 | 212,823 | 212,823 | | - |
| Employee Group Health | 940,488 | 940,488 | 923,843 | 16,645 | |
| Employee Group Health - Waiver | 57,150 | 57,150 | 34,963 | 22,187 | |
| PUBLIC SAFETY FUNCTIONS | | | | | |
| Fire | | | | | |
| Other Expenses | 225,900 | 225,900 | 224,158 | 1,742 | |
| Fire Hydrant Service | 200,000 | 201,200 | 199,962 | 1,238 | |
| Police | | | | | |
| Salaries and Wages | 4,490,000 | 4,490,000 | 4,270,898 | 219,102 | |
| Other Expenses | 274,800 | 274,800 | 260,976 | 13,824 | |
| Purchase of Police Vehicles | 25,000 | 25,000 | 4,230 | 20,770 | |
| Police Dispatch | | | | | |
| Other Expenses | 55,000 | 55,000 | 19,758 | 35,242 | |
| First Aid Organization | | | | | |
| Other Expenses | 60,000 | 60,000 | 49,207 | 10,793 | |
| Emergency Management | | | | | |
| Salaries and Wages | 12,360 | 12,360 | 12,360 | | - |
| Other Expenses | 22,100 | 22,100 | 1,612 | 20,488 | |
| Uniform Fire Safety Act | | | | | |
| Salaries and Wages | 152,500 | 152,500 | 151,563 | 937 | |
| Other Expenses | 11,550 | 11,550 | 6,318 | 5,232 | |
| Prosecutor | | | | | |
| Other Expenses | 19,095 | 19,095 | 19,095 | | - |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|-------------------------------------|---------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| OPERATIONS - WITHIN "CAPS" (Cont'd) | | | | | |
| PUBLIC SAFETY FUNCTIONS (Continued) | | | | | |
| PUBLIC WORKS FUNCTIONS | | | | | |
| Road Repair and Maintenance | | | | | |
| Other Expenses | \$ 70,000 | \$ 70,000 | \$ 1,577 | \$ 68,423 | |
| Sewer System | | | | | |
| Other Expenses | 75,000 | 75,000 | 69,956 | 5,044 | |
| Snow Removal | | | | | |
| Other Expenses | 25,000 | 25,000 | 25,000 | - | |
| Garbage and Trash Removal | | | | | |
| Other Expenses | 950,000 | 950,000 | 909,945 | 40,055 | |
| Recycling | | | | | |
| Other Expenses | 5,000 | 5,000 | | 5,000 | |
| Public Buildings and Grounds | | | | | |
| Salaries and Wages | 22,500 | 22,500 | 22,292 | 208 | |
| Other Expenses | 220,694 | 220,694 | 199,844 | 20,850 | |
| Maintenance of All Vehicles | | | | | |
| Other Expenses | 55,000 | 55,000 | 51,609 | 3,391 | |
| Municipal Services Act | | | | | |
| Other Expenses | 25,000 | 25,000 | 21,525 | 3,475 | |
| Stormwater Management | | | | | |
| Other Expenses | 50,000 | 50,000 | 25,000 | 25,000 | |
| HEALTH AND HUMAN SERVICES FUNCTIONS | | | | | |
| Public Health Services | | | | | |
| Salaries and Wages | 16,500 | 16,500 | 15,440 | 1,060 | |
| Other Expenses | 86,300 | 86,300 | 79,961 | 6,339 | |
| Environmental Commission | | | | | |
| Salaries and Wages | 5,000 | 5,000 | 4,458 | 542 | |
| Other Expenses | 15,000 | 15,000 | 13,129 | 1,871 | |
| Animal Regulation | | | | | |
| Other Expenses | 12,500 | 12,500 | 11,641 | 859 | |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Budget</u> | <u>Appropriated Budget After Modification</u> | <u>Expended Paid or Charged</u> | <u>Reserved</u> | <u>Unexpended Balance Cancelled</u> |
|-------------------------------------|---------------|---|---|-----------------|---|
| OPERATIONS - WITHIN "CAPS" (Cont'd) | | | | | |
| PARK AND RECREATION FUNCTIONS | | | | | |
| Parks and Playgrounds | | | | | |
| Other Expenses | \$ 6,000 | \$ 6,000 | \$ 5,062 | \$ 938 | |
| Recreation Services and Programs | | | | | |
| Salaries and Wages | 110,250 | 110,250 | 105,705 | 4,545 | |
| Other Expenses | 45,550 | 45,550 | 34,447 | 11,103 | |
| Senior Citizen Van | | | | | |
| Salaries and Wages | 15,000 | 15,000 | 12,781 | 2,219 | |
| Senior Citizens | | | | | |
| Other Expenses | 48,850 | 48,850 | 46,291 | 2,559 | |
| Celebration of Public Events | | | | | |
| Other Expenses | 40,500 | 40,500 | 38,308 | 2,192 | |
| OTHER COMMON OPERATING FUNCTIONS | | | | | |
| PEOSHA Compliance | | | | | |
| Other Expenses | 2,000 | 2,000 | | 2,000 | |
| Salary Adjustment Account | | | | | |
| Other Expenses | 10,000 | 10,000 | | 10,000 | |
| MUNICIPAL COURT FUNCTIONS | | | | | |
| Municipal Court Administration | | | | | |
| Salaries and Wages | 162,350 | 152,940 | 129,788 | 23,152 | |
| Other Expenses | 21,879 | 31,289 | 28,591 | 2,698 | |
| Public Defender | | | | | |
| Other Expenses | 8,550 | 8,550 | 8,550 | - | |
| STATE UNIFORM CONSTRUCTION CODE | | | | | |
| Construction Code Officials | | | | | |
| Salaries and Wages | 178,100 | 186,600 | 185,535 | 1,065 | |
| Other Expenses | 47,900 | 39,400 | 20,258 | 19,142 | |
| Building Subcode Official | | | | | |
| Salaries and Wages | 51,000 | 51,000 | 50,614 | 386 | |
| Plumbing Subcode Official | | | | | |
| Salaries and Wages | 37,000 | 37,000 | 36,873 | 127 | |
| Fire Subcode Official | | | | | |
| Salaries and Wages | 37,000 | 37,000 | 36,153 | 847 | |
| Electrical Subcode Official | | | | | |
| Salaries and Wages | 38,500 | 38,500 | 37,053 | 1,447 | |
| Elevator Subcode Official | | | | | |
| Other Expenses | 36,000 | 36,000 | 36,000 | - | |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|--|---------------------|--------------------------------------|----------------------------|------------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| OPERATIONS - WITHIN "CAPS" (Cont'd) | | | | | |
| UNCLASSIFIED | | | | | |
| Utilities | | | | | |
| Gasoline | \$ 80,000 | \$ 80,000 | \$ 52,573 | \$ 27,427 | |
| Electricity | 228,471 | 228,471 | 173,033 | 55,438 | |
| Telephone | 44,879 | 44,879 | 35,109 | 9,770 | |
| Natural Gas | 73,904 | 73,904 | 32,903 | 41,001 | |
| Water | 5,000 | 3,800 | | 3,800 | |
| Street Lighting | 150,000 | 150,000 | 138,744 | 11,256 | - |
| Total Operations Within "CAPS" | 12,178,125 | 12,178,125 | 10,997,225 | 1,180,900 | - |
| Contingent | 25,000 | 25,000 | 2,636 | 22,364 | - |
| Total Operations including Contingent - Within "CAPS" | 12,203,125 | 12,203,125 | 10,999,861 | 1,203,264 | - |
| Detail: | | | | | |
| Salaries and Wages | 6,334,656 | 6,333,746 | 6,040,589 | 293,157 | - |
| Other Expenses | 5,868,469 | 5,869,379 | 4,959,272 | 910,107 | - |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS" | | | | | |
| STATUTORY CHARGES | | | | | |
| Social Security System (O.A.S.I.) | 233,152 | 233,152 | 220,202 | 12,950 | |
| Defined Contribution Retirement Plan (DCRP) | 19,563 | 19,563 | 14,957 | 4,606 | |
| Public Employees Retirement System | 234,967 | 234,967 | 234,967 | - | |
| Police and Fireman's Retirement System | 1,227,574 | 1,227,574 | 1,227,574 | - | - |
| Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS" | 1,715,256 | 1,715,256 | 1,697,700 | 17,556 | - |
| Total General Appropriations for Municipal Purposes Within "CAPS" | 13,918,381 | 13,918,381 | 12,697,561 | 1,220,820 | - |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | |
| Maintenance of Free Public Library Chap. 82, 541 P.L. 85 - Minimum | 914,823 | 914,823 | 906,208 | 8,615 | |
| Sewerage Processing and Disposal (Sanitation Chap. 74, P.L. 87) Contractual | 1,100,000 | 1,100,000 | 1,075,045 | 24,955 | |
| Length of Service Award Program (LOSAP) | 55,000 | 55,000 | 30,723 | 24,277 | |
| Insurance | | | | | |
| General Liability | 17,598 | 17,598 | | 17,598 | |
| Workers Compensation | 5,661 | 5,661 | 5,571 | 90 | |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended Balance Cancelled</u> |
|---|---------------------|--------------------------------------|----------------------------|-----------------|---|
| | <u>Budget</u> | <u>Budget After Modification</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| OPERATIONS - EXCLUDED FROM "CAPS" (Continued) | | | | | |
| Interlocal Services Agreements | | | | | |
| Police Dispatch/911 | | | | | |
| Other Expenses | \$ 215,938 | \$ 215,938 | \$ 215,938 | - | |
| Municipal Court Administration | | | | | |
| Salaries & Wages | 122,450 | 99,210 | 97,910 | \$ 1,300 | |
| Other Expenses | 71,617 | 93,117 | 91,531 | 1,586 | |
| Prosecutor | | | | | |
| Other Expenses | 14,405 | 15,695 | 14,405 | 1,290 | |
| Public Defender | | | | | |
| Other Expenses | 6,000 | 6,450 | 6,450 | - | |
| Pascack Valley Regional School District | | | | | |
| Special Police | | | | | |
| Salaries and Wages | 171,000 | 171,600 | 171,587 | 13 | |
| Other Expenses | 23,400 | 22,800 | 20,906 | 1,894 | |
| Pascack Valley Department of Public Works | | | | | |
| Department of Public Works | | | | | |
| Other Expenses | <u>1,975,246</u> | <u>1,975,246</u> | <u>1,925,246</u> | <u>50,000</u> | <u>-</u> |
| Total Other Operations Excluded from "CAPS" | <u>4,693,138</u> | <u>4,693,138</u> | <u>4,561,520</u> | <u>131,618</u> | <u>-</u> |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | |
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES | | | | | |
| Recycling Tonnage Grant | 13,196 | 13,196 | 13,196 | - | |
| Bergen County Municipal JIF Safety Incentive Program | 1,750 | 1,750 | 1,750 | - | |
| Clean Communities Grant | | 24,223 | 24,223 | - | |
| Municipal Alliance Program | | | | | |
| County Share | 439 | 439 | 439 | - | |
| Local Share | 110 | 110 | 110 | - | |
| Gateway BMED Fund - Wellness Program | | 2,513 | 2,513 | - | |
| Distracted Driving | | 7,000 | 7,000 | - | |
| Alcohol Education and Rehabilitation Fund | | 1,594 | 1,594 | - | |
| Body Armor Fund | 2,164 | 2,164 | 2,164 | - | |
| Drive Sober or Get Pulled Over | | 7,000 | 7,000 | - | |
| Spotted Lanternfly | 15,000 | 15,000 | 5,520 | - | 9,480 |
| County of Bergen - Health (Mini) Grant | <u>500</u> | <u>500</u> | <u>500</u> | <u>-</u> | <u>-</u> |
| Total Public and Private Programs Offset by Revenues | <u>33,159</u> | <u>75,489</u> | <u>66,009</u> | <u>-</u> | <u>9,480</u> |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | |
| PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES | | | | | |
| Total Operations Excluded from "CAPS" | <u>4,726,297</u> | <u>4,768,627</u> | <u>4,627,529</u> | <u>131,618</u> | <u>9,480</u> |
| Detail: | | | | | |
| Salaries and Wages | 293,450 | 270,810 | 269,497 | 1,313 | |
| Other Expenses | <u>4,432,847</u> | <u>4,497,817</u> | <u>4,358,032</u> | <u>130,305</u> | <u>9,480</u> |

**BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | | <u>Unexpended</u> |
|--|---------------------|--|----------------------------------|-----------------|------------------------------------|
| | <u>Budget</u> | <u>Budget After</u> <u>Modification</u> | <u>Paid or</u> <u>Charged</u> | <u>Reserved</u> | <u>Balance</u> <u>Cancelled</u> |
| CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | | | | | |
| Capital Improvement Fund | \$ 59,250 | \$ 59,250 | \$ 59,250 | - | |
| Purchase of Furniture and Equipment | 15,000 | 15,000 | 3,407 | \$ 11,593 | - |
| Total Capital Improvements Excluded from "CAPS" | 74,250 | 74,250 | 62,657 | 11,593 | - |
| MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS" | | | | | |
| Payment of Bond Principal | 1,310,000 | 1,310,000 | 1,310,000 | - | |
| Interest on Bonds | 295,175 | 295,175 | 295,175 | - | |
| Interest on Notes | 294,130 | 294,130 | 294,130 | - | - |
| Total Municipal Debt Service Excluded from "CAPS" | 1,899,305 | 1,899,305 | 1,899,305 | - | - |
| Total General Appropriations for Municipal Purposes - Excluded from "CAPS" | 6,699,852 | 6,742,182 | 6,589,491 | 143,211 | \$ 9,480 |
| Subtotal General Appropriations | 20,618,233 | 20,660,563 | 19,287,052 | 1,364,031 | 9,480 |
| Reserve for Uncollected Taxes | 1,870,000 | 1,870,000 | 1,870,000 | - | - |
| Total General Appropriations | \$ 22,488,233 | \$ 22,530,563 | \$ 21,157,052 | \$ 1,364,031 | \$ 9,480 |
| <u>Reference</u> | A-2 | A-3 | A-1 | A,A-1 | |
| | | | | | |
| Budget as Adopted | A-3 | \$ 22,488,233 | | | |
| Appropriation by 40A:4-87 | A-2 | 42,330 | | | |
| | | \$ 22,530,563 | | | |
| Cash Disbursed | A-4 | | \$ 18,168,024 | | |
| Encumbrances Payable | A-14 | | 668,916 | | |
| Due to LOSAP Trust Fund | B | | 30,723 | | |
| Due to General Capital Fund | C-5 | | 353,380 | | |
| Transfer to Appropriated Grant Reserves | A-28 | | 66,009 | | |
| Reserve for Uncollected Taxes | A-2 | | 1,870,000 | | |
| | | | \$ 21,157,052 | | |

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|--|------------------|---------------------|---------------------|
| ASSETS | | | |
| ANIMAL CONTROL FUND | | | |
| Cash | B-3 | \$ 10,992 | \$ 11,397 |
| OTHER TRUST FUND | | | |
| Cash | B-3 | 3,588,104 | 2,893,020 |
| Other Receivables | B-9 | 29,467 | 16,806 |
| | | <u>3,617,571</u> | <u>2,909,826</u> |
| UNEMPLOYMENT INSURANCE TRUST FUND | | | |
| Cash | B-3 | 258,673 | 293,466 |
| Due from Other Trust Fund | B-10 | 18,075 | 9,098 |
| | | <u>276,748</u> | <u>302,564</u> |
| OPEN SPACE PRESERVATION TRUST FUND | | | |
| Cash | B-3 | 406,100 | 267,276 |
| LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED) | | | |
| Investments | B | 1,104,054 | 900,452 |
| Due from Current Fund | A | 30,723 | 27,489 |
| | | <u>1,134,777</u> | <u>927,941</u> |
| Total Assets | | <u>\$ 5,446,188</u> | <u>\$ 4,419,004</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|--|------------------|---------------------|---------------------|
| LIABILITIES AND RESERVES | | | |
| ANIMAL CONTROL FUND | | | |
| Due to Current Fund | B-6 | \$ 947 | \$ 1,347 |
| Reserve for Animal Control Expenditures | B-5 | <u>10,045</u> | <u>10,050</u> |
| | | <u>10,992</u> | <u>11,397</u> |
| OTHER TRUST FUND | | | |
| Encumbrances Payable | B-10 | 168,490 | |
| Due to Unemployment Insurance Trust Fund | B-11 | 18,075 | 9,098 |
| Due to Current Fund | B-12 | 184,193 | 21,811 |
| Escrow Deposits | B-13 | 826,490 | 1,058,631 |
| Payroll Deductions Payable | B-14 | (4,092) | 44,165 |
| Miscellaneous Reserves and Deposits | B-15 | <u>2,424,415</u> | <u>1,776,121</u> |
| | | <u>3,449,081</u> | <u>2,909,826</u> |
| UNEMPLOYMENT INSURANCE TRUST FUND | | | |
| Due to State of NJ - Claims Payable | B-7 | 7,952 | 24,532 |
| Reserve for Unemployment Compensation Insurance | B-8 | <u>268,796</u> | <u>278,032</u> |
| | | <u>276,748</u> | <u>302,564</u> |
| OPEN SPACE PRESERVATION TRUST FUND | | | |
| Encumbrances Payable | B-19 | 13,181 | 7,765 |
| Reserve for Open Space Preservation | B-18 | <u>392,919</u> | <u>259,511</u> |
| | | <u>406,100</u> | <u>267,276</u> |
| LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED) | | | |
| Reserve for LOSAP Contributions | B | <u>1,134,777</u> | <u>927,941</u> |
| Total Liabilities and Reserves | | <u>\$ 5,277,698</u> | <u>\$ 4,419,004</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF MONTVALE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Anticipated</u> | | | |
|---------------------------------|--------------------|-------------------|-------------------|-----------------|
| | Budget | Budget After | | |
| | (Memo) | Modifications | <u>Realized</u> | Excess or |
| | | (Memo) | | (Deficit) |
| Amount to be Raised by Taxation | \$ 224,608 | \$ 224,608 | \$ 228,736 | \$ 4,128 |
| | <u>\$ 224,608</u> | <u>\$ 224,608</u> | <u>\$ 228,736</u> | <u>\$ 4,128</u> |
| Reference | B-2 | B-2 | B-15 | |

EXHIBIT B-2

**STATEMENT OF EXPENDITURES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

| | <u>Appropriated</u> | | <u>Expended</u> | |
|---|---------------------|-------------------|------------------|-------------------|
| | Budget | Budget After | Paid or | |
| | (Memo) | Modification | Charged | <u>Reserved</u> |
| | | (Memo) | | |
| Maintenance of Land for Recreation and Conservation | | | | |
| Other Expenses | | \$ 95,328 | \$ 95,328 | |
| Reserve for Future Use | \$ 224,608 | <u>129,280</u> | <u>-</u> | <u>\$ 129,280</u> |
| | <u>\$ 224,608</u> | <u>\$ 224,608</u> | <u>\$ 95,328</u> | <u>\$ 129,280</u> |
| <u>Reference</u> | B-1 | B-1 | B-15 | |

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|---|------------------|--------------------------|--------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | C-2,C-3 | \$ 3,168,621 | \$ 5,341,297 |
| Grants Receivable | C-4 | 105,018 | 229,540 |
| Due from Current Fund | C-5 | 96,309 | |
| Deferred Charges to Future Taxation | | | |
| Funded | C-6 | 9,370,000 | 10,680,000 |
| Unfunded | C-7 | <u>10,589,142</u> | <u>13,533,764</u> |
| Total Assets | | <u>\$ 23,329,090</u> | <u>\$ 29,784,601</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| General Serial Bonds | C-14 | \$ 9,370,000 | \$ 10,680,000 |
| Bond Anticipation Notes | C-15 | 9,152,000 | 8,780,000 |
| Encumbrances Payable | C-9 | 1,441,071 | 2,245,211 |
| Improvement Authorizations | | | |
| Funded | C-8 | 711,456 | 959,440 |
| Unfunded | C-8 | 1,610,312 | 6,108,430 |
| Capital Improvement Fund | C-10 | 163,441 | 37,291 |
| Reserve for Payment of Debt | C-11 | 451,971 | 522,082 |
| Reserve for Improvement of Fields | C-12 | 196,174 | 183,599 |
| Reserve for Sale of Assets | C-13 | 88,639 | |
| Reserve for Grants Receivable | C-4 | 105,018 | 229,540 |
| Fund Balance | C-1 | <u>39,008</u> | <u>39,008</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 23,329,090</u> | <u>\$ 29,784,601</u> |

There were bonds and notes authorized but not issued on December 31, 2024 and 2023 of \$1,561,664 and \$4,900,764, respectively. (Exhibit C-16)

BOROUGH OF MONTVALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|---|------------------|------------------|------------------|
| Balance, January 1 | C | \$ 39,008 | \$ 21,913 |
| Increased by: | | | |
| Premium on Bond Anticipation Notes Issued | C-1 | _____ - | _____ 37,095 |
| | | 39,008 | 59,008 |
| Decreased by: | | | |
| Due Current Fund as Anticipated Revenue | C-1 | _____ - | _____ 20,000 |
| Balance, December 31 | C | <u>\$ 39,008</u> | <u>\$ 39,008</u> |

**BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2024 AND 2023**

| | <u>Reference</u> | <u>2024</u> | <u>2023</u> |
|--|------------------|--------------|-----------------|
| ASSETS | | | |
| Cash | D-1 | \$ 35 | \$ 3,159 |
| Total Assets | | <u>\$ 35</u> | <u>\$ 3,159</u> |
| LIABILITIES AND RESERVES | | | |
| Reserve for Public Assistance Expenditures | D-2 | \$ 35 | \$ 3,159 |
| Total Liabilities and Reserves | | <u>\$ 35</u> | <u>\$ 3,159</u> |

**BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2024 AND 2023**

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Land and Land Improvements | \$ 25,773,993 | \$ 20,592,180 |
| Buildings and Building Improvements | 17,583,206 | 17,381,311 |
| Machinery and Equipment | <u>8,005,786</u> | <u>7,012,158</u> |
| | <u>\$ 51,362,985</u> | <u>\$ 44,985,649</u> |
| FUND BALANCE | | |
| Investment in General Fixed Assets | <u>\$ 51,362,985</u> | <u>\$ 44,985,649</u> |

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Montvale (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings, provides leadership in the development of community projects and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by State law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, recreation and parks, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library and the volunteer fire department, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Montvale have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and 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. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. However under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to the financial statements.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds – These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Open Space Preservation Trust Fund - This fund is used to account for the resources which have accumulated from a dedicated tax, to be used for the preservation of municipal open space, recreation and farmland property.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications - Certain reclassifications may have been made to the December 31, 2023 balances to conform to the December 31, 2024 presentation.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Montvale follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Leases Receivable – Leases for the use of the Borough's cell towers are recorded as revenue when repayment is received during the year. GAAP requires non-cancellable leases receivable to be recorded at year-end with an offsetting deferred outflow of resources in both the fund and government-wide financial statements.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Montvale has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 1995 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1995 are stated as follows:

| | |
|-------------------------|------------------|
| Land and Buildings | Assessed Value |
| Machinery and Equipment | Replacement Cost |

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in proprietary funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary funds as well as in the government-wide financial statements.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- Trust Funds (Except the Open Space Preservation Trust Fund)
- General Capital Fund
- Public Assistance Fund

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024 and 2023 the Borough Council increased the original budget by \$42,330 and \$174,770, respectively. The increases in 2024 and 2023 were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2024 and 2023.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Borough's deposits were \$5,105,099 and \$20,424,416 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,205,560 and \$21,220,458, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

| <u>Depository Account</u> | <u>Bank Balance</u> | |
|------------------------------|---------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Insured | \$ 4,079,564 | \$ 19,849,679 |
| Uninsured and Collateralized | <u>1,125,996</u> | <u>1,370,779</u> |
| | <u>\$ 5,205,560</u> | <u>\$ 21,220,458</u> |

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023 the Borough’s bank balances of \$1,125,996 and \$1,370,779 were exposed to custodial credit risk as follows:

| <u>Depository Account</u> | <u>Bank Balance</u> | |
|--|---------------------|---------------------|
| | <u>2024</u> | <u>2023</u> |
| Uninsured and Collateralized: Collateral held by pledging financial institution's trust department not in the Borough's name | <u>\$ 1,125,996</u> | <u>\$ 1,370,779</u> |

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (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; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2024 and 2023, the Borough had the following investments:

| | <u>Valuation Basis</u> | <u>2024</u> | <u>2023</u> |
|---|----------------------------|----------------------|-------------------|
| Investment: | | | |
| Allspring Government Money Market Mutual Fund (Cash Equivalents) | Book Value | \$ 13,627,076 | |
| Lincoln Financial Group LOSAP Retirement Fund (Unaudited) | Market Value | <u>1,104,054</u> | <u>\$ 900,452</u> |
| | | <u>\$ 14,731,130</u> | <u>\$ 900,452</u> |

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2024 and 2023, \$14,731,130 and \$900,452 of the Borough’s investments were exposed to custodial credit risk as follows:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|-------------------|
| Uninsured and Collateralized: | | |
| Collateral held by pledging financial institution's trust department but not in the Borough's name | <u>\$ 14,731,130</u> | <u>\$ 900,452</u> |

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2024 and 2023, the Borough’s investment in Lincoln Financial Group a subsidiary of Lincoln National Life Insurance Company was rated A-2, respectively, by Moody’s Investor Service. The investments in Allspring Government Money Market Mutual Fund were not rated.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. As of December 31, 2024 more than five (5) percent of the Borough’s investments are in Allspring Government Money Market Mutual Fund. These investments are 93% of the Borough’s total investments at December 31, 2024. As of December 31, 2023 more than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments at December 31, 2023.

Fair Value of Investments. The Borough of Montvale measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Allspring Government Mutual Fund and Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2024 and 2023 are categorized as Level 2.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2024 and 2023 consisted of the following:

| <u>Current Fund</u> | <u>2024</u> | <u>2023</u> |
|---------------------|-------------------|-------------------|
| Property Taxes | \$ 420,820 | \$ 239,011 |
| Tax Title Liens | <u>73,116</u> | <u>62,468</u> |
| | <u>\$ 493,936</u> | <u>\$ 301,479</u> |

In 2024 and 2023, the Borough collected \$236,795 and \$239,659 from delinquent taxes, which represented 79% and 82%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

| | <u>2024</u> | | <u>2023</u> | |
|------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
| | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
| Current Fund | \$ 185,140 | \$ 127,032 | \$ 23,158 | \$ 27,489 |
| Trust Funds | | | | |
| Animal Control | | 947 | | 1,347 |
| Other Trust | | 202,268 | | 30,909 |
| Unemployment Insurance | 18,075 | | 9,098 | |
| LOSAP | 30,723 | | 27,489 | |
| General Capital Fund | <u>96,309</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 330,247</u> | <u>\$ 330,247</u> | <u>\$ 59,745</u> | <u>\$ 59,745</u> |

The above balances are the result of expenditures being paid by one fund on behalf of another and/or revenues earned or receipts deposited in one fund to finance expenditures of another fund.

The Borough expects all interfund balances to be liquidated within one year.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 6 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

| | 2024 | | 2023 | |
|------------------|----------------------------------|---|----------------------------------|---|
| | <u>Fund Balance December 31,</u> | <u>Utilized in Subsequent Year's Budget</u> | <u>Fund Balance December 31,</u> | <u>Utilized in Subsequent Year's Budget</u> |
| Current Fund | | | | |
| Cash Surplus | \$ 6,323,601 | \$ 4,160,000 | \$ 6,000,434 | \$ 4,160,000 |
| Non-Cash Surplus | <u>294,914</u> | <u>-</u> | <u>559,372</u> | <u>-</u> |
| | <u>\$ 6,618,515</u> | <u>\$ 4,160,000</u> | <u>\$ 6,559,806</u> | <u>\$ 4,160,000</u> |

NOTE 7 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2024 and 2023.

| | <u>Balance, December 31,</u> | | | <u>Balance, December 31,</u> |
|-------------------------------------|------------------------------|---------------------|-----------------------|------------------------------|
| | <u>2023</u> | <u>Increases</u> | <u>Decreases</u> | <u>2024</u> |
| 2024 | | | | |
| Land and Land Improvements | \$ 20,592,180 | \$ 5,255,313 | \$ (73,500) | \$ 25,773,993 |
| Buildings and Building Improvements | 17,381,311 | 201,895 | | 17,583,206 |
| Machinery and Equipment | <u>7,012,158</u> | <u>993,628</u> | <u>-</u> | <u>8,005,786</u> |
| | <u>\$ 44,985,649</u> | <u>\$ 6,450,836</u> | <u>\$ (73,500)</u> | <u>\$ 51,362,985</u> |
| | | | | |
| | <u>Balance, December 31,</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance, December 31,</u> |
| 2023 | <u>2022</u> | <u>Increases</u> | <u>Decreases</u> | <u>2023</u> |
| Land and Land Improvements | \$ 20,669,578 | \$ 194,502 | \$ (271,900) | \$ 20,592,180 |
| Buildings and Building Improvements | 17,121,558 | 359,967 | (100,214) | 17,381,311 |
| Machinery and Equipment | <u>9,941,379</u> | <u>589,364</u> | <u>(3,518,585)</u> | <u>7,012,158</u> |
| | <u>\$ 47,732,515</u> | <u>\$ 1,143,833</u> | <u>\$ (3,890,699)</u> | <u>\$ 44,985,649</u> |

BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| Issued | | |
| General | | |
| Bonds and Notes | \$ 18,522,000 | \$ 19,460,000 |
| Less Funds Temporarily Held to Pay Bonds and Notes | <u>576,493</u> | <u>669,082</u> |
| Net Debt Issued | 17,945,507 | 18,790,918 |
| Authorized But Not Issued | | |
| General | | |
| Bonds and Notes | <u>1,561,664</u> | <u>4,900,764</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 19,507,171</u> | <u>\$ 23,691,682</u> |

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .718% and .919% at December 31, 2024 and 2023, respectively.

| <u>2024</u> | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------|----------------------|----------------------|----------------------|
| General Debt | \$ 20,083,664 | \$ 576,493 | \$ 19,507,171 |
| School Debt | <u>29,597,069</u> | <u>29,597,069</u> | <u>-</u> |
| Total | <u>\$ 49,680,733</u> | <u>\$ 30,173,562</u> | <u>\$ 19,507,171</u> |
| | | | |
| <u>2023</u> | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
| General Debt | \$ 24,360,764 | \$ 669,082 | \$ 23,691,682 |
| School Debt | <u>31,261,662</u> | <u>31,261,662</u> | <u>-</u> |
| Total | <u>\$ 55,622,426</u> | <u>\$ 31,930,744</u> | <u>\$ 23,691,682</u> |

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

| | <u>2024</u> | <u>2023</u> |
|---|------------------------------------|------------------------------------|
| 3-1/2% of Equalized Valuation Basis (Municipal) Net Debt | \$ 95,077,363 <u>19,507,171</u> | \$ 90,182,459 <u>23,691,682</u> |
| Remaining Borrowing Power | <u>\$ 75,570,192</u> | <u>\$ 66,490,777</u> |

A. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|----------------------|
| \$9,305,000, 2018 Bonds, due in annual installments of \$760,000 to \$795,000 through August, 2030, interest at 3.00% to 5.00% | \$ 4,650,000 | \$ 5,410,000 |
| \$6,160,000, 2021 Bonds, due in annual installments of \$550,000 to \$720,000 through August, 2031, interest at 0.05% to 2.00% | <u>4,720,000</u> | <u>5,270,000</u> |
| | <u>\$ 9,370,000</u> | <u>\$ 10,680,000</u> |

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

| <u>Calendar Year</u> | <u>General</u> | | <u>Total</u> |
|--------------------------|---------------------|-------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | |
| 2025 | \$ 1,345,000 | \$ 256,900 | \$ 1,601,900 |
| 2026 | 1,395,000 | 207,050 | 1,602,050 |
| 2027 | 1,440,000 | 163,750 | 1,603,750 |
| 2028 | 1,470,000 | 127,250 | 1,597,250 |
| 2029 | 1,495,000 | 90,100 | 1,585,100 |
| 2030-2031 | <u>2,225,000</u> | <u>66,750</u> | <u>2,291,750</u> |
| | <u>\$ 9,370,000</u> | <u>\$ 911,800</u> | <u>\$ 10,281,800</u> |

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2024 and 2023 were as follows:

| | Balance, December 31, <u>2023</u> | <u>Increase</u> | <u>Reductions</u> | Balance, December 31, <u>2024</u> | Due Within <u>One Year</u> |
|----------------------|---|-----------------|-------------------|---|----------------------------------|
| <u>2024</u> | | | | | |
| General Capital Fund | | | | | |
| Bonds Payable | \$ 10,680,000 | - | \$ 1,310,000 | \$ 9,370,000 | \$ 1,345,000 |
| | | | | | |
| | Balance, December 31, <u>2022</u> | <u>Increase</u> | <u>Reductions</u> | Balance, December 31, <u>2023</u> | Due Within <u>One Year</u> |
| <u>2023</u> | | | | | |
| General Capital Fund | | | | | |
| Bonds Payable | \$ 11,970,000 | - | \$ 1,290,000 | \$ 10,680,000 | \$ 1,310,000 |

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

| <u>Purpose</u> | <u>Rate (%)</u> | <u>Maturity Date</u> | Balance, December 31, <u>2023</u> | <u>Renewals/ Issued</u> | <u>Retired/ Redeemed</u> | Balance, December 31, <u>2024</u> |
|------------------------------|-----------------|----------------------|---|-----------------------------|------------------------------|---|
| <u>2024</u> | | | | | | |
| General Capital Fund | | | | | | |
| Various Capital Improvements | 4.00% | 1/30/2025 | \$ 4,399,050 | \$ 4,252,000 | \$ 4,399,050 | \$ 4,252,000 |
| Acquisition of Property | 4.00% | 1/30/2025 | 4,380,950 | 4,900,000 | 4,380,950 | 4,900,000 |
| | | | <u>\$ 8,780,000</u> | <u>\$ 9,152,000</u> | <u>\$ 8,780,000</u> | <u>\$ 9,152,000</u> |
| | | | | | | |
| <u>Purpose</u> | | | Balance, December 31, <u>2022</u> | <u>Renewals/ Issued</u> | <u>Retired/ Redeemed</u> | Balance, December 31, <u>2023</u> |
| <u>2023</u> | | | | | | |
| General Capital Fund | | | | | | |
| Various Capital Improvements | 4.50% | 4/11/2024 | \$ 369,050 | \$ 4,399,050 | \$ 369,050 | \$ 4,399,050 |
| Acquisition of Property | 4.50% | 4/11/2024 | 4,380,950 | 4,380,950 | 4,380,950 | 4,380,950 |
| | | | <u>\$ 4,750,000</u> | <u>\$ 8,780,000</u> | <u>\$ 4,750,000</u> | <u>\$ 8,780,000</u> |

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects and acquisitions:

| <u>Capital Project</u> | <u>Construction Commitment</u> | <u>Estimated Date of Completion</u> |
|---|------------------------------------|---|
| <u>2024</u> | | |
| Various Road Improvements | \$ 216,157 | 2025 |
| Acquisition of Pumper Firetruck | 649,357 | 2025 |
| Acquisition of License Plate Reader Cameras | 79,229 | 2025 |
| Acquisition of Dump Truck with Plow | 151,315 | 2025 |
| <u>2023</u> | | |
| Various Road Improvements | \$ 469,389 | 2024 |
| LaTrenta Field Parking Lot Improvements | 71,498 | 2024 |
| Acquisition of Pumper Firetruck | 1,152,192 | 2025 |
| Municipal Building HVAC Installation | 97,873 | 2024 |
| Huff Park Playground Improvements | 71,848 | 2024 |

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, certain employees are allowed to accumulate (with certain restrictions) unused sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave and compensation time in cash (with certain limitations) upon retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$765,601 and \$738,123 at December 31, 2024 and 2023, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

| | Balance, December 31, <u>2023</u> | <u>Additions</u> | <u>Reductions</u> | Balance, December 31, <u>2024</u> | Due Within <u>One Year</u> |
|-------------------------------------|---|------------------|-------------------|---|----------------------------------|
| <u>2024</u> | | | | | |
| Compensated Absences/Terminal Leave | \$ 738,123 | \$ 27,478 | | \$ 765,601 | \$ 12,000 |
| Net Pension Liability - PERS (1) | 3,416,032 | | | 3,416,032 | |
| Net Pension Liability - PFRS (1) | <u>10,188,693</u> | <u>-</u> | <u>-</u> | <u>10,188,693</u> | <u>-</u> |
| Other Long-Term Liabilities | <u>\$ 14,342,848</u> | <u>\$ 27,478</u> | <u>\$ -</u> | <u>\$ 14,370,326</u> | <u>\$ 12,000</u> |

(1) GASB Statement Number 68 Pension financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

| | Balance, December 31, <u>2021</u> | <u>Additions</u> | <u>Reductions</u> | Balance, December 31, <u>2022</u> | Due Within <u>One Year</u> |
|-------------------------------------|---|-------------------|---------------------|---|----------------------------------|
| <u>2023</u> | | | | | |
| Compensated Absences/Terminal Leave | \$ 759,740 | | \$ 21,617 | \$ 738,123 | |
| Net Pension Liability - PERS | 3,759,261 | | 343,229 | 3,416,032 | |
| Net Pension Liability - PFRS | <u>10,712,276</u> | <u>\$ 703,991</u> | <u>1,227,574</u> | <u>10,188,693</u> | <u>-</u> |
| Other Long-Term Liabilities | <u>\$ 15,231,277</u> | <u>\$ 703,991</u> | <u>\$ 1,592,420</u> | <u>\$ 14,342,848</u> | <u>\$ -</u> |

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

| Tier | Definition |
|------|---|
| 1 | Members who were enrolled prior to May 22, 2010 |
| 2 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3 | Members who were eligible to enroll on or after June 28, 2011 |

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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:

| Tier | Definition |
|------|--|
| 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 tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower (formerly Prudential Retirement) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2024 and 2023 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2024 and 2023 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2024, 2023 and 2022 were equal to the required contributions.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2024, 2023 and 2022, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

| <u>Year Ended</u> <u>December 31</u> | <u>PFRS</u> | <u>PERS (1)</u> | <u>DCRP</u> |
|---|--------------|-----------------|-------------|
| 2024 | \$ 1,227,574 | \$ 315,210 | \$ 14,957 |
| 2023 | 1,217,146 | 314,127 | 13,381 |
| 2022 | 1,080,043 | 290,183 | 7,111 |

(1) Includes Municipal Library's portion of contribution for the year.

In addition for the years ended December 31, 2024, 2023 and 2022 the Borough contributed for long-term disability insurance premiums (LTDI) \$0, \$0 and \$0, respectively for PERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough reported a liability of \$3,416,032, for its proportionate share of the PERS 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. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough's proportionate share was .02358 percent, which was a decrease of .00132 percent from its proportionate share measured as of June 30, 2022 of .02490 percent.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2023, the pension system has determined the Borough’s pension (benefit) to be \$(49,594), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$314,127. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

| | 2023 | |
|--|--|---|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference Between Expected and Actual Experience | \$ 32,662 | \$ 13,964 |
| Changes of Assumptions | 7,504 | 207,026 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 15,731 | |
| Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions | <u>79,937</u> | <u>177,463</u> |
| Total | <u>\$ 135,834</u> | <u>\$ 398,453</u> |

At December 31, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

| <u>Year Ending December 31,</u> | <u>Total</u> |
|---|---------------------|
| 2024 | \$ (182,787) |
| 2025 | (125,360) |
| 2026 | 114,765 |
| 2027 | (66,475) |
| 2028 | (2,762) |
| Thereafter | <u>-</u> |
| | <u>\$ (262,619)</u> |

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as 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, applied to all periods in the measurement date:

| | <u>2023</u> |
|---------------------------|------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Rate for All Future Years | 2.75 - 6.55% |
| | Based on Years of Service |
| Investment Rate of Return | 7.00% |

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.

Mortality Rates

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 generational basis. Mortality improvement is based on Scale MP-2021.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

| <u>Asset Class</u> | 2023 | |
|---------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |

Discount Rate

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

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS 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:

| <u>2023</u> | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------------------|--|------------------------------------|
| Borough's Proportionate Share of the PERS Net Pension Liability | \$ <u>4,446,947</u> | \$ <u>3,416,032</u> | \$ <u>2,538,587</u> |

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2023, the Borough reported a liability of \$10,188,693, for its proportionate share of the PFRS 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. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough’s proportionate share was .09222 percent, which was a decrease of .00137 percent from its proportionate share measured as of June 30, 2022 of .09359 percent.

BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

For the year ended December 31, 2023, the pension system has determined the Borough pension expense to be \$787,247, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,217,146. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

| | <u>2023</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference Between Expected and Actual Experience | \$ 436,259 | \$ 485,910 |
| Changes of Assumptions | 21,991 | 687,981 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 518,891 | |
| Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions | <u>897,101</u> | <u>482,773</u> |
| Total | <u>\$ 1,874,242</u> | <u>\$ 1,656,664</u> |

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

| <u>Year Ending December 31,</u> | <u>Total</u> |
|---|-------------------|
| 2024 | \$ (282,799) |
| 2025 | (287,072) |
| 2026 | 809,319 |
| 2027 | (22,726) |
| 2028 | 2,439 |
| Thereafter | <u>(1,583)</u> |
| | <u>\$ 217,578</u> |

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as 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, applied to all periods in the measurement date:

| | <u>2023</u> |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | |
| Rate for All Future Years | 3.25%-16.25% Based on Years of Service |
| Investment Rate of Return | 7.00% |

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.

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans’ target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

| <u>Asset Class</u> | <u>2023</u> | |
|---------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |

Discount Rate

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. 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.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS 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:

| <u>2023</u> | <u>1% Decrease (6.00%)</u> | <u>Current Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
|--|------------------------------------|--|------------------------------------|
| Borough's Proportionate Share of the PFRS Net Pension Liability | <u>\$ 14,196,160</u> | <u>\$ 10,188,693</u> | <u>\$ 6,851,431</u> |

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State 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 nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

At December 31, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,877,385. For the year ended December 31, 2023, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$213,549, which is less than the actual contribution the State made on behalf of the Borough of \$214,701. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .09222 percent, which was a decrease of .00137 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2021) of .09359 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough under a special funding situation.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – 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 Comprehensive Financial Report (ACFR), 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) retires 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) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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 above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2023:

| | |
|---|----------------|
| Active Plan Members | 65,613 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>34,771</u> |
| Total | <u>100,384</u> |
| Contributing Employers | 574 |
| Contributing Nonemployers | 1 |

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there can be a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Plan under the special funding situation. The State, as a non-employer contributing entity, makes contributions to the Plan under a special funding situation.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

**BOROUGH OF MONTVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

The non-employer special funding allocation percentages presented as the State’s proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2023, the State’s proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$6,911,545. For the year ended December 31, 2023 the plan has determined the State’s proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$1,253,198. At December 31, 2023, (measurement date June 30, 2023), the State’s share of the OPEB liability attributable to the Borough was .19809 percent, which was a decrease of .03305 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .23114 percent. The State’s proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits. These on-behalf contributions have not been reported in the Borough’s financial statements

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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 date:

| | <u>2023</u> |
|---------------------------|--|
| Inflation Rate | 2.50% |
| Salary Increases* | |
| PERS: | |
| Rate For All Future Years | 2.75% to 6.55% Based on Years of Service |
| PFRS: | |
| Rate For All Future Years | 3.25% to 16.25% Based on Years of Service |

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

The actuarial assumptions used in the July 1, 2022 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.

Mortality Rates

Pre-retirement and post-retirement mortality rates were based on the Pub-2010 Healthy “Safety” for PFRS and Healthy “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled “Safety” for PFRS and Disabled “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is, increasing to 14.80% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For HMO the trend is increasing to 17.40% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after 7 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 measurement date was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 13 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Montvale is a member of the Bergen County Municipal Joint Insurance Fund (BCMJIF), Bergen Municipal Employee Benefit Fund (BMED) and the Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability, worker's compensation and medical, prescription and dental coverages. The Funds are risk-sharing public entity pools. The BCMJIF, BMED and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 13 RISK MANAGEMENT (Continued)

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment compensation trust fund for the current and previous two years:

| <u>Year Ended December 31</u> | <u>Borough Contributions</u> | <u>Employee Contributions</u> | <u>Claims Reimbursed</u> | <u>Ending Balance</u> |
|-----------------------------------|----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2024 | None | \$ 8,977 | \$ 18,213 | \$ 268,796 |
| 2023 | None | 9,098 | 31,385 | 278,032 |
| 2022 | None | 8,659 | 249 | 300,319 |

NOTE 14 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough’s Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2024 and 2023. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2024 and 2023, the Borough reserved \$738,385 and \$759,673, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2024 and 2023, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Montvale Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 10, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Montvale approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Montvale has contributed \$1,617 for both 2024 and 2023 for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The Borough contributed a total of \$30,723 and \$27,489 for 2024 and 2023, respectively into the Plan.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

Interlocal Services Agreement

The Boroughs of Park Ridge, Woodcliff Lake and Montvale entered into an interlocal service agreement for the purposes of reimbursing the Borough of Park Ridge as sponsoring agency for a length of service awards program for the Tri-Borough Volunteer Ambulance Corps., a volunteer organization which services each of the Boroughs.

The contributions are made in accordance with the plan established by the Borough of Park Ridge pursuant to N.J.S.A.40A:14-183 et seq. Montvale's share of the Tri-Borough Volunteer Ambulance Corps. LOSAP contributions for the years ended December 31, 2024 and 2023 were \$10,427 and \$13,831, respectively.

Since the Borough of Park Ridge is the sponsoring agency, all contributions and financial transactions related to the Tri-Borough Volunteer Ambulance Corps. are reported on the financial statements of the Borough of Park Ridge's Length of Service Awards Program and are not included in this report.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 17 LEASES RECEIVABLE

On November 3, 2009 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for five (5) additional 5-year terms unless the lessee notifies the Borough it’s intention not to renew the lease within sixty (60) days of expiration. The Borough will receive annual payments ranging from \$4,623 to \$10,562. The Borough recognized \$9,793 and \$9,666 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$31 and \$40, respectively. As of December 31, 2024 and 2023 the Borough’s receivable for lease payments, exclusive of future interest earnings is \$20,784 and \$30,546, respectively, for the lease term ending June 30, 2026

On March 26, 2010 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years with the option to renew for four (4) additional 5-year terms. The Borough will receive annual payments ranging from \$16,152 to \$35,864. The Borough recognized \$35,864 and \$34,819 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$200 and \$327, respectively. As of December 31, 2024 and 2023 the Borough’s receivable for lease payments, exclusive of future interest earnings is \$18,149 and \$53,813, respectively, for the lease term ending June 30, 2025.

On June 29, 2015 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for four (4) additional 5-year terms unless the lessee notifies the Borough of its intention not to renew within sixty (60) days of expiration. The Borough will receive annual payments of \$5,400. The Borough recognized \$5,400 in lease revenue for both 2024 and 2023, which includes interest earnings of \$26 and \$44, respectively. As of December 31, 2024 and 2023 the Borough’s receivable for lease payments, exclusive of future interest earnings is \$5,383 and \$10,757, respectively, for the lease term ending June 30, 2025.

The future lease revenue principal and interest payments as of December 31, 2024 were as follows:

| Calendar Year | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------|------------------|-----------------|------------------|
| 2025 | \$ 33,765 | \$ 105 | \$ 33,870 |
| 2026 | <u>10,551</u> | <u>11</u> | <u>10,562</u> |
| Total | <u>\$ 44,316</u> | <u>\$ 116</u> | <u>\$ 44,432</u> |

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2024 and 2023, the Borough provided property tax abatements through certain programs authorized under State statutes. This program includes the New Jersey Housing and Mortgage Financing Act (NJHMFA).

The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2024 and 2023 the Borough abated property taxes totaling \$77,462 and \$75,891, respectively, under the NJHMFA program of which \$18,757 and \$18,357 represents the Borough’s share, respectively. The Borough received \$9,144 and \$8,160 in PILOT payments under this program for both years ended December 31, 2024 and 2023, respectively.

**BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 19 SUBSEQUENT EVENTS

Serial Bonds

On December 12, 2024, the Borough approved a resolution for the issuance of general improvement bonds in the amount of \$10,712,000 for the purpose of funding various capital improvements. On January 15, 2025, the Borough awarded the sale of said bonds to Hilltop Securities Inc. at a par amount of \$10,135,000 at an interest rate of 4.00 to 5.00% with a net interest cost of 3.52%. These bonds dated January 29, 2025 will mature over 15 years with the first maturity due January 15, 2026.

Debt Authorized

On April 29, 2025, the Borough adopted a bond ordinance appropriating \$1,840,300 and authorizing the issuance of \$1,779,200 in bonds or bond anticipation notes to fund various capital improvements. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

BOROUGH OF MONTVALE
STATEMENT OF CASH AND CASH EQUIVALENTS - TREASURER

| | | |
|---|-------------------|----------------------|
| Balance, December 31, 2023 | | \$ 11,614,201 |
| Increased by: | | |
| Taxes Receivable | \$ 56,947,270 | |
| Non-Budget Revenue | 532,243 | |
| Prepaid Revenues | 12,851 | |
| Due from State of NJ - Senior Citizens' and Veterans' Deductions | 31,000 | |
| Revenue Accounts Receivable | 3,763,573 | |
| Grants Receivable | 284,654 | |
| Receipts for General Capital Fund | 124,522 | |
| Receipts from Other Trust Fund | 1,100,240 | |
| Receipts from Animal Control Fund | 1,347 | |
| Fees Payable | 35,290 | |
| Tax Overpayments | 270,659 | |
| Prepaid Taxes | 386,571 | |
| Reserve for Grants - Unappropriated | 39,392 | |
| Petty Cash | 800 | |
| | <u>63,530,412</u> | |
| | | 75,144,613 |
| Decreased by Disbursements: | | |
| 2024 Budget Appropriations | 18,168,024 | |
| 2023 Appropriation Reserves | 213,698 | |
| County Taxes Payable | 6,425,932 | |
| Due to County for Added and Omitted Taxes | 44,321 | |
| Local School District Tax Payable | 19,932,328 | |
| Regional High School Taxes Payable | 15,222,043 | |
| Reserve for Tax Appeals | 271,288 | |
| Payments to General Capital Fund | 226,990 | |
| Payments to Other Trust Fund | 1,259,589 | |
| Payments to Open Space Preservation Trust Fund | 228,736 | |
| Payments to LOSAP Fund | 27,489 | |
| Accounts Payable | 79,811 | |
| Encumbrances Payable | 758,230 | |
| Petty Cash | 800 | |
| Reserve for Grants - Appropriated | 65,218 | |
| Tax Overpayments Refunded | 30,511 | |
| Fees Payable | 30,531 | |
| Miscellaneous Reserves | 772,500 | |
| Refund Prior Year Revenue | 87,524 | |
| | <u>63,845,563</u> | |
| Balance, December 31, 2024 | | <u>\$ 11,299,050</u> |

**BOROUGH OF MONTVALE
STATEMENT OF CHANGE FUNDS**

| <u>Office</u> | Balance, December 31, <u>2023</u> | Balance, December 31, <u>2024</u> |
|-----------------------------|---|---|
| Tax Collector/Borough Clerk | \$ 100 | \$ 100 |
| Dog/Cat License Registrar | 50 | 50 |
| Municipal Court | 400 | 400 |
| Police Department | 50 | 50 |
| | <u>\$ 600</u> | <u>\$ 600</u> |

STATEMENT OF PETTY CASH FUND

| <u>Office</u> | Received From <u>Treasurer</u> | Returned To <u>Treasurer</u> |
|---------------|--------------------------------------|------------------------------------|
| Borough Clerk | \$ 800 | \$ 800 |

**BOROUGH OF MONTVALE
STATEMENT OF GRANTS RECEIVABLE**

| | Balance, December 31, <u>2023</u> | Revenue <u>Realized</u> | <u>Received</u> | Balance, December 31, <u>2024</u> |
|--|---|----------------------------|-------------------|---|
| NJ Department of Transportation - | | | | |
| Various Street Improvements - 2019 | \$ 35,098 | | | \$ 35,098 |
| Various Street Improvements - 2021 | 210,000 | | \$ 128,149 | 81,851 |
| NJ DCA - Local Recreation Grant | 40,000 | | 40,000 | - |
| Stormwater Assistance Grant | 10,000 | | | 10,000 |
| Drive Sober Get Pulled Over | 7,000 | \$ 7,000 | 7,000 | 7,000 |
| BMED - Wellness Program Grant | 5,000 | | | 5,000 |
| Bergen County Open Space - Huff Pond Improvements | 155,965 | | | 155,965 |
| Bergen County Open Space - LaTrenta Field Improvements | 96,309 | | 96,309 | - |
| Recycling Tonnage Grant | - | \$ 13,196 | 13,196 | - |
| | <u>\$ 559,372</u> | <u>\$ 20,196</u> | <u>\$ 284,654</u> | <u>\$ 294,914</u> |

EXHIBIT A-8

**STATEMENT OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

| | |
|--|------------------|
| Balance, December 31, 2023 | \$ 15,971 |
| Increased by: | |
| Payment from State of New Jersey | \$ 31,000 |
| Veterans'/Senior Citizen's Deductions Disallowed by Tax Collector - 2023 | 250 |
| Veterans'/Senior Citizen's Deductions Disallowed by Tax Collector - 2024 | <u>500</u> |
| | <u>31,750</u> |
| | 47,721 |
| Decreased by: | |
| Senior Citizens' Deductions Per Tax Billings | 2,000 |
| Veterans' Deductions Per Tax Billings | 28,750 |
| Veterans'/Senior Citizen's Deductions Allowed by Tax Collector - 2024 | <u>1,750</u> |
| | <u>32,500</u> |
| Balance, December 31, 2024 | <u>\$ 15,221</u> |

**BOROUGH OF MONTVALE
STATEMENT OF PROPERTY TAXES RECEIVABLE AND
ANALYSIS OF PROPERTY TAX LEVY**

| <u>Year</u> | <u>Balance,</u> <u>December 31,</u> <u>2023</u> | <u>2024</u> <u>Levy</u> | <u>Senior</u> <u>Citizens'</u> <u>and</u> <u>Veterans'</u> <u>Deductions</u> <u>Disallowed</u> | <u>Cash</u> <u>Collections</u> | <u>2023</u> | <u>2024</u> | <u>Senior</u> <u>Citizens'</u> <u>and</u> <u>Veterans'</u> <u>Deductions</u> <u>Allowed</u> | <u>Cancelled</u> | <u>Transferred</u> <u>to</u> <u>Tax Title</u> <u>Liens</u> | <u>Balance,</u> <u>December 31,</u> <u>2024</u> |
|-------------|---|----------------------------|---|-----------------------------------|----------------------|------------------|--|------------------|---|---|
| 2018 | \$ 114 | | | | | | | | | \$ 114 |
| 2019 | 456 | | | | | | | | | 456 |
| 2020 | 469 | | | | | | | | | 469 |
| 2021 | 475 | | | | | | | | | 475 |
| 2022 | 477 | | | | | | | | | 477 |
| 2023 | <u>237,020</u> | <u>-</u> | <u>\$ 250</u> | <u>-</u> | <u>\$ 236,795</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>475</u> |
| | 239,011 | - | 250 | - | 236,795 | - | - | - | - | 2,466 |
| 2024 | <u>-</u> | <u>\$ 57,593,547</u> | <u>\$ 500</u> | <u>\$ 418,547</u> | <u>56,710,475</u> | <u>\$ 32,500</u> | <u>\$ 3,541</u> | <u>\$ 10,648</u> | <u>-</u> | <u>418,336</u> |
| | <u>\$ 239,011</u> | <u>\$ 57,593,547</u> | <u>\$ 750</u> | <u>\$ 418,547</u> | <u>\$ 56,947,270</u> | <u>\$ 32,500</u> | <u>\$ 3,541</u> | <u>\$ 10,648</u> | <u>\$ -</u> | <u>\$ 420,802</u> |

Analysis of 2024 Property Tax Levy

ANALYSIS OF 2024 PROPERTY TAX LEVY

TAX YIELD

| | |
|--|----------------------|
| General Purpose Tax | \$ 56,488,997 |
| Added and Omitted Taxes (54:4-63.1 et. seq.) | <u>1,104,550</u> |
| | <u>\$ 57,593,547</u> |

TAX LEVY

| | |
|--|----------------------|
| Local District School Tax | \$ 19,932,328 |
| Regional High School Tax | 15,505,109 |
| County Taxes: | |
| County Taxes | \$ 6,148,588 |
| County Open Space | 277,344 |
| Due County for Added Taxes (54:4-63.1 et. seq.) | <u>126,402</u> |
| | 6,552,334 |
| Municipal Open Space Tax | 224,608 |
| Municipal Open Space Added Taxes | <u>4,128</u> |
| | 228,736 |
| Local Tax for Municipal Purposes | 13,472,021 |
| Minimum Library Tax | 914,823 |
| Additional Tax Levied | <u>988,196</u> |
| | <u>15,375,040</u> |
| | <u>\$ 57,593,547</u> |

**BOROUGH OF MONTVALE
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

| | |
|---------------------------------|------------------|
| Balance, December 31, 2023 | \$ 62,468 |
| Increased by: | |
| Transfers from Taxes Receivable | <u>10,648</u> |
| Balance, December 31, 2024 | <u>\$ 73,116</u> |

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)**

| | |
|----------------------------|------------------|
| Balance, December 31, 2023 | <u>\$ 29,400</u> |
| Balance, December 31, 2024 | <u>\$ 29,400</u> |

BOROUGH OF MONTVALE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

| | Balance, December 31, <u>2023</u> | Accrued in <u>2024</u> | <u>Collected</u> | Balance, December 31, <u>2024</u> |
|---|---|---------------------------|---------------------|---|
| Borough Clerk | | | | |
| Licenses - Alcoholic Beverages | | \$ 18,090 | \$ 18,090 | |
| Board of Health | | | | |
| Licenses | | 45,505 | 45,505 | |
| Register of Vital Statistics | | | | |
| Fees and Permits | | 359 | 359 | |
| Construction Code Official | | | | |
| Uniform Construction Code Fees | | 515,071 | 515,071 | |
| Fees and Permits - Other | | 112,419 | 112,419 | |
| Police | | | | |
| Fees and Permits | | 10,440 | 10,440 | |
| Tax Collector | | | | |
| Fees and Permits - Tax Search Fees | | 80 | 80 | |
| Planning Board | | | | |
| Fees and Permits | | 27,647 | 27,647 | |
| Recreation | | | | |
| Fees and Permits | | 11,150 | 11,150 | |
| Other | | | | |
| Licenses - Business Registration/Insurance | | 10,850 | 10,850 | |
| Municipal Court | | | | |
| Fines and Costs | \$ 6,425 | 240,082 | 237,504 | \$ 9,003 |
| Interest and Costs on Taxes | 8,852 | 72,568 | 62,139 | 19,281 |
| Interest on Investments and Deposits | | 308,774 | 308,774 | |
| Municipal Court Shared Service | | 191,393 | 191,393 | |
| Pascack Valley Regional School District | | | | |
| Special Police Shared Service | | 189,599 | 189,599 | |
| Energy Receipts Tax | | 1,277,431 | 1,277,431 | |
| Cable TV Franchise Fees | | 126,453 | 126,453 | |
| Sewer Agreement - Marriott Corporation | | 11,206 | 7,947 | 3,259 |
| Hotel/Motel Tax | | 44,080 | 44,080 | |
| Uniform Fire Safety Act: | | | | |
| Local Enforcement Fees | | 178,375 | 178,375 | |
| LEA Rebate | | 27,696 | 27,696 | |
| Sloan Kettering Contribution - Municipal Services | | 72,000 | 72,000 | |
| Clothing Bin Fees - American Recycling | | 3,000 | 3,000 | |
| Excess Sewer User Fees (MRNA) | <u>2,832</u> | <u>303,749</u> | <u>296,468</u> | <u>10,113</u> |
| | <u>\$ 18,109</u> | <u>\$ 3,798,017</u> | <u>\$ 3,774,470</u> | <u>\$ 41,656</u> |
| | | | | |
| | | | \$ 3,763,573 | |
| | | | 7,947 | |
| | | | <u>2,950</u> | |
| | | | <u>\$ 3,774,470</u> | |

BOROUGH OF MONTVALE
STATEMENT OF APPROPRIATION RESERVES

| | Balance, December 31, <u>2023</u> | Balance After <u>Modification</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|---|---|---|---------------------------|--------------------------|
| SALARIES AND WAGES | | | | |
| Administrative and Executive | \$ 11,760 | \$ 11,760 | | \$ 11,760 |
| Mayor and Council | 182 | 182 | | 182 |
| Borough Clerk | 5 | 5 | | 5 |
| Elections | 1,696 | 1,696 | | 1,696 |
| Financial Administration | 42 | 42 | | 42 |
| Assessment of Taxes | 20 | 20 | | 20 |
| Collection of Taxes | 3 | 3 | | 3 |
| Cable TV Committee | 339 | 339 | | 339 |
| Planning Board | 2,968 | 2,968 | | 2,968 |
| Zoning Official | 25 | 25 | | 25 |
| Code Enforcement and Administration Property Maint. | 21 | 21 | | 21 |
| Police | 192,265 | 192,265 | \$ 59,453 | 132,812 |
| Uniform Fire Safety Act | 862 | 862 | | 862 |
| Public Buildings and Grounds | 8 | 8 | | 8 |
| Public Health Services | 496 | 496 | | 496 |
| Environmental Commission | 49 | 49 | | 49 |
| Administration of Public Assistance | 750 | 750 | | 750 |
| Recreation Services and Programs | 26,571 | 27,291 | | 27,291 |
| Senior Citizen Van | 7,316 | 7,316 | | 7,316 |
| Municipal Court Administration | 8,879 | 8,879 | 432 | 8,447 |
| Municipal Court Administration - Interlocal | 3,974 | 3,974 | 326 | 3,648 |
| Special Police - Shared Services | 54 | 54 | | 54 |
| Salary Adjustment Account | 10,000 | 10,000 | | 10,000 |
| Construction Code Official | 22,354 | 22,354 | | 22,354 |
| Building Subcode Official | 129 | 129 | | 129 |
| Plumbing Subcode Official | 25 | 25 | | 25 |
| Fire Subcode Official | 25 | 25 | | 25 |
| Electrical Subcode Official | 253 | 253 | - | 253 |
| | <u>291,071</u> | <u>291,791</u> | <u>60,211</u> | <u>231,580</u> |
| OTHER EXPENSES | | | | |
| Administrative and Executive | \$ 41,873 | \$ 41,873 | \$ 8,047 | \$ 33,826 |
| Mayor and Council | 6,531 | 6,531 | 497 | 6,034 |
| Borough Clerk | 3,856 | 3,856 | 50 | 3,806 |
| Elections | 2,407 | 2,407 | | 2,407 |
| Financial Administration | 12,958 | 12,958 | 2,429 | 10,529 |
| Audit Services | 600 | 1,993 | | 1,993 |
| Assessment of Taxes | 24,815 | 24,815 | 550 | 24,265 |
| Collection of Taxes | 3,522 | 3,522 | | 3,522 |
| Legal Services and Costs | 92,967 | 92,967 | 6,777 | 86,190 |
| Engineering Services & Costs | 53,257 | 53,257 | 1,468 | 51,789 |
| Cable TV Commission | 8,728 | 8,728 | 357 | 8,371 |
| Historic Preservation Commission | 500 | 500 | | 500 |
| Historian | 50 | 50 | | 50 |
| Planning Board | 46,523 | 52,323 | | 52,323 |
| Fire | 3,296 | 3,296 | 898 | 2,398 |
| Fire Hydrant Service | 12,244 | 12,244 | | 12,244 |
| Police | 1,867 | 2,873 | | 2,873 |
| Purchase of Police Vehicles | 25,000 | 25,000 | 22,853 | 2,147 |
| Police Dispatch | 39,529 | 39,529 | | 39,529 |
| First Aid Organization | 12,547 | 12,547 | | 12,547 |
| Emergency Management | 21,198 | 21,198 | | 21,198 |
| Uniform Fire Safety Act | 3,811 | 3,811 | 262 | 3,549 |
| Municipal Prosecutor | 90 | 90 | | 90 |
| Road Repair and Maintenance | 35,525 | 35,525 | | 35,525 |
| Sewer System | 37,590 | 37,590 | | 37,590 |

BOROUGH OF MONTVALE
STATEMENT OF APPROPRIATION RESERVES

| | Balance, December 31, <u>2023</u> | Balance After <u>Modification</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|--|---|---|---------------------------|--------------------------|
| OTHER EXPENSES (Continued) | | | | |
| Snow Removal | \$ 25,000 | \$ 25,000 | \$ 25,000 | - |
| Garbage and Trash Removal | 2,685 | 2,685 | | \$ 2,685 |
| Recycling | 5,000 | 5,000 | | 5,000 |
| Public Buildings and Grounds | 54,755 | 55,090 | | 55,090 |
| Maintenance of All Vehicles | 6,204 | 6,204 | 78 | 6,126 |
| Municipal Services Act | 49 | 185 | | 185 |
| Public Health Services | 3,231 | 3,231 | | 3,231 |
| Environmental Commission | 2,332 | 2,332 | | 2,332 |
| Animal Regulation | 1,390 | 1,390 | 470 | 920 |
| Recreation Services and Programs | 3,309 | 3,309 | | 3,309 |
| Senior Citizens | 3,858 | 3,858 | | 3,858 |
| Celebration of Public Events | 4,300 | 4,300 | | 4,300 |
| PEOSHA Compliance | 2,000 | 2,000 | | 2,000 |
| Utilities: | | | | |
| Gasoline | 11,405 | 11,405 | 4,468 | 6,937 |
| Electricity | 59,829 | 59,829 | 15,073 | 44,756 |
| Telephone | 16,294 | 16,294 | 827 | 15,467 |
| Natural Gas | 36,827 | 36,827 | 8,936 | 27,891 |
| Water | 5,000 | 5,000 | | 5,000 |
| Street Lighting | 31,446 | 31,446 | 13,345 | 18,101 |
| Contingent | 11,605 | 17,125 | | 17,125 |
| Social Security System (O.A.S.I.) | 683 | 683 | | 683 |
| Defined Contribution Retirement Plan (DCRP) | 2,206 | 2,206 | | 2,206 |
| Construction Code Officials | 5,901 | 5,901 | 309 | 5,592 |
| Elevator Sub-Code | | 10,570 | | 10,570 |
| Maintenance of Free Public Library | | | | |
| Chap. 82, 541 P.L. 85 - Minimum | 22,573 | 22,573 | 22,227 | 346 |
| Sewerage Processing and Disposal | | | | |
| (Sanitation Chap. 74, P.L. 87) Contractual | 49,055 | 49,055 | | 49,055 |
| Master Plan | 22,040 | 22,040 | | 22,040 |
| Insurance: | | | | |
| Life Insurance | 457 | 734 | | 734 |
| General Liability | 7,402 | 9,403 | | 9,403 |
| Workers Compensation | 14,374 | 14,374 | 4,735 | 9,639 |
| Employee Group Health | 18,076 | 18,076 | | 18,076 |
| Employee Group Health - Waiver | 17,019 | 17,019 | | 17,019 |
| Length of Service Award Program (LOSAP) | 27,511 | 27,511 | 13,831 | 13,680 |
| Municipal Court Administration | 48 | 2,911 | | 2,911 |
| Municipal Court Administration - Interlocal | 12 | 2,004 | | 2,004 |
| Municipal Prosecutor - Shared Services | 10 | 10 | | 10 |
| Public Defender | 60 | 60 | | 60 |
| Public Defender - Shared Services | 40 | 40 | | 40 |
| Special Police - Shared Services | 94 | 94 | | 94 |
| Department of Public Works - Shared Services | 415 | 415 | | 415 |
| Purchase of Furniture and Equipment | 10,742 | 10,742 | - | 10,742 |
| | <u>976,521</u> | <u>1,008,414</u> | <u>153,487</u> | <u>854,927</u> |
| | <u>\$ 1,267,592</u> | <u>\$ 1,300,205</u> | <u>\$ 213,698</u> | <u>\$ 1,086,507</u> |
| Balance December 31, 2023 | | \$ 1,267,592 | | |
| Cancelled Encumbrances | | 32,613 | | |
| Cash Disbursements | | - | \$ 213,698 | |
| | | <u>\$ 1,300,205</u> | <u>\$ 213,698</u> | |

**BOROUGH OF MONTVALE
STATEMENT OF ENCUMBRANCES PAYABLE**

| | | |
|---|---------------|-------------------|
| Balance, December 31, 2023 | | \$ 853,331 |
| Increased by: | | |
| Charges to 2024 Budget Appropriations | | <u>668,916</u> |
| | | 1,522,247 |
| Decreased by: | | |
| Cash Payments | \$ 758,230 | |
| Cancellation Restored to Appropriation Reserves | 32,613 | |
| Transferred to Accounts Payable | <u>62,488</u> | |
| | | <u>853,331</u> |
| Balance, December 31, 2024 | | <u>\$ 668,916</u> |

EXHIBIT A-15

STATEMENT OF ACCOUNTS PAYABLE

| | | |
|---------------------------------------|----------------|-------------------|
| Balance, December 31, 2023 | | \$ 324,405 |
| Increased by: | | |
| Transferred from Encumbrances Payable | | <u>62,488</u> |
| | | 386,893 |
| Decreased by: | | |
| Cash Payments | \$ 79,811 | |
| Cancelled to Operations | <u>183,539</u> | |
| | | <u>263,350</u> |
| Balance, December 31, 2024 | | <u>\$ 123,543</u> |

EXHIBIT A-16

STATEMENT OF PREPAID TAXES

| | | |
|--------------------------------------|--|-------------------|
| Balance, December 31, 2023 | | \$ 418,547 |
| Increased by: | | |
| 2025 Prepaid Taxes Received | | <u>386,571</u> |
| | | 805,118 |
| Decreased by: | | |
| Application to 2024 Taxes Receivable | | <u>418,547</u> |
| Balance, December 31, 2024 | | <u>\$ 386,571</u> |

**BOROUGH OF MONTVALE
STATEMENT OF TAX OVERPAYMENTS**

| | |
|----------------------------|-------------------|
| Balance, December 31, 2023 | \$ 2,452 |
| Increased by: | |
| Overpayments in 2024 | <u>270,659</u> |
| | 273,111 |
| Decreased by: | |
| Cash Disbursements | <u>30,511</u> |
| Balance, December 31, 2024 | <u>\$ 242,600</u> |

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

| | |
|---------------|----------------------|
| Increased by: | |
| 2024 Levy | \$ 19,932,328 |
| Decreased by: | |
| Payments | <u>\$ 19,932,328</u> |

STATEMENT OF REGIONAL HIGH SCHOOL TAXES PAYABLE

| | |
|----------------------------|-------------------|
| Increased by: | |
| 2024 Levy | \$ 15,505,109 |
| Decreased by: | |
| Payments | <u>15,222,043</u> |
| Balance, December 31, 2024 | <u>\$ 283,066</u> |

STATEMENT OF COUNTY TAXES PAYABLE

| | |
|-----------------------|---------------------|
| Increased by: | |
| 2024 Levy: | |
| General County Tax | \$ 6,148,588 |
| County Open Space Tax | <u>277,344</u> |
| | \$ 6,425,932 |
| Decreased by: | |
| Payments | <u>\$ 6,425,932</u> |

**BOROUGH OF MONTVALE
STATEMENT OF DUE COUNTY FOR ADDED AND OMITTED TAXES**

| | |
|----------------------------|-------------------|
| Balance, December 31, 2023 | \$ 44,321 |
| Increased by: | |
| 2024 Added Tax Levy | <u>126,402</u> |
| | 170,723 |
| Decreased by: | |
| Payments | <u>44,321</u> |
| Balance, December 31, 2024 | \$ <u>126,402</u> |

STATEMENT OF MUNICIPAL OPEN SPACE TAXES

| | | |
|---|--------------|-------------------|
| Increased by: | | |
| 2024 Levy | \$ 224,608 | |
| 2024 Added Levy | <u>4,128</u> | |
| | | \$ 228,736 |
| Decreased by: | | |
| Due to Open Space Preservation Trust Fund | | \$ <u>228,736</u> |

STATEMENT OF FEES PAYABLE

| | Balance, December 31, <u>2023</u> | <u>Receipts</u> | <u>Disbursements</u> | Balance, December 31, <u>2024</u> |
|-------------------|---|------------------|----------------------|---|
| Marriage Licenses | \$ 125 | \$ 825 | \$ 675 | \$ 275 |
| BOCA Fees | <u>15,229</u> | <u>34,465</u> | <u>29,856</u> | <u>19,838</u> |
| | \$ <u>15,354</u> | \$ <u>35,290</u> | \$ <u>30,531</u> | \$ <u>20,113</u> |

**BOROUGH OF MONTVALE
STATEMENT OF PREPAID REVENUE**

| | Balance, December 31, <u>2023</u> | <u>Receipts</u> | Applied to Current Year <u>Revenue</u> | Balance, December 31, <u>2024</u> |
|-----------------------|---|------------------|--|---|
| Sewer Fees - Marriott | \$ 41,189 | \$ 12,851 | \$ 7,947 | \$ 46,093 |
| | <u>\$ 41,189</u> | <u>\$ 12,851</u> | <u>\$ 7,947</u> | <u>\$ 46,093</u> |

EXHIBIT A-25

STATEMENT OF RESERVE FOR TAX APPEALS

| | |
|--|-------------------|
| Balance, December 31, 2023 | \$ 759,673 |
| Increased by: | |
| Transfer from Current Year Tax Collections | <u>250,000</u> |
| | 1,009,673 |
| Decreased by: | |
| Tax Appeal Refunds | <u>271,288</u> |
| Balance, December 31, 2024 | <u>\$ 738,385</u> |

EXHIBIT A-26

STATEMENT OF MISCELLANEOUS RESERVES

| | Balance, December 31, <u>2023</u> | <u>Disbursements</u> | Cancelled to Operations | Balance, December 31, <u>2024</u> |
|--|---|----------------------|----------------------------|---|
| Arbitrage Rebate | \$ 60,000 | | | \$ 60,000 |
| Lead Hazard Fees | 60 | | | 60 |
| Sale of Property - Affordable Housing (CDBG) | 300,000 | \$ 300,000 | | - |
| Deposit for Sale of Land - 127 Summit Avenue | 472,500 | 472,500 | | - |
| Security Deposit | <u>3,966</u> | <u>-</u> | \$ 3,966 | <u>-</u> |
| | <u>\$ 836,526</u> | <u>\$ 772,500</u> | <u>\$ 3,966</u> | <u>\$ 60,060</u> |
| Cash Disbursements | | <u>\$ 772,500</u> | | |

BOROUGH OF MONTVALE
STATEMENT OF RESERVE FOR GRANTS AND AID - UNAPPROPRIATED

| | Balance, December 31, <u>2023</u> | <u>Received</u> | Realized as Budgeted <u>Revenue</u> | Balance, December 31, <u>2024</u> |
|--|---|------------------|---|---|
| Body Armor Fund - State | \$ 2,164 | \$ 2,312 | \$ 2,164 | \$ 2,312 |
| Mini-Grant - Waterways Program | 500 | | 500 | - |
| Municipal Alliance Program | 439 | | 439 | - |
| Spotted Lanternfly Prevention Program | 5,520 | | 5,520 | - |
| Bergen County Municipal JIF - Safety Incentive | 1,750 | 1,750 | 1,750 | 1,750 |
| Municipal Relief Fund | 131,672 | - | 131,672 | - |
| BMED Fund - Wellness Program Grant | - | 2,513 | 2,513 | - |
| Distracted Driving Grant | | 7,000 | 7,000 | |
| Alcohol Education and Rehab Fund | | 1,594 | 1,594 | |
| Clean Communities Grant | - | 24,223 | 24,223 | - |
| | <u>\$ 142,045</u> | <u>\$ 39,392</u> | <u>\$ 177,375</u> | <u>\$ 4,062</u> |

EXHIBIT A-28

STATEMENT OF RESERVES FOR GRANTS - APPROPRIATED

| | Balance, December 31, <u>2023</u> | Transferred from 2024 Budget <u>Appropriations</u> | Paid or <u>Charged</u> | Balance, December 31, <u>2024</u> |
|--|---|--|---------------------------|---|
| Drunk Driving Enforcement Fund | \$ 12,094 | | \$ 12,094 | |
| Alcohol Education and Rehab. Fund | 10,735 | \$ 1,594 | 831 | \$ 11,498 |
| Clean Communities Grant | 52,900 | 24,223 | 6,950 | 70,173 |
| Bergen County Municipal JIF - Safety Incentive | 35 | 1,750 | 1,785 | - |
| Distracted Driving Grant | | 7,000 | 7,000 | - |
| Spotted Lanternfly Prevention | | 5,520 | 5,520 | - |
| BMED Wellness Grant | 5,233 | 2,513 | 6,435 | 1,311 |
| BC PMD Mini Grant | 400 | 500 | | 900 |
| Bullet Proof Vest - Federal | 2,780 | | | 2,780 |
| Municipal Alliance Program | 416 | 549 | | 965 |
| Body Armor Fund - State | 6,804 | 2,164 | | 8,968 |
| Stormwater Assistance Grant | 25,000 | | | 25,000 |
| Police Donation - Zicarelli Estate | 10,000 | | 10,000 | - |
| Drive Sober or Get Pulled Over | 7,603 | 7,000 | 14,603 | - |
| NJDOT - Various Street Improvements | 37,935 | | | 37,935 |
| Donation - Various Street Improvements | 433,782 | | | 433,782 |
| Open Space - LaTrenta | 96,309 | | 96,309 | - |
| Recycling Tonnage Grant | 39,330 | 13,196 | | 52,526 |
| Open Space - Huff Pond Improvements | 84,116 | | | 84,116 |
| NJDCA - Local Recreation Improvement Grant | 40,000 | - | - | 40,000 |
| | <u>\$ 865,472</u> | <u>\$ 66,009</u> | <u>\$ 161,527</u> | <u>\$ 769,954</u> |

| | |
|-----------------------------|-------------------|
| Cash Disbursed | \$ 65,218 |
| Due to General Capital Fund | <u>96,309</u> |
| | <u>\$ 161,527</u> |

TRUST FUNDS

**BOROUGH OF MONTVALE
STATEMENT OF TRUST CASH - TREASURER**

| | Animal Control Fund | Other Trust Fund | Unemployment Insurance Fund | Open Space Preservation Trust Fund |
|--|------------------------|---------------------|-----------------------------------|--|
| Balance, December 31, 2023 | \$ 11,397 | \$ 2,893,020 | \$ 293,466 | \$ 267,276 |
| Increased by Receipts: | | | | |
| State Dog License Fees | \$ 473 | | | |
| Borough Dog License Fees | 3,891 | | | |
| Borough Cat License Fees | 575 | | | |
| Interest Earned on Deposits | | \$ 6,883 | | |
| Escrow Deposits | | 278,816 | | |
| Miscellaneous Reserves and Deposits | | 2,018,768 | | |
| Payroll Deductions Payable | | 2,243,790 | | |
| Net Payroll Deposits | | 5,040,823 | | |
| Receipts from Current Fund | | 1,259,589 | | \$ 228,736 |
| Other Contributions and Reimbursements | - | 16,806 | - | - |
| | <u>4,939</u> | <u>10,865,475</u> | <u>-</u> | <u>228,736</u> |
| | 16,336 | 13,758,495 | 293,466 | 496,012 |
| Decreased by Disbursements: | | | | |
| Animal Control Expenditures Under R.S. 4:19-15.11 | 3,524 | | | |
| Payments to State for Dog License Fees | 473 | | | |
| Payments to State for Unemployment Claims | | | \$ 34,793 | |
| Payments to Current Fund | 1,347 | 1,100,240 | | |
| Encumbrances Payable | | | | 7,765 |
| Escrow Deposits | | 512,761 | | |
| Miscellaneous Reserves and Deposits | | 1,233,497 | | |
| Reserve for Open Space Preservation | | | | 82,147 |
| Payroll Deductions Payable | | 2,283,070 | | |
| Net Payroll | - | 5,040,823 | - | - |
| | <u>5,344</u> | <u>10,170,391</u> | <u>34,793</u> | <u>97,677</u> |
| Balance, December 31, 2024 | <u>\$ 10,992</u> | <u>\$ 3,588,104</u> | <u>\$ 258,673</u> | <u>\$ 398,335</u> |

**BOROUGH OF MONTVALE
STATEMENT OF DUE TO STATE OF NEW JERSEY - FEES PAYABLE
ANIMAL CONTROL FUND**

| | | |
|----------------------|----|------------|
| Increased by: | | |
| State Fees Collected | \$ | 473 |
| Decreased by: | | |
| Payments | \$ | <u>473</u> |

EXHIBIT B-5

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

| | | |
|--------------------------------------|----|---------------|
| Balance, December 31, 2023 | \$ | 10,050 |
| Increased by: | | |
| Dog License Fees Collected | \$ | 3,891 |
| Cat License Fees Collected | | <u>575</u> |
| | | <u>4,466</u> |
| | | 14,516 |
| Decreased by: | | |
| Expenditures Under R.S.4:19-15.11 | | |
| Cash Disbursements | | 3,524 |
| Statutory Excess Due to Current Fund | | <u>947</u> |
| | | <u>4,471</u> |
| Balance, December 31, 2024 | \$ | <u>10,045</u> |

**BOROUGH OF MONTVALE
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

| | | |
|---|----|-------|
| Balance, December 31, 2023 | \$ | 1,347 |
| Increased by: | | |
| Statutory Excess in Reserve for Animal Control Expenditures | | 947 |
| | | 2,294 |
| Decreased by: | | |
| Payments to Current Fund | | 1,347 |
| Balance, December 31, 2024 | \$ | 947 |

**STATEMENT OF DUE TO STATE OF NEW JERSEY - CLAIMS PAYABLE
UNEMPLOYMENT INSURANCE FUND**

| | | |
|--|----|--------|
| Balance, December 31, 2023 | \$ | 24,532 |
| Increased by: | | |
| Unemployment Claims Charged to Reserve | | 18,213 |
| | | 42,745 |
| Decreased by: | | |
| Cash Disbursements | | 34,793 |
| Balance, December 31, 2024 | \$ | 7,952 |

**STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE
UNEMPLOYMENT INSURANCE FUND**

| | | |
|--|----|---------|
| Balance, December 31, 2023 | \$ | 278,032 |
| Increased by: | | |
| Employee Contributions - Due from Other Trust Fund | | 8,977 |
| | | 287,009 |
| Decreased by: | | |
| Unemployment Claims Due to State | | 18,213 |
| Balance, December 31, 2024 | \$ | 268,796 |

**BOROUGH OF MONTVALE
STATEMENT OF OTHER RECEIVABLES
OTHER TRUST FUND**

| | | |
|---|----|--------|
| Balance, December 31, 2023 | \$ | 16,806 |
| Increased by: | | |
| Forfeited Funds Due from County of Bergen | | 29,467 |
| | | 46,273 |
| Decreased by: | | |
| Cash Receipts | | 16,806 |
| Balance, December 31, 2024 | \$ | 29,467 |

EXHIBIT B-10

**STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND**

| | | |
|--|----------|------------|
| Increased by: | | |
| Charges to Escrow Deposits | \$ 2,129 | |
| Charges to Miscellaneous Reserves and Deposits | 166,361 | |
| | | \$ 168,490 |
| Balance, December 31, 2024 | \$ | 168,490 |

EXHIBIT B-11

**STATEMENT OF DUE TO UNEMPLOYMENT INSURANCE TRUST FUND
OTHER TRUST FUND**

| | | |
|--|----|--------|
| Balance, December 31, 2023 | \$ | 9,098 |
| Increased by: | | |
| Employee Unemployment Payroll Deductions | | 8,977 |
| Balance, December 31, 2024 | \$ | 18,075 |

**BOROUGH OF MONTVALE
STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

| | | |
|--|--------------|-------------------|
| Balance, December 31, 2023 | | \$ 21,811 |
| Increased by: | | |
| Receipts from Current Fund | \$ 1,259,589 | |
| Miscellaneous Reserve and Deposits Cancelled | 83 | |
| Interest on Deposits | <u>2,950</u> | |
| | | <u>1,262,622</u> |
| | | 1,284,433 |
| Decreased by: | | |
| Payments to Current Fund | | <u>1,100,240</u> |
| Balance, December 31, 2024 | | <u>\$ 184,193</u> |

Analysis of Balance:

| | | |
|---|--|-------------------|
| Due to Current Fund - Developers' Accutrak Trust Account-Interest | | \$ 3,291 |
| Due to Current Fund - Recreation Trust | | 1,200 |
| Due to Current Fund - Police Outside Detail | | 219,702 |
| Due from Current Fund - Accumulated Absences Reserve | | <u>(40,000)</u> |
| | | <u>\$ 184,193</u> |

**STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

| | | |
|-----------------------------|--------------|-------------------|
| Balance, December 31, 2023 | | \$ 1,058,631 |
| Increased by: | | |
| Developers' Deposits | \$ 278,816 | |
| Developers' Interest Earned | <u>3,933</u> | |
| | | <u>282,749</u> |
| | | 1,341,380 |
| Decreased by: | | |
| Cash Disbursements | 512,761 | |
| Encumbrances Payable | <u>2,129</u> | |
| | | <u>514,890</u> |
| Balance, December 31, 2024 | | <u>\$ 826,490</u> |

**BOROUGH OF MONTVALE
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

| | |
|---|--------------|
| Balance, December 31, 2023 | \$ 44,165 |
| Increased by: | |
| Payroll Deductions Received | 2,243,790 |
| | 2,287,955 |
| Decreased by: | |
| Payroll Deductions Disbursed | \$ 2,283,070 |
| Due to Unemployment Insurance Trust Fund - Employee Contributions | 8,977 |
| | 2,292,047 |
| Balance (Deficit), December 31, 2024 | \$ (4,092) |

**STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND**

| | Balance, December 31, <u>2023</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Cancelled</u> | Balance, December 31, <u>2024</u> |
|---|---|-----------------|----------------------|------------------|---|
| Engineering Fee Deposits | \$ 52,260 | \$ 29,322 | \$ 31,167 | | \$ 50,415 |
| Police Outside Detail | | 661,262 | 660,060 | | 1,202 |
| Affordable Housing Trust Fees | 1,113,867 | 655,029 | 185,524 | | 1,583,372 |
| POAA Fees | 972 | 246 | | | 1,218 |
| Vacant/Abandoned Properties | | 10,000 | | | 10,000 |
| Tax Sale Premiums | 56,000 | 132,600 | 25,500 | | 163,100 |
| Disposal of Forfeited Property | 16,806 | 29,467 | 46,273 | | - |
| Celebration of Public Events Donations | 83 | | | \$ 83 | |
| Public Defender Fees | 3,743 | 3,174 | | | 6,917 |
| Performance Bond Deposits | 143,412 | 2,400 | 94,936 | | 50,876 |
| Accumulated Absences Report | | 40,000 | | | 40,000 |
| Uniform Fire Safety Act Penalty Monies | 57,677 | 19,347 | 5,900 | | 71,124 |
| Fire Training/Equipment UFSA Penalty Monies | 4,864 | | | | 4,864 |
| Historic Preservation Donations | 1,621 | | 1,500 | | 121 |
| Flex Spending Account Deposits | 2,820 | 1,800 | 1,786 | | 2,834 |
| Vision Benefit Deposits | 2,440 | 10,000 | 7,152 | | 5,288 |
| Donations - Public Improvements | 6,600 | 4,400 | 10,497 | | 503 |
| Recreation Fees | 65,878 | 184,137 | 187,161 | | 62,854 |
| AH Litigation Escrow | | 210,000 | 138,150 | | 71,850 |
| North/South Park-Improvement Donations | 12,867 | | | | 12,867 |
| Miscellaneous Deposits | 543 | | | | 543 |
| Storm Recovery Reserves | 225,283 | 50,000 | | | 275,283 |
| Community Policing Program Donations | 8,385 | 5,051 | 4,252 | - | 9,184 |
| | \$ 1,776,121 | \$ 2,048,235 | \$ 1,399,858 | \$ 83 | \$ 2,424,415 |

| | | | | |
|----------------------|--|--------------|--------------|-------|
| Cash Receipts | | \$ 2,018,768 | | |
| Other Receivables | | 29,467 | | |
| Cash Disbursed | | | \$ 1,233,497 | |
| Encumbrances Payable | | | 166,361 | |
| Due to Current Fund | | - | - | \$ 83 |
| | | \$ 2,048,235 | \$ 1,399,858 | \$ 83 |

**BOROUGH OF MONTVALE
STATEMENT OF NET PAYROLL PAYABLE
OTHER TRUST FUND**

| | | |
|-----------------------------|--|---------------------|
| Increased by: | | |
| Net Payroll Deposits | | \$ 5,040,823 |
| Decreased by: | | |
| Disbursements - Net Payroll | | <u>\$ 5,040,823</u> |

**STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND**

| | | |
|----------------------------|--|-------------------|
| Increased by: | | |
| 2024 Levy | | \$ 224,608 |
| 2024 Added Levy | | <u>4,128</u> |
| | | \$ 228,736 |
| Decreased by: | | |
| Receipts from Current Fund | | <u>\$ 228,736</u> |

**STATEMENT OF RESERVE FOR OPEN SPACE PRESERVATION
OPEN SPACE PRESERVATION TRUST FUND**

| | | |
|-------------------------------------|--|-------------------|
| Balance, December 31, 2023 | | |
| | | \$ 259,511 |
| Increased by: | | |
| Due from Current Fund | | |
| 2024 Levy | | 224,608 |
| 2024 Added Levy | | <u>4,128</u> |
| | | <u>228,736</u> |
| | | 488,247 |
| Decreased by: | | |
| Cash Disbursements for Expenditures | | 82,147 |
| Encumbrances Payable | | <u>13,181</u> |
| | | <u>95,328</u> |
| Balance, December 31, 2024 | | <u>\$ 392,919</u> |

**BOROUGH OF MONTVALE
STATEMENT OF ENCUMBRANCES PAYABLE
OPEN SPACE PRESERVATION TRUST FUND**

| | |
|--|------------------|
| Balance, December 31, 2023 | \$ 7,765 |
| Increased by: | |
| Charges to Reserve for Open Space Preservation | <u>13,181</u> |
| | 20,946 |
| Decreased by: | |
| Cash Payments | <u>7,765</u> |
| Balance, December 31, 2024 | <u>\$ 13,181</u> |

GENERAL CAPITAL FUND

BOROUGH OF MONTVALE
STATEMENT OF GENERAL CAPITAL CASH AND CASH EQUIVALENTS - TREASURER

| | | |
|-----------------------------------|------------------|----------------------------|
| Balance, December 31, 2023 | | \$ 5,341,297 |
| Increased by: | | |
| Receipts from Current Fund | \$ 226,990 | |
| Reserve for Payment of Debt | 79,889 | |
| Reserve for Improvement of Fields | 76,587 | |
| Reserve for Sale of Assets | 4,739,551 | |
| Bond Anticipation Notes Issued | <u>4,900,000</u> | |
| | | <u>10,023,017</u> |
| | | 15,364,314 |
| Decreased by Disbursements: | | |
| Payments Made for Current Fund | 390,439 | |
| Improvement Authorizations | 5,048,025 | |
| Encumbrances Payable | 2,215,217 | |
| Reserve for Improvement of Fields | 14,012 | |
| Bond Anticipation Notes | <u>4,528,000</u> | |
| | | <u>12,195,693</u> |
| Balance, December 31, 2024 | | <u><u>\$ 3,168,621</u></u> |

BOROUGH OF MONTVALE
ANALYSIS OF GENERAL CAPITAL CASH AND CASH EQUIVELANTS

| | |
|-----------------------------------|-----------|
| Fund Balance | \$ 39,008 |
| Encumbrances Payable | 1,441,071 |
| Capital Improvement Fund | 163,441 |
| Due from Current Fund | (96,309) |
| Reserve for Payment of Debt | 451,971 |
| Reserve for Improvement of Fields | 196,174 |
| Reserve for Sale of Assets | 88,639 |
| Excess Note Proceeds | 124,522 |

| Ord. No. | <u>Improvement Description</u> | |
|-------------|--|---------------------|
| 1447 | Various Capital Improvements - 2018 | 226,235 |
| 1470 | Various Capital Improvements - 2019 | 97,148 |
| 1482 | Various Capital Improvements - 2020 | 27,149 |
| 1497 | Various Capital Improvements - 2021 | 306,634 |
| 1519 | Various Capital Improvements - 2022 | 312,592 |
| 1524 | Acquisition of 127 Summit Avenue | 51,686 |
| 1535 | Various Capital Improvements - 2023 | 487,936 |
| 1537 | Acquisition of Property - 53 Craig Road | 161,248 |
| 1541 | Acquisition of Computer Equipment | 637 |
| 1552 | Various Capital Improvements - 2024 | (943,067) |
| 1559 | Major Vehicle Repairs and Rehabilitation | 30,000 |
| 1560 | Acquisition of DPW Equipment - 2024 | <u>1,906</u> |
| | | <u>\$ 3,168,621</u> |

**BOROUGH OF MONTVALE
STATEMENT OF GRANTS RECEIVABLE**

| Ord. No. | <u>Grantor</u> | Balance, December 31, <u>2023</u> | Grant <u>Receipts</u> | Balance, December 31, <u>2024</u> | Balance <u>Pledged to:</u> <u>Reserve</u> |
|-------------|---|---|--------------------------|---|---|
| 1535 | NJ Dept. of Transportation - Summit Ave. | \$ 49,000 | | \$ 49,000 | \$ 49,000 |
| 1535 | NJ Dept. of Transportation - Terkuile Rd. | <u>180,540</u> | <u>\$ 124,522</u> | <u>56,018</u> | <u>56,018</u> |
| | | <u>\$ 229,540</u> | <u>\$ 124,522</u> | <u>\$ 105,018</u> | <u>\$ 105,018</u> |
| | Due from Current Fund | | <u>\$ 124,522</u> | | |

EXHIBIT C-5

STATEMENT OF DUE FROM CURRENT FUND

| | | | |
|---|--|----------------|------------------|
| Increased by: | | | |
| Grant Receipts Deposited in Current Fund | | \$ 124,522 | |
| Payments made for Current Fund - Budget Appropriation - Interest on Notes | | 294,130 | |
| Payments made for Current Fund - Reserve for Grants Appropriated | | 96,309 | |
| Budget Appropriation - Capital Improvement Fund | | <u>59,250</u> | |
| | | | \$ 574,211 |
| Decreased by: | | | |
| Anticipated Revenue - Reserve for Field Maintenance | | 50,000 | |
| Anticipated Revenue - Reserve for Payment of Debt | | 150,000 | |
| Anticipated Revenue - Reserve for Sale of Assets | | 50,912 | |
| Cash Received from Current Fund | | <u>226,990</u> | |
| | | | <u>477,902</u> |
| Balance, December 31, 2024 | | | <u>\$ 96,309</u> |

EXHIBIT C-6

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

| | | |
|--|--|---------------------|
| Balance, December 31, 2023 | | \$ 10,680,000 |
| Decreased by: | | |
| 2024 Budget Appropriation to Pay Bonds | | <u>1,310,000</u> |
| Balance, December 31, 2024 | | <u>\$ 9,370,000</u> |

**BOROUGH OF MONTVALE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

| Ord. No. | Improvement Description | Balance, December 31, 2023 | 2024 Authorizations | Grant Receipts | Reserve for Sale of Assets | Balance, December 31, 2024 | Analysis of Balance, December 31, 2024 | | |
|----------|---|----------------------------|---------------------|-------------------|--|----------------------------|--|-------------------|--------------------------------------|
| | | | | | | | Financed by Bond Anticipation Notes | Expenditures | Unexpended Improvement Authorization |
| 1470 | Various Capital Improvements - 2019 | \$ 2,815 | | | | \$ 2,815 | \$ 2,790 | | \$ 25 |
| 1482 | Various Capital Improvements - 2020 | 55,999 | | | | 55,999 | 55,210 | | 789 |
| 1519 | Various Capital Improvements - 2022 | 1,605,500 | | | | 1,605,500 | 1,605,500 | | |
| 1524 | Acquisition of Property - 127 Summit Ave. | 4,380,950 | | | \$ 4,380,950 | - | | | |
| 1535 | Various Capital Improvements - 2023 | 2,588,500 | | \$ 124,522 | | 2,463,978 | 2,463,978 | | |
| 1537 | Acquisition of Property - 53 Craig Road | 4,900,000 | | | | 4,900,000 | 4,900,000 | | |
| 1552 | Various Capital Improvements - 2024 | - | \$ 1,560,850 | - | - | 1,560,850 | - | \$ 943,067 | 617,783 |
| | | <u>\$ 13,533,764</u> | <u>\$ 1,560,850</u> | <u>\$ 124,522</u> | <u>\$ 4,380,950</u> | <u>\$ 10,589,142</u> | <u>\$ 9,027,478</u> | <u>\$ 943,067</u> | <u>\$ 618,597</u> |
| | | | | | Bond Anticipation Notes | | \$ 9,152,000 | | |
| | | | | | Less: Excess Note Proceeds Ordinance No. 1535 | | <u>124,522</u> | | |
| | | | | | | | <u>\$ 9,027,478</u> | | |
| | | | | | Improvement Authorizations - Unfunded | | | | \$ 1,610,312 |
| | | | | | Less: Unexpended Bond Anticipation Note Proceeds | | | | |
| | | | | | Ordinance No. | 1470 | \$ 2,790 | | |
| | | | | | | 1482 | 27,149 | | |
| | | | | | | 1519 | 312,592 | | |
| | | | | | | 1535 | 487,936 | | |
| | | | | | | 1537 | <u>161,248</u> | | |
| | | | | | | | | | <u>991,715</u> |
| | | | | | | | | | <u>\$ 618,597</u> |

**BOROUGH OF MONTVALE
STATEMENT OF ENCUMBRANCES PAYABLE**

| | | |
|---|---------------|---------------------|
| Balance, December 31, 2023 | | \$ 2,245,211 |
| Increased by: | | |
| Charges to Improvement Authorizations | | <u>1,441,071</u> |
| | | 3,686,282 |
| Decreased by: | | |
| Payments | \$ 2,215,217 | |
| Cancelled Encumbrances Restored to Improvement Authorizations | <u>29,994</u> | |
| | | <u>2,245,211</u> |
| Balance, December 31, 2024 | | <u>\$ 1,441,071</u> |

STATEMENT OF CAPITAL IMPROVEMENT FUND

| | | |
|---|----------------|-------------------|
| Balance, December 31, 2023 | | \$ 37,291 |
| Increased by: | | |
| Budget Appropriation Due from Current Fund | \$ 59,250 | |
| Transfer from Reserve for Sale of Assets | <u>219,050</u> | |
| | | <u>278,300</u> |
| | | 315,591 |
| Decreased by: | | |
| Appropriation to Finance Improvement Authorizations | | <u>152,150</u> |
| Balance, December 31, 2024 | | <u>\$ 163,441</u> |

**BOROUGH OF MONTVALE
STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

| | | |
|--|---------------|-------------------|
| Balance, December 31, 2023 | | \$ 522,082 |
| Increased by: | | |
| Premium on Notes Issued | \$ 59,889 | |
| Local Contribution for Funded Ordinance | <u>20,000</u> | |
| | | <u>79,889</u> |
| | | 601,971 |
| Decreased by: | | |
| Due to Current Fund as Anticipated Revenue | | <u>150,000</u> |
| Balance, December 31, 2024 | | <u>\$ 451,971</u> |

STATEMENT OF RESERVE FOR IMPROVEMENT OF FIELDS

| | | |
|--|---------------|-------------------|
| Balance, December 31, 2023 | | \$ 183,599 |
| Increased by: | | |
| Cash Receipts - Field Use Fees | | <u>76,587</u> |
| | | 260,186 |
| Decreased by: | | |
| Cash Disbursements - Refunds | \$ 14,012 | |
| Due to Current Fund as Anticipated Revenue | <u>50,000</u> | |
| | | <u>64,012</u> |
| Balance, December 31, 2024 | | <u>\$ 196,174</u> |

STATEMENT OF RESERVE FOR SALE OF ASSETS

| | | |
|--|---------------|------------------|
| Increased by: | | |
| Property Sale Proceeds | | \$ 4,739,551 |
| Decreased by: | | |
| Transfer to Deferred Charges Unfunded for Ordinance 1524 | \$ 4,380,950 | |
| Transfer to Capital Improvement Fund for Ordinance 1524 | 219,050 | |
| Due to Current Fund as Anticipated Revenue | <u>50,912</u> | |
| | | <u>4,650,912</u> |
| Balance, December 31, 2024 | | <u>\$ 88,639</u> |

**BOROUGH OF MONTVALE
STATEMENT OF BOND ANTICIPATION NOTES**

| <u>Ord. No.</u> | <u>Improvement Description</u> | <u>Date of Issue of Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance, December 31, 2023</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance, December 31, 2024</u> |
|-----------------|---|---------------------------------------|----------------------|-------------------------|----------------------|-----------------------------------|---------------------|---------------------|-----------------------------------|
| 1470 | Various Capital Improvements - 2019 | 7/14/2023 | 4/10/2024 | 1/30/2025 | 4.00% | | \$ 2,790 | | \$ 2,790 |
| | | 7/14/2023 | 7/13/2023 | 4/11/2024 | 4.50% | \$ 2,815 | | \$ 2,815 | |
| 1482 | Various Capital Improvements - 2020 | 7/14/2023 | 4/10/2024 | 1/30/2025 | 4.00% | | 55,210 | | 55,210 |
| | | 7/14/2023 | 7/13/2023 | 4/11/2024 | 4.50% | 55,235 | | 55,235 | |
| 1519 | Various Capital Improvements - 2022 | 7/14/2023 | 4/10/2024 | 1/30/2025 | 4.00% | | 1,605,500 | | 1,605,500 |
| | | 7/14/2023 | 7/13/2023 | 4/11/2024 | 4.50% | 1,605,500 | | 1,605,500 | |
| 1524 | Acquisition of Property - 127 Summit Ave. | 7/14/2023 | 7/13/2023 | 4/11/2024 | 4.50% | 4,380,950 | | 4,380,950 | |
| 1535 | Various Capital Improvements - 2023 | 7/14/2023 | 4/10/2024 | 1/30/2025 | 4.00% | | 2,588,500 | | 2,588,500 |
| | | 7/14/2023 | 7/13/2023 | 4/11/2024 | 4.50% | 2,735,500 | | 2,735,500 | |
| 1537 | Acquisition of Property - 53 Craig Road | 2/1/2024 | 2/1/2024 | 1/30/2025 | 4.50% | - | 4,900,000 | - | 4,900,000 |
| | | | | | | <u>\$ 8,780,000</u> | <u>\$ 9,152,000</u> | <u>\$ 8,780,000</u> | <u>\$ 9,152,000</u> |

| | | |
|--------------------------------|---------------------|---------------------|
| Renewals | \$ 4,252,000 | \$ 4,252,000 |
| Issued for Cash | 4,900,000 | - |
| Paid by Property Sale Proceeds | | 4,380,950 |
| Paid by Capital Cash | - | 147,050 |
| | <u>\$ 9,152,000</u> | <u>\$ 8,780,000</u> |

**BOROUGH OF MONTVALE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| Ord. No. | <u>Purpose</u> | Balance, December 31, <u>2023</u> | 2024 <u>Authorizations</u> | Bond Anticipation Notes <u>Issued</u> | Notes Paid by <u>Capital Cash</u> | Balance, December 31, <u>2024</u> |
|-------------|---|---|-------------------------------|---|--------------------------------------|---|
| 1470 | Various Capital Improvements - 2019 | | | | \$ 25 | \$ 25 |
| 1482 | Various Capital Improvements - 2020 | \$ 764 | | | 25 | 789 |
| 1537 | Acquisition of Property - 53 Craig Road | 4,900,000 | | \$ 4,900,000 | | - |
| 1552 | Various Capital Improvements - 2024 | <u>-</u> | <u>\$ 1,560,850</u> | <u>-</u> | <u>-</u> | <u>1,560,850</u> |
| | | <u>\$ 4,900,764</u> | <u>\$ 1,560,850</u> | <u>\$ 4,900,000</u> | <u>\$ 50</u> | <u>\$ 1,561,664</u> |

PUBLIC ASSISTANCE FUND

**BOROUGH OF MONTVALE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

| | <u>Account #1</u> | <u>Account #2</u> | <u>Total</u> |
|----------------------------|-------------------|-------------------|--------------|
| Balance, December 31, 2023 | \$ 35 | \$ 3,124 | \$ 3,159 |
| Decreased by: | | | |
| Disbursements | <u>-</u> | <u>3,124</u> | <u>3,124</u> |
| Balance, December 31, 2024 | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 35</u> |

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

| | <u>Account #1</u> | <u>Account #2</u> | <u>Total</u> |
|------------------------------|-------------------|-------------------|--------------|
| Balance, December 31, 2023 | \$ 35 | \$ 3,124 | \$ 3,159 |
| Decreased by: | | | |
| Refund Excess Funds to State | <u>-</u> | <u>3,124</u> | <u>3,124</u> |
| Balance, December 31, 2024 | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 35</u> |

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

| | <u>Account #1</u> | <u>Account #2</u> | <u>Total</u> |
|------------------------------|-------------------|-------------------|-----------------|
| Refund Excess Funds to State | <u>-</u> | <u>\$ 3,124</u> | <u>\$ 3,124</u> |
| Total Disbursements | <u>\$ -</u> | <u>\$ 3,124</u> | <u>\$ 3,124</u> |

**BOROUGH OF MONTVALE
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
YEAR ENDED DECEMBER 31, 2024**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Montvale
Montvale, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Montvale which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated June 26, 2025. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Montvale'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 Borough of Montvale's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Montvale'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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Montvale in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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 Borough of Montvale's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Montvale's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

LERCH, VINCI & BLISS, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR000429

Fair Lawn, New Jersey
June 26, 2025

**BOROUGH OF MONTVALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

| <u>Federal Funding Department</u> | <u>Account Number</u> | <u>AL Number</u> | <u>Grant Period</u> | <u>Grant Award Amount</u> | <u>2024 Grant Receipts</u> | <u>Balance, January 1, 2024</u> | <u>Revenue Realized</u> | <u>Expenditures</u> | <u>Balance, December 31, 2024</u> | <u>(Memo) Cumulative Expenditures</u> |
|---|-----------------------|------------------|---------------------|---------------------------|----------------------------|---------------------------------|-------------------------|---------------------|-----------------------------------|---------------------------------------|
| U.S. Department of Transportation (Passed Through State Department of Law and Public Safety) | | | | | | | | | | |
| Drive Sober or Get Pulled Over | N/A | 20.616 | 2023 2024 | \$ 14,000 7,000 | \$ 7,000 | \$ 7,603 | \$ 7,000 | \$ 7,603 7,000 | - - | \$ 14,000 7,000 |
| Distracted Driving Incentive | N/A | 20.616 | 2024 | 7,000 | 7,000 | | 7,000 | 7,000 | - | 7,000 |
| U.S. Department of Justice Police Bulletproof Vest Partnership Program | N/A | 16.607 | 2021 | 2,780 | | <u>2,780</u> | <u>-</u> | <u>-</u> | <u>\$ 2,780</u> | |
| | | | | | | <u>\$ 10,383</u> | <u>\$ 14,000</u> | <u>\$ 21,603</u> | <u>\$ 2,780</u> | |

Note: The Federal Awards Programs were not subject to an audit in accordance with Uniform Guidance.

See Accompanying Notes to Schedule of Expenditures of Federal Awards

**BOROUGH OF MONTVALE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024**

| <u>State Grant Program</u> | <u>Account Number</u> | <u>Grant Year</u> | <u>Grant Award</u> | <u>2024 Grant</u> | <u>Balance, January 1, 2024</u> | <u>Revenue Realized</u> | <u>Expended</u> | <u>Matching Funds</u> | <u>Balance, December 31, 2024</u> | <u>(Memo) Cumulative Expenditures</u> |
|---|--------------------------|-------------------|--------------------|-------------------|---------------------------------|-------------------------|-------------------|-----------------------|-----------------------------------|---------------------------------------|
| Clean Communities Grant | 042-4900-765-004 | 2024 | \$ 24,223 | \$ 24,223 | | \$ 24,223 | | | \$ 24,223 | |
| | | 2023 | 21,330 | | \$ 21,330 | | | | 21,330 | |
| | | 2022 | 19,017 | | 19,017 | | | | 19,017 | |
| | | 2021 | 18,120 | | 12,553 | | \$ 6,950 | | 5,603 | \$ 12,517 |
| Recycling Tonnage Grant | 042-4900-752-001 | 2024 | 13,196 | 13,196 | | 13,196 | | | 13,196 | |
| | | 2023 | 14,991 | | 14,991 | | | | 14,991 | |
| | | 2022 | 15,144 | | 15,144 | | | | 15,144 | |
| | | 2021 | 15,584 | | 9,195 | | | | 9,195 | 6,389 |
| Municipal Drug and Alcohol Alliance Program (Passed Through County of Bergen) | N/A | 2024 | 439 | | | 439 | | 110 | 549 | |
| | | 2022 | 3,836 | | 416 | | | | 416 | 3,420 |
| NJDCA - Local Recreation Improvement Grant | N/A | 2022 | 40,000 | 40,000 | 40,000 | | | | 40,000 | |
| NJDEP - Stormwater Assistance Grant | N/A | 2023 | 25,000 | | 25,000 | | | | 25,000 | |
| Spotted Lanternfly Prevention and Mitigation | 010-3320-100-130 | 2023 | 5,520 | | | 5,520 | 5,520 | | - | 5,520 |
| Body Armor Grant | 066-1020-718-001 | 2024 | 2,312 | 2,312 | | | | | - | |
| | | 2023 | 2,164 | | | 2,164 | | | 2,164 | |
| | | 2022 | 6,804 | | 6,804 | | | | 6,804 | |
| Alcohol Education and Rehabilitation Fund | 098-9735-760-001 | 2024 | 1,594 | 1,594 | | 1,594 | | | 1,594 | |
| | | 2023 | 4,024 | | 4,024 | | | | 4,024 | |
| | | 2021 | 1,106 | | 1,106 | | | | 1,106 | |
| | | 2020 | 834 | | 834 | | | | 834 | |
| | | 2019 | 723 | | 723 | | | | 723 | |
| | | 2018 | 1,391 | | 1,391 | | | | 1,391 | |
| | | 2017 | 772 | | 772 | | | | 772 | |
| | | 2016 | 2,037 | | 1,875 | | 821 | | 1,054 | 983 |
| | | 2015 | 1,965 | | 10 | | 10 | | - | 1,965 |
| Drunk Driving Enforcement Fund | 1110-448-031020-22 | 2021 | 4,267 | | 4,267 | | 4,267 | | - | 4,267 |
| | | 2019 | 9,805 | | 7,827 | | 7,827 | | - | 9,805 |
| Dept. of Human Services General Assistance | 054-7500-150-100-121/250 | 2022 | 2,000 | | 4,789 | | | | 4,789 | 1,769 |
| Department of Transportation Municipal Aid Terkuile Road (Ord. #1535) | 078-6320-480-XXX | 2023 | 180,540 | 124,522 | 138,790 | | 138,790 | | - | 180,540 |
| Various Streets | 078-6320-480-XXX | 2021 | 210,000 | 128,149 | 37,935 | | - | | 37,935 | 172,065 |
| | | | | | <u>\$ 368,793</u> | <u>\$ 47,136</u> | <u>\$ 164,185</u> | <u>\$ 110</u> | <u>\$ 251,854</u> | |

Note - The State Financial Assistance Programs were not subject to an audit in accordance with New Jersey OMB 15-08

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF MONTVALE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024**

NOTE 1 REPORTING ENTITY

The Borough of Montvale (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and 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. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough’s financial statements. Financial assistance revenues are reported in the Borough’s financial statements on a basis of accounting described above as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--------------|------------------|------------------|------------------|
| Current Fund | \$ 14,000 | \$ 47,136 | \$ 61,136 |
| | <u>\$ 14,000</u> | <u>\$ 47,136</u> | <u>\$ 61,136</u> |

**BOROUGH OF MONTVALE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

NOTE 6 INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part I – Summary of Auditor’s Results

Financial Statements

| | |
|---|--|
| Type of auditors' report issued on financial statements | <u>Modified - Unaudited LOSAP Fund</u> |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified | _____ yes <u> X </u> no |
| 2) Significant deficiency(ies) that are not considered to be material weakness(es)? | _____ yes <u> X </u> none reported |
| Noncompliance material to the financial statements noted? | _____ yes <u> X </u> no |

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards* .

There were none.

**BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part 3 - Schedule of Prior Year Findings

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF MONTVALE

BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

**BOROUGH OF MONTVALE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

| | <u>Year 2024</u> | | <u>Year 2023</u> | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| REVENUE AND OTHER INCOME REALIZED | | | | |
| Fund Balance Utilized | \$ 4,160,000 | 6.18 % | \$ 4,160,000 | 6.31 % |
| Miscellaneous - From Other Than Local | | | | |
| Property Tax Levies | 4,755,196 | 7.06 | 5,498,614 | 8.34 |
| Collection of Delinquent Taxes | | | | |
| Tax and Tax Title Liens | 236,795 | 0.35 | 239,659 | 0.36 |
| Collection of Current Tax Levy | 56,911,022 | 84.52 | 54,908,790 | 83.32 |
| Other Credits to Income | <u>1,275,042</u> | <u>1.89</u> | <u>1,103,661</u> | <u>1.67</u> |
| Total Income | <u>67,338,055</u> | <u>100.00</u> % | <u>65,910,724</u> | <u>100.00</u> % |
| EXPENDITURES | | | | |
| Budget Expenditures | | | | |
| Municipal Purposes | 20,651,083 | 32.72 % | 20,202,073 | 33.02 % |
| County Taxes | 6,552,334 | 10.38 | 6,459,246 | 10.56 |
| Local & Regional School Taxes | 35,437,437 | 56.14 | 34,358,236 | 56.16 |
| Municipal Open Space Taxes | 228,736 | 0.36 | 112,228 | 0.18 |
| Other Expenditures | <u>249,756</u> | <u>0.40</u> | <u>47,822</u> | <u>0.08</u> |
| Total Expenditures | <u>63,119,346</u> | <u>100.00</u> % | <u>61,179,605</u> | <u>100.00</u> % |
| Excess in Revenue | 4,218,709 | | 4,731,119 | |
| Fund Balance, January 1 | <u>6,559,806</u> | | <u>5,988,687</u> | |
| | 10,778,515 | | 10,719,806 | |
| Less: Utilization as Anticipated Revenue | <u>4,160,000</u> | | <u>4,160,000</u> | |
| Fund Balance, December 31 | <u>\$ 6,618,515</u> | | <u>\$ 6,559,806</u> | |

**BOROUGH OF MONTVALE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| <u>Tax Rate</u> | \$ <u>2.515</u> | \$ <u>2.464</u> | \$ <u>2.471</u> |
| <u>Apportionment of Tax Rate</u> | | | |
| Municipal | \$ 0.599 | \$ 0.591 | \$ 0.580 |
| Library | 0.040 | 0.037 | 0.039 |
| Municipal Open Space | 0.010 | 0.005 | 0.005 |
| County | 0.274 | 0.276 | 0.275 |
| County Open Space | 0.013 | 0.013 | 0.012 |
| Local School | 0.888 | 0.865 | 0.854 |
| Regional High School | 0.691 | 0.677 | 0.706 |
| <u>Assessed Valuation</u> | | | |
| 2024 | \$ <u>2,246,083,055</u> | | |
| 2023 | | \$ <u>2,229,195,725</u> | |
| 2022 | | | \$ <u>2,098,500,325</u> |

Comparison of Tax Levies and Collection

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| <u>Year</u> | <u>Tax Levy</u> | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
|-------------|-----------------|-------------------------|---|
| 2024 | \$ 57,593,547 | \$ 57,161,022 | 99.25% |
| 2023 | 55,323,284 | 55,008,790 | 99.43% |
| 2022 | 53,210,332 | 52,801,342 | 99.23% |

**BOROUGH OF MONTVALE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes in relation to the tax levies of the last three years.

| December 31, <u>Year</u> | Amount of Delinquent <u>Taxes</u> | Amount of Tax Title <u>Liens</u> | Total <u>Delinquent</u> | Percentage of <u>Tax Levy</u> |
|-----------------------------|---|--|----------------------------|-------------------------------------|
| 2024 | \$ 420,802 | \$ 73,116 | \$ 493,918 | 0.86% |
| 2023 | 239,011 | 62,468 | 301,479 | 0.54% |
| 2022 | 241,650 | 52,035 | 293,685 | 0.55% |

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2024 | \$29,400 |
| 2023 | 29,400 |
| 2022 | 29,400 |

Comparative Schedule of Fund Balances

| | <u>Year</u> | Balance, <u>December 31</u> | Utilized In Budget of <u>Succeeding Year</u> |
|--------------|-------------|--------------------------------|--|
| Current Fund | 2024 | \$6,618,515 | \$4,160,000 |
| | 2023 | 6,559,806 | 4,160,000 |
| | 2022 | 5,988,687 | 4,160,000 |
| | 2021 | 5,376,214 | 3,800,000 |
| | 2020 | 4,976,873 | 3,650,000 |

**BOROUGH OF MONTVALE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>Name</u> | <u>Title</u> |
|-------------------------------|------------------------------------|
| Michael Ghassali | Mayor |
| Christopher Roche | Council President |
| Douglas Arendacs | Councilman |
| Theresa Cudequest | Councilwoman |
| Dieter Koelling | Councilman |
| Timothy Lane | Councilman |
| Christopher Roche | Councilman |
| AnnMarie Russo-Vogelsang | Councilwoman |
| Joseph Voytus | Borough Administrator |
| Matthew Cavallo | Chief Financial Officer |
| Huntington Bailey, LLP | Borough Attorney |
| Christine Kalafut | Treasurer |
| Fran Scordo | Tax Collector/Borough Clerk |
| Raymond Tighe | Tax Assessor |
| Christopher Gruber | Building Code Official |
| Douglas McDowell | Chief of Police |
| Giulia Bombace | Library Director |
| Christopher Botta | Magistrate |
| Richard Brady | Magistrate |
| Thomas Buonocore | Magistrate |
| Francis Leddy | Magistrate |
| David Pfund | Magistrate |
| Ann Levitzki | Court Administrator |
| Rosario Presti, Jr. | Prosecutor (1/1/2024 – 6/30/2024) |
| Geoffrey Mueller | Prosecutor (7/1/2024 – 12/31/2024) |
| Colliers Engineering & Design | Engineer |

There is a statutory bond limit in the Municipal Excess Liability Joint Insurance Fund that covers the Treasurer, Tax Collector, Library Treasurer and any assistant or deputy “in title to” these positions, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000. All other employees are covered for up to \$50,000 under the Municipal Joint Insurance Fund and up to \$950,000 under the Municipal Excess Liability Joint Insurance Fund.

**BOROUGH OF MONTVALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Current Year Finding

- **Finding** – Our audit revealed several construction code fee permits were not made available at the time of audit. Additionally, we noted two (2) fees charged that were not in accordance with the Borough’s fee ordinance.

Recommendation – Construction Code fees be charged in accordance with the Borough fee ordinance and all permits be made available at the time of audit.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the 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 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 of the bid threshold except by contract or agreement."

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$17,500 for 2024. The Borough has adopted a resolution increasing the threshold to \$44,000 and has appointed a qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the road improvement program.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. In as much as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings 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 violations existed.

Collection of Interest on Delinquent Taxes and Assessments

The New Jersey statutes provide the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent. The Governing Body on January 1, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Montvale, County of Bergen, State of New Jersey, that the rate of interest on delinquent taxes for the year 2024, shall be computed at the rate of eight (8%) percent per annum and,

BE IT FURTHER RESOLVED, that the rate of interest on delinquent taxes in excess of \$1,500 shall be computed at eighteen (18%) percent per annum, and

BE IT FURTHER RESOLVED, that a grace period of ten (10) days be given on delinquent taxes without interest."

BE IT FURTHER RESOLVED, in connection with any delinquency of taxes, assessments or municipal charges in excess of \$10,000 which has not been paid prior to the end of a calendar year, there shall be imposed a penalty in a sum equal to six (6%) percent of the delinquency in excess of \$10,000.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolutions.

**BOROUGH OF MONTVALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 24, 2024.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

| <u>December 31,</u> | <u>Number of Liens</u> |
|---------------------|------------------------|
| 2024 | 4 |
| 2023 | 4 |
| 2022 | 4 |

Management Suggestions

- Consideration should be given to review and clear of record old inactive developer escrow and planning board deposit balances in the Other Trust Fund.
- Consideration should be given to review and clear of record old, inactive improvement authorization balances in the General Capital Fund.
- Employee unemployment payroll withholdings be transferred to and recorded as contributions in the Unemployment Trust Fund.

APPRECIATION

We desire to express our appreciation to the Borough Administrator, Chief Financial Officer, Borough Clerk/Tax Collector and other Borough staff who assisted us during the course of our audit.

**BOROUGH OF MONTVALE
LETTER OF COMMENTS AND RECOMMENDATIONS**

RECOMMENDATIONS


1. It is recommended that Construction Code fees be charged in accordance with the Borough fee ordinance and all permits be made available at the time of audit.

A review was performed on the prior year recommendation and corrective action was taken.

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

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

LERCH, VINCI & BLISS, LLP
LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR000429