BOROUGH OF MONTVALE

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF MONTVALE

BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF MONTVALE

TABLE OF CONTENTS

BOROUGH OF MONTVALE

TABLE OF CONTENTS

BOROUGH OF MONTVALE

TABLE OF CONTENTS

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 accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Montvale, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the 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, 2023 and 2022, 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, 2023 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 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, 2023 and 2022, 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 17 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, 2023 and 2022. 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, 2023 and 2022, 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 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 July 29, 2024 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
July 29, 2024

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

	Reference	2023	2022
ASSETS			
Cash	A-4	$ 11,614,201	$ 10,497,285
Cash - Change Fund	A-5	600	600
Grants Receivable	A-7	559,372	498,153
		12,174,173	10,996,038
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	239,011	241,650
Tax Title Liens Receivable	A-10	62,468	52,035
Property Acquired for Taxes at Assessed Valuation	A-11	29,400	29,400
Revenue Accounts Receivable	A-12	18,109	17,302
Due from Animal Control Fund	B-6	1,347	3,002
Due from Other Trust Fund	B-11	21,811	5,121
		372,146	348,510
Deferred Charges			
Emergency Authorizations	A-13	-	200,000
		-	200,000
Total Assets		$ 12,546,319	$ 11,544,548
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-14	$ 1,267,592	$ 1,344,859
Encumbrances Payable	A-15	853,331	985,974
Accounts Payable	A-16	324,405	315,058
Due to Length of Service Award Program Fund	B	27,489	21,600
Fees Payable	A-24	15,354	8,671
Prepaid Taxes	A-17	418,547	416,152
Tax Overpayments	A-18	2,452	
County Taxes Payable - Added and Omitted Taxes	A-22	44,321	155,159
Prepaid Revenues - Sewer Fees	A-25	41,189	31,449
Due to State of New Jersey Senior Citizens' and Veterans' Deductions	A-8	15,971	14,971
Reserve for Tax Appeals	A-26	759,673	840,190
Miscellaneous Reserves	A-27	836,526	364,026
Reserve for Grants and Aid:			
Unappropriated	A-28	142,045	70,005
Appropriated	A-29	865,472	639,237
		5,614,367	5,207,351
Reserve for Receivables	A	372,146	348,510
Fund Balance	A-1	6,559,806	5,988,687
Total Liabilities, Reserves and Fund Balance		$ 12,546,319	$ 11,544,548

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, 2023 AND 2022

	Reference	2023	2022
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	$ 4,160,000	$ 3,800,000
Miscellaneous Revenue Anticipated	A-2	3,884,621	4,359,512
Receipts from Delinquent Tax	A-2	239,659	474,553
Receipts from Current Taxes	A-2	54,908,790	52,601,342
Non-Budget Revenue	A-2	1,613,993	880,613
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-14	1,102,314	891,169
Accounts Payable Cancelled	A-1		9,544
Appropriated Grant Reserves Cancelled	A-1		1,181
Statutory Excess in Animal Control Fund	B-6	1,347	3,002
Outstanding Checks Voided	A-1		519
Other Trust Fund Reserves Cancelled	A-1	-	1,240
Total Income		65,910,724	63,022,675
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,396,050	6,112,975
Other Expenses	A-3	9,657,025	9,580,116
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,908,020	1,845,474
Capital Improvements	A-3	510,125	605,410
Municipal Debt Service	A-3	1,730,853	1,609,513
County Taxes Payable	A-21	6,414,925	5,992,441
Due County for Added Taxes	A-22	44,321	155,159
Local District School Taxes Payable	A-19	19,260,339	17,923,258
Regional High School Taxes Payable	A-20	15,097,897	14,821,255
Municipal Open Space Taxes	A-23	112,228	107,627
Grant Receivables Cancelled	A-1		16,652
Refund Prior Year Revenue	A-4	32,787	38,237
Interfunds Advanced	A	15,035	2,085
Total Expenditures		61,179,605	58,810,202
Excess in Revenue		4,731,119	4,212,473
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-1	-	200,000
Statutory Excess to Fund Balance		4,731,119	4,412,473
Fund Balance, January 1	A	5,988,687	5,376,214
		10,719,806	9,788,687
Decreased by:			
Utilization as Anticipated Revenue	A-1	4,160,000	3,800,000
Fund Balance, December 31	A	$ 6,559,806	$ 5,988,687

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, 2023

	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	17,000		18,090	$ 1,090
Other	A-2	35,000		57,745	22,745
Fees and Permits	A-2	150,000		195,686	45,686
Fines and Costs - Municipal Court	A-12	110,000		148,670	38,670
Interest and Costs on Taxes	A-12	50,000		73,127	23,127
Interest on Investments and Deposits	A-12	15,000		138,357	123,357
Uniform Fire Safety Act Local Enforcement Fees	A-12	140,000		141,663	1,663
Energy Receipts Tax	A-12	1,271,104		1,271,104	-
Municipal Relief Fund	A-28	65,851		65,851	-
Uniform Construction Code Fees	A-12	650,000		579,828	(70,172)
Municipal Court Shared Service	A-12	202,145		183,049	(19,096)
Pascack Valley - Special Police Shared Service	A-12	185,700		187,170	1,470
Uniform Fire Safety Act - LEA Rebate	A-12	15,000		21,837	6,837
Cable TV Franchise Fees	A-12	120,937		120,937	-
Sewer Agreement - Marriott Corporation	A-12	25,110		21,031	(4,079)
Hotel/Motel Tax	A-12	125,000		144,011	19,011
Reserve for Field Maintenance	A-12	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	-
General Capital Fund Balance (Surplus)	A-12	20,000		20,000	-
Reserve for Payment of Debt	A-12	150,000		150,000	-
Police Outside Duty Fees	A-12	80,000		42,541	(37,459)
Public and Private Revenues Offset With Appropriations					
BMED Fund - Wellness Program Grant	A-7,A-28	400	$ 5,000	5,400	-
Bergen County Open Space - Huff Park Playground Improvement	A-7		78,625	78,625	-
Drive Sober or Get Pulled Over	A-7		14,000	14,000	-
Distracted Driving Grant	A-28		7,000	7,000	-
BCMJIF - Safety Incentive Program	A-28	1,750		1,750	-
Alcohol Education and Rehabilitation Fund	A-28		4,024	4,024	-
Body Armor Fund	A-28	2,004	4,800	6,804	-
Clean Communities Grant	A-28		21,330	21,330	-
NJ DEP - Stormwater Assistance Grant	A-7		25,000	25,000	-
Recycling Tonnage Grant	A-28	-	14,991	14,991	-
Total Miscellaneous Revenues	A-1	3,557,001	174,770	3,884,621	152,850
Receipts from Delinquent Taxes	A-1,A-2	150,000	-	239,659	89,659
Sub-Total General Revenues		7,867,001	174,770	8,284,280	242,509
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-9	13,186,076		15,002,067	1,815,991
Minimum Library Tax	A-9	844,859	-	844,859	-
Total Amount to be Raised by Taxes	A-2	14,030,935	-	15,846,926	1,815,991
Total General Revenues	A-3	$ 21,897,936	$ 174,770	24,131,206	$ 2,058,500
Non-Budget Revenue	A-1,A-2			1,613,993	
				$ 25,745,199	

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, 2023

	Reference	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Current Taxes	A-9	$ 55,008,790
Transferred to Reserve for Tax Appeals	A-26	100,000
Revenue Realized	A-1	54,908,790
Allocated to School, County and Municipal Open Space Taxes	A-19,A-20,A-21,A-22,A-23	40,929,710
Balance for Support of Municipal Budget Appropriation		13,979,080
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	1,867,846
Amount for Support of Municipal Budget Appropriation	A-2	$ 15,846,926
Licenses - Other		
Board of Health	A-12	$ 57,745
	A-2	$ 57,745
Fees and Permits		
Borough Clerk	A-12	$ 100
Registrar of Vital Statistics	A-12	846
Planning Board	A-12	51,462
Police	A-12	8,042
Tax Collector	A-12	350
Recreation	A-12	5,057
Construction Code Official - Zoning	A-12	129,829
	A-2	$ 195,686

	Reference	
ANALYSIS OF NON-BUDGET REVENUE		
Sale of Assets (Land)		$ 765,000
Excess Sewer Fees		309,427
Police Outside Duty		217,038
Miscellaneous		101,191
Insurance Dividends		89,233
Interlocal Sewer Maintenance		73,399
Cell Tower Rent		49,885
PILOT - Montvale Commons		8,160
Sr/Vets 2% Admin Fee		660
	A-2	$ 1,613,993
Cash Receipts	A-4	$ 1,304,566
Revenue Accounts Receivable	A-12	309,427
	A-2	$ 1,613,993

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, 2023

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
Administrative and Executive					
Salaries and Wages	$ 340,800	$ 340,800	$ 329,040	$ 11,760	
Other Expenses	180,873	180,873	139,000	41,873	
Mayor and Council					
Salaries and Wages	53,950	54,450	54,268	182	
Other Expenses	19,950	19,450	12,919	6,531	
Borough Clerk					
Salaries and Wages	210,200	210,350	210,345	5	
Other Expenses	12,400	12,250	8,394	3,856	
Elections					
Salaries and Wages	2,500	2,500	804	1,696	
Other Expenses	10,500	10,500	8,093	2,407	
Financial Administration					
Salaries and Wages	227,700	227,700	227,658	42	
Other Expenses	34,850	34,850	21,892	12,958	
Audit Services					
Other Expenses	47,000	47,000	46,400	600	
Assessment of Taxes					
Salaries and Wages	40,775	40,775	40,755	20	
Other Expenses	37,750	37,750	12,935	24,815	
Collection of Taxes					
Salaries and Wages	72,500	72,575	72,572	3	
Other Expenses	29,875	29,800	26,278	3,522	
Legal Services and Costs					
Other Expenses	225,000	225,000	132,033	92,967	
Engineering Services and Costs					
Other Expenses	132,000	132,000	78,743	53,257	
Cable TV Committee					
Salaries and Wages	6,500	6,500	6,161	339	
Other Expenses	66,500	66,500	57,772	8,728	
Historic Preservation Commission					
Other Expenses	500	500		500	
Historian					
Other Expenses	50	50		50	
Municipal Land Use Law					
Planning Board					
Salaries and Wages	104,000	104,000	101,032	2,968	
Other Expenses	115,650	115,650	69,127	46,523	

BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Continued)					
GENERAL GOVERNMENT FUNCTIONS (Continued)					
Zoning Official					
Salaries and Wages	$ 7,600	$ 7,600	$ 7,575	$ 25	
Master Plan					
Other Expenses	25,000	25,000	2,960	22,040	
Code Enforcement and Administration					
Property Maintenance					
Salaries and Wages	22,300	22,300	22,279	21	
Insurance					
Life Insurance	3,523	3,523	3,066	457	
General Liability	268,974	268,974	261,572	7,402	
Workers Compensation	173,162	173,162	158,788	14,374	
Employee Group Health	838,927	892,927	874,851	18,076	
Employee Group Health - Waiver	57,850	57,850	40,831	17,019	
PUBLIC SAFETY FUNCTIONS					
Fire					
Other Expenses	192,500	192,500	189,204	3,296	
Fire Hydrant Service	200,000	200,000	187,756	12,244	
Police					
Salaries and Wages	4,172,000	4,172,000	3,979,735	192,265	
Other Expenses	254,200	254,200	252,333	1,867	
Purchase of Police Vehicles	25,000	25,000		25,000	
Police Dispatch					
Other Expenses	55,000	55,000	15,471	39,529	
First Aid Organization					
Other Expenses	40,000	40,000	27,453	12,547	
Emergency Management					
Salaries and Wages	12,000	12,000	12,000	-	
Other Expenses	22,100	22,100	902	21,198	
Uniform Fire Safety Act					
Salaries and Wages	126,250	126,250	125,388	862	
Other Expenses	11,750	11,750	7,939	3,811	
Prosecutor					
Other Expenses	18,900	18,900	18,810	90	

BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC WORKS FUNCTIONS					
Road Repair and Maintenance					
Other Expenses	$ 70,000	$ 70,000	$ 34,475	$ 35,525	
Sewer System					
Other Expenses	75,000	75,000	37,410	37,590	
Snow Removal					
Other Expenses	25,000	25,000		25,000	
Garbage and Trash Removal					
Other Expenses	853,875	853,875	851,190	2,685	
Recycling					
Other Expenses	5,000	5,000		5,000	
Public Buildings and Grounds					
Salaries and Wages	21,650	21,650	21,642	8	
Other Expenses	209,825	209,825	155,070	54,755	
Maintenance of All Vehicles					
Other Expenses	50,000	50,000	43,796	6,204	
Municipal Services Act					
Other Expenses	21,000	21,000	20,951	49	
Stormwater Management					
Other Expenses	50,000	50,000	50,000	-	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	10,550	10,550	10,054	496	
Other Expenses	77,650	77,650	74,419	3,231	
Environmental Commission					
Salaries and Wages	3,500	4,200	4,151	49	
Other Expenses	13,950	13,250	10,918	2,332	
Animal Regulation					
Other Expenses	12,500	12,500	11,110	1,390	
Administration of Public Assistance					
Salaries and Wages	3,000	3,000	2,250	750	
Other Expenses	550	550	550	-	

BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PARK AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Other Expenses	$ 6,000	$ 6,000	$ 6,000		
Recreation Services and Programs					
Salaries and Wages	133,250	133,250	106,679	$ 26,571	
Other Expenses	34,550	34,550	31,241	3,309	
Senior Citizen Van					
Salaries and Wages	18,300	18,300	10,984	7,316	
Senior Citizens					
Other Expenses	44,700	44,700	40,842	3,858	
Celebration of Public Events					
Other Expenses	35,000	35,000	30,700	4,300	
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	155,600	153,800	144,921	8,879	
Other Expenses	16,034	17,834	17,786	48	
Public Defender					
Other Expenses	6,900	6,900	6,840	60	
STATE UNIFORM CONSTRUCTION CODE					
Construction Code Officials					
Salaries and Wages	205,350	201,550	179,196	22,354	
Other Expenses	41,950	41,950	36,049	5,901	
Building Subcode Official					
Salaries and Wages	48,000	50,300	50,171	129	
Plumbing Subcode Official					
Salaries and Wages	35,125	35,125	35,100	25	
Fire Subcode Official					
Salaries and Wages	35,125	35,125	35,100	25	
Electrical Subcode Official					
Salaries and Wages	39,900	41,400	41,147	253	
Elevator Subcode Official					
Other Expenses	36,000	36,000	36,000	-	

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, 2023

	Appropriated		Expended		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Cont'd)					
UNCLASSIFIED					
Utilities					
Gasoline	$ 75,000	$ 75,000	$ 63,595	$ 11,405	
Electricity	290,000	236,000	176,171	59,829	
Telephone	44,910	44,910	28,616	16,294	
Natural Gas	75,000	75,000	38,173	36,827	
Water	5,000	5,000		5,000	
Street Lighting	150,000	150,000	118,554	31,446	-
Total Operations Within "CAPS"	11,545,603	11,545,603	10,406,985	1,138,618	-
Contingent	25,000	25,000	13,395	11,605	-
Total Operations including Contingent - Within "CAPS"	11,570,603	11,570,603	10,420,380	1,150,223	-
Detail:					
Salaries and Wages	6,118,425	6,118,050	5,831,007	287,043	-
Other Expenses	5,452,178	5,452,553	4,589,373	863,180	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"					
STATUTORY CHARGES					
Social Security System (O.A.S.I.)	226,157	226,157	225,474	683	
Defined Contribution Retirement Plan (DCRP)	15,587	15,587	13,381	2,206	
Public Employees Retirement System	227,081	227,081	227,081	-	
Police and Fireman's Retirement System	1,117,845	1,117,845	1,117,845	-	-
Total Deferred Charges and Statutory Expenditures Municipal Within "CAPS"	1,586,670	1,586,670	1,583,781	2,889	-
Total General Appropriations for Municipal Purposes Within "CAPS"	13,157,273	13,157,273	12,004,161	1,153,112	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library Chap. 82, 541 P.L. 85 - Minimum	844,859	844,859	822,286	22,573	
Sewerage Processing and Disposal (Sanitation Chap. 74, P.L. 87) Contractual	1,060,000	1,060,000	1,010,945	49,055	
Length of Service Award Program (LOSAP)	55,000	55,000	27,489	27,511	
Insurance					
Workers Compensation	32,464	32,464	32,464	-	
Garbage and Trash Removal					
Other Expenses	6,125	6,125	6,125	-	
Statutory Expenditures					
Public Employees Retirement System	22,049	22,049	22,049	-	
Police and Firemen's Retirement System of NJ	99,301	99,301	99,301	-	

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, 2023

	Appropriated		Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Interlocal Services Agreements					
Police Dispatch/911					
Other Expenses	$ 210,671	$ 210,671	$ 210,671	-	
Municipal Court Administration					
Salaries & Wages	117,500	113,300	109,326	$ 3,974	
Other Expenses	65,245	69,445	69,433	12	
Prosecutor					
Other Expenses	14,200	14,200	14,190	10	
Public Defender					
Other Expenses	5,200	5,200	5,160	40	
Pascack Valley Regional School District					
Special Police					
Salaries and Wages	164,700	164,700	164,646	54	
Other Expenses	21,000	21,000	20,906	94	
Pascack Valley Department of Public Works					
Department of Public Works					
Other Expenses	1,785,209	1,785,209	1,784,794	415	-
Total Other Operations Excluded from "CAPS"	4,503,523	4,503,523	4,399,785	103,738	-
OPERATIONS - EXCLUDED FROM "CAPS" PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Recycling Tonnage Grant		14,991	14,991	-	
Bergen County Municipal JIF Safety Incentive Program	1,750	1,750	1,750	-	
Clean Communities Grant		21,330	21,330	-	
Gateway BMED Fund - Wellness Program		5,000	5,000	-	
Stormwater Grant		25,000	25,000	-	
Alcohol Education and Rehabiliation Fund		4,024	4,024	-	
Body Armor Fund	2,004	6,804	6,804	-	
Distracted Driving		7,000	7,000	-	
Drive Sober or Get Pulled Over		14,000	14,000	-	
County of Bergen - Health (Mini) Grant	400	400	400	-	-
Total Public and Private Programs Offset by Revenues	4,154	100,299	100,299	-	-
Total Operations Excluded from "CAPS"	4,507,677	4,603,822	4,500,084	103,738	-
Detail:					
Salaries and Wages	282,200	278,000	273,972	4,028	
Other Expenses	4,104,127	4,204,472	4,104,762	99,710	-
Statutory Expenditures	121,350	121,350	121,350	-	-

BOROUGH OF MONTVALE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Reference	Appropriated Budget	Appropriated Budget After Modification	Expended Paid or Charged	Expended Reserved	Unexpended Balance Cancelled
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"						
Capital Improvement Fund		$ 395,000	$ 395,000	$ 395,000	-	
Purchase of Furniture and Equipment		36,500	36,500	25,758	$ 10,742	
County Open Space Grant:						
Huff Park Playground Improvements		-	78,625	78,625	-	-
Total Capital Improvements Excluded from "CAPS"		431,500	510,125	499,383	10,742	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal		1,290,000	1,290,000	1,290,000	-	
Interest on Bonds		318,240	318,240	318,240	-	
Interest on Notes		125,400	125,400	122,613	-	$ 2,787
Total Municipal Debt Service Excluded from "CAPS"		1,733,640	1,733,640	1,730,853	-	2,787
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Emergency Authorization		200,000	200,000	200,000	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"		200,000	200,000	200,000	-	-
Total General Appropriations for Municipal Purposes - Excluded from "CAPS"		6,872,817	7,047,587	6,930,320	114,480	2,787
Subtotal General Appropriations		20,030,090	20,204,860	18,934,481	1,267,592	2,787
Reserve for Uncollected Taxes		1,867,846	1,867,846	1,867,846	-	-
Total General Appropriations		$ 21,897,936	$ 22,072,706	$ 20,802,327	$ 1,267,592	$ 2,787
	Reference	A-2	A-3	A-1	A,A-1	
Budget as Adopted	A-3		$ 21,897,936			
Appropriation by 40A:4-87	A-2		174,770			
			$ 22,072,706			
Cash Disbursed	A-4			$ 17,228,973		
Encumbrances Payable	A-15			781,482		
Due to LOSAP Trust Fund	B			27,489		
Due to General Capital Fund	C-5			517,613		
Deferred Charges - Emergency Authorization	A-13			200,000		
Transfer to Appropriated Grant Reserves	A-29			178,924		
Reserve for Uncollected Taxes	A-2			1,867,846		
				$ 20,802,327		

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, 2023 AND 2022

	Reference	2023	2022
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-3	$ 11,397	$ 13,293
OTHER TRUST FUND			
Cash	B-3	2,893,020	2,282,511
Other Receivables	B-9	16,806	-
		2,909,826	2,282,511
UNEMPLOYMENT INSURANCE FUND			
Cash	B-3	293,466	300,319
Due from Other Trust Fund	B-10	9,098	-
		302,564	300,319
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	267,276	272,288
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Investments	B	900,452	724,590
Due from Current Fund	A	27,489	21,600
		927,941	746,190
Total Assets		$ 4,419,004	$ 3,614,601

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, 2023 AND 2022

	Reference	2023	2022
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-6	$ 1,347	$ 3,002
Reserve for Animal Control Expenditures	B-5	10,050	10,291
		11,397	13,293
OTHER TRUST FUND			
Due to Unemployment Trust Fund	B-10	9,098	
Due to Current Fund	B-11	21,811	5,121
Escrow Deposits	B-12	1,058,631	1,000,037
Payroll Deductions Payable	B-13	44,165	65,540
Miscellaneous Reserves and Deposits	B-14	1,776,121	1,211,813
		2,909,826	2,282,511
UNEMPLOYMENT INSURANCE FUND			
Due to State of NJ - Claims Payable	B-7	24,532	
Reserve for Unemployment Compensation Insurance	B-8	278,032	300,319
		302,564	300,319
OPEN SPACE PRESERVATION TRUST FUND			
Encumbrances Payable	B-18	7,765	20,485
Reserve for Open Space Preservation	B-17	259,511	251,803
		267,276	272,288
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Reserve for LOSAP Contributions	B	927,941	746,190
Total Liabilities and Reserves		$ 4,419,004	$ 3,614,601

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, 2023

	Reference	Anticipated Budget (Memo)	Anticipated Budget After Modifications (Memo)	Realized	Excess or (Deficit)
Amount to be Raised by Taxation	B-14	$ 111,460	$ 111,460	$ 112,228	$ 768
Reserve Funds Anticipated		-	3,060	3,060	-
	B-2	$ 111,460	$ 114,520	$ 115,288	$ 768
Non-Budget Revenue					
Donations				10,000	
				$ 125,288	

EXHIBIT B-2

STATEMENT OF EXPENDITURES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Appropriated Budget (Memo)	Appropriated Budget After Modification (Memo)	Expended Paid or Charged	Expended Reserved
Maintenance of Land for Recreation and Conservation				
Other Expenses		$ 114,520	$ 114,520	
Reserve for Future Use	$ 111,460	-	-	-
	$ 111,460	$ 114,520	$ 114,520	$ -
Reference	B-1	B-1	B-15	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022

	Reference	2023	2022
ASSETS			
Cash	C-2,C-3	$ 5,341,297	$ 3,431,462
Grants Receivable	C-4	229,540	
Deferred Charges to Future Taxation			
Funded	C-6	10,680,000	11,970,000
Unfunded	C-7	13,533,764	6,045,264
Total Assets		$ 29,784,601	$ 21,446,726
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-13	$ 10,680,000	$ 11,970,000
Bond Anticipation Notes	C-14	8,780,000	4,750,000
Encumbrances Payable	C-9	2,245,211	2,011,587
Improvement Authorizations			
Funded	C-8	959,440	1,347,128
Unfunded	C-8	6,108,430	464,998
Capital Improvement Fund	C-10	37,291	44,791
Reserve for Payment of Debt	C-11	522,082	672,082
Reserve for Improvement of Fields	C-12	183,599	164,227
Reserve for Grants Receivable	C-4	229,540	
Fund Balance	C-1	39,008	21,913
Total Liabilities, Reserves and Fund Balance		$ 29,784,601	$ 21,446,726

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of $4,900,764 and $1,295,264, respectively. (Exhibit C-15)

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Reference	2023	2022
Balance, January 1	C	$ 21,913	$ 71,913
Increased by:			
Premium on Bond Anticipation Notes Issued	C-1	37,095	-
		59,008	71,913
Decreased by:			
Due Current Fund as Anticipated Revenue	C-5	20,000	50,000
Balance, December 31	C	$ 39,008	$ 21,913

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2023 AND 2022

	Reference	2023	2022
ASSETS			
Cash	D-1	$ 3,159	$ 4,824
Total Assets		$ 3,159	$ 4,824
LIABILITIES AND RESERVES			
Reserve for Public Assistance Expenditures	D-2	$ 3,159	$ 4,824
Total Liabilities and Reserves		$ 3,159	$ 4,824

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF MONTVALE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Land and Land Improvements	$ 20,592,180	$ 20,669,578
Buildings and Building Improvements	17,381,311	17,121,558
Machinery and Equipment	7,012,158	9,941,379
	$ 44,985,649	$ 47,732,515
FUND BALANCE		
Investment in General Fixed Assets	$ 44,985,649	$ 47,732,515

The Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

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 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.

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 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.

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, 2022 balances to conform to the December 31, 2023 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 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.

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.

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 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 it's 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.

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

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.

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.

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 2023 and 2022 the Borough Council increased the original budget by $174,770 and $245,267, respectively. The increases in 2023 were funded by additional aid allotted to the Borough. The increases in 2022 were funded by an emergency authorization for down payment on improvements and additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2023 and 2022.

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.

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, 2023 and 2022, the book value of the Borough's deposits were $20,424,416 and $16,802,582 and bank and brokerage firm balances of the Borough's deposits amounted to $21,220,458 and $17,145,785, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

Depository Account	Bank Balance 2023	Bank Balance 2022
Insured	$ 19,849,679	$ 15,923,341
Uninsured and Collateralized	1,370,779	1,222,444
	$ 21,220,458	$ 17,145,785

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, 2023 and 2022 the Borough's bank balances of $1,370,779 and $1,222,444 were exposed to custodial credit risk as follows:

Depository Account	2023	2022
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department not in the Borough's name	$ 1,370,779	$ 1,222,444

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.

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2023 and 2022, the Borough had the following investments:

	Fair Value (LOSAP) 2023	2022
Investment:		
Lincoln Financial Group LOSAP		
Investment Fund (Unaudited)	$ 900,452	$ 724,590

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, 2023 and 2022, $900,452 and $724,590 of the Borough's investments were exposed to custodial credit risk as follows:

	Fair Value (LOSAP) 2023	2022
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department		
but not in the Borough's name (Unaudited)	$ 900,452	$ 724,590

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, 2023 and 2022, the Borough's investment in Lincoln Financial Group a subsidiary of Lincoln National Life Insurance Company was rated A-2 and A-1, respectively, by Moody's Investor Service.

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. 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.

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.

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 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, 2023 and 2022 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, 2023 and 2022 consisted of the following:

Current Fund	2023	2022
Property Taxes	$ 239,011	$ 241,650
Tax Title Liens	62,468	52,035
	$ 301,479	$ 293,685

In 2023 and 2022, the Borough collected $239,659 and $158,503 from delinquent taxes, which represented 82% and 79%, respectively of the prior year delinquent taxes receivable balance. Additionally in 2022, the Borough collected $316,050 from 2021 taxes rebilled in 2022.

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	2023		2022	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	$ 23,158	$ 27,489	$ 8,123	$ 21,600
Trust Funds				
Animal Control		1,347		3,002
Other Trust		30,909		5,121
Unemployment Insurance	9,098			
LOSAP	27,489	-	21,600	-
Total	$ 59,745	$ 59,745	$ 29,723	$ 29,723

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

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
2023			
There are none.			
2022			
Emergency Authorization	$ 200,000	$ 200,000	$ -

NOTE 7 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:

	2023		2022	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	$ 6,000,434	$ 4,160,000	$ 5,290,534	$ 4,160,000
Non-Cash Surplus	559,372	-	698,153	-
	$ 6,559,806	$ 4,160,000	$ 5,988,687	$ 4,160,000

NOTE 8 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, 2023 and 2022.

2023	Balance, December 31, 2022	Increases	Decreases	Balance, December 31, 2023
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	9,941,379	589,364	(3,518,585)	7,012,158
	$ 47,732,515	$ 1,143,833	$ (3,890,699)	$ 44,985,649

2022	Balance, December 31, 2021	Increases	Decreases	Balance, December 31, 2022
Land and Land Improvements	$ 20,246,565	$ 423,013		$ 20,669,578
Buildings and Building Improvements	17,121,558			17,121,558
Machinery and Equipment	9,661,791	279,588	-	9,941,379
	$ 47,029,914	$ 702,601	$ -	$ 47,732,515

NOTE 9 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:

	2023	2022
Issued		
General		
Bonds and Notes	$ 19,460,000	$ 16,720,000
Less Funds Temporarily Held to Pay Bonds and Notes	669,082	672,082
Net Debt Issued	18,790,918	16,047,918
Authorized But Not Issued		
General		
Bonds and Notes	4,900,764	1,295,264
Net Bonds and Notes Issued and Authorized But Not Issued	$ 23,691,682	$ 17,343,182

NOTE 9 MUNICIPAL DEBT (Continued)

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 .919% and .711% at December 31, 2023 and 2022, respectively.

2023	Gross Debt	Deductions	Net Debt
General Debt	$ 24,360,764	$ 669,082	$ 23,691,682
School Debt	31,261,662	31,261,662	-
Total	$ 55,622,426	$ 31,930,744	$ 23,691,682

2022	Gross Debt	Deductions	Net Debt
General Debt	$ 18,015,264	$ 672,082	$ 17,343,182
School Debt	33,043,090	33,043,090	-
Total	$ 51,058,354	$ 33,715,172	$ 17,343,182

Statutory Borrowing Power

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

	2023	2022
3-1/2% of Equalized Valuation Basis (Municipal)	$ 90,182,459	$ 85,417,882
Net Debt	23,691,682	17,343,182
Remaining Borrowing Power	$ 66,490,777	$ 68,074,700

NOTE 9 MUNICIPAL DEBT (Continued)

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:

	2023	2022
$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%	$ 5,410,000	$ 6,170,000
$6,160,000, 2021 Bonds, due in annual installments of $530,000 to $720,000 through August, 2031, interest at 0.05% to 2.00%	5,270,000	5,800,000
	$ 10,680,000	$ 11,970,000

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	General Principal	Interest	Total
2024	$ 1,310,000	$ 295,175	$ 1,605,175
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
2029-2031	3,720,000	156,850	3,876,850
	$ 10,680,000	$ 1,206,975	$ 11,886,975

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, 2022	Increase	Reductions	Balance, December 31, 2023	Due Within One Year
2023					
General Capital Fund Bonds Payable	$ 11,970,000	-	$ 1,290,000	$ 10,680,000	$ 1,310,000

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, 2021	Increase	Reductions	Balance, December 31, 2022	Due Within One Year
2022					
General Capital Fund					
Bonds Payable	$ 13,235,000	-	$ 1,265,000	$ 11,970,000	$ 1,290,000

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Bond Anticipation Notes

Purpose	Rate (%)	Maturity Date	Balance, December 31, 2022	Renewals/ Issued	Retired/ Redeemed	Balance, December 31, 2023
2023						
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
			$ 4,750,000	$ 8,780,000	$ 4,750,000	$ 8,780,000

Purpose	Rate (%)	Maturity Date	Balance, December 31, 2021	Renewals/ Issued	Retired/ Redeemed	Balance, December 31, 2022
2022						
General Capital Fund						
Various Capital Improvements	3.52%	7/14/2023		$ 369,050		$ 369,050
Acquisition of Property	3.52%	7/14/2023	-	4,380,950	-	4,380,950
			$ -	$ 4,750,000	$ -	$ 4,750,000

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 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

Capital Project	Construction Commitment	Estimated Date of Completion
2023		
Various Road Improvements	$ 469,389	2024
LaTrenta Field Parking Lot Improvements	71,498	2024
Acquisition of Pumper Firetruck	1,152,192	2024
Municipal Building HVAC Installation	97,873	2024
Huff Park Playground Improvements	71,848	2024
2022		
Various Road Improvements	$ 219,660	2023
LaTrenta Field Parking Lot Improvements	359,576	2023
Acquisition of Firetruck	1,152,192	2023
Restoration of Huff Pond	48,363	2023

NOTE 11 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 $738,123 and $759,740 at December 31, 2023 and 2022, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 11 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, 2023 and 2022 were as follows:

2023	Balance, December 31, 2022	Additions	Reductions	Balance, December 31, 2023	Due Within One Year
Compensated Absences/Terminal Leave	$ 759,740		$ 21,617	$ 738,123	
Net Pension Liability - PERS (1)	3,759,261			3,759,261	
Net Pension Liability - PFRS (1)	10,712,276	-	-	10,712,276	-
Other Long-Term Liabilities	$ 15,231,277	$ -	$ 21,617	$ 15,209,660	$ -

(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.

2022	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022	Due Within One Year
Compensated Absences/Terminal Leave	$ 687,945	$ 71,795		$ 759,740	
Net Pension Liability - PERS	2,935,364	1,138,024	$ 314,127	3,759,261	
Net Pension Liability - PFRS	6,773,436	5,155,986	1,217,146	10,712,276	-
Other Long-Term Liabilities	$ 10,396,745	$ 6,365,805	$ 1,531,273	$ 15,231,277	$ -

NOTE 12 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.

NOTE 12 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.

NOTE 12 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.

NOTE 12 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. 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, 2023 was not available and for June 30, 2022 is $13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is $15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2022 and 2021 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, 2023 and 2022 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 2023, 2022 and 2021 were equal to the required contributions.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2023, 2022 and 2021, 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:

Year Ended December 31	PFRS	PERS (1)	DCRP
2023	$ 1,217,146	$ 314,127	$ 13,381
2022	1,080,043	290,183	7,111
2021	931,722	268,532	5,474

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

In addition for the years ended December 31, 2023, 2022 and 2021 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, 2023 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, 2023 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, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of $3,759,261, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough's proportionate share was .02490 percent, which was an increase of .00012 percent from its proportionate share measured as of June 30, 2021 of .02478 percent.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the Borough's pension benefit to be $251,428, for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $290,183. At December 31, 2021, 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:

	2022	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference Between Expected and Actual Experience	$ 27,133	$ 23,927
Changes of Assumptions	11,647	562,910
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	155,592	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	138,935	30,664
Total	$ 333,307	$ 617,501

At December 31, 2022 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:

Year Ending December 31,	Total
2023	$ (289,643)
2024	(116,460)
2025	(59,033)
2026	181,094
2027	(152)
Thereafter	-
	$ (284,194)

NOTE 12 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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2022
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%

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.

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

NOTE 12 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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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.

NOTE 12 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, 2022 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:

2022	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	$ 4,829,549	$ 3,759,261	$ 2,848,403

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. 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.

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, 2022, the Borough reported a liability of $10,712,276, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the Borough's proportionate share was .09359 percent, which was an increase of .00092 percent from its proportionate share measured as of June 30, 2021 of .09267 percent.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense to be $265,241, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $1,080,043. At December 31, 2022, 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:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 484,866	$ 656,273
Changes of Assumptions	29,358	1,348,464
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	980,930	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	1,334,505	526,641
Total	$ 2,829,659	$ 2,531,378

At December 31, 2022 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:

Year Ending December 31,	Total
2023	$ (279,392)
2024	(195,637)
2025	(199,910)
2026	896,481
2027	64,437
Thereafter	12,302
	$ 298,281

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2022
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%

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.

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

NOTE 12 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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

	2022	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. 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.

NOTE 12 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, 2022 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:

2022	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	$ 14,698,400	$ 10,712,276	$ 7,393,809

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. 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, 2022, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $1,906,471. For the year ended December 31, 2022, 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 $219,956, which is less than the actual contribution the State made on behalf of the Borough of $237,346. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the Borough was .09359 percent, which was an increase of .00092 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .09267 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.

NOTE 13 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.

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.

NOTE 13 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, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	33,684
Total	99,044
Contributing Employers	591
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, 2023 was not available and for 2022 is $16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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.

NOTE 13 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 is 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 $389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed $45.8 million for fiscal year 2022.

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, 2022 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, 2023 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.

NOTE 13 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, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is $7,798,358. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB benefit attributable to the Borough for the OPEB special funding situation is $1,279,095. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .23114 percent, which was a decrease of .00272 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .23386 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.

Actuarial Assumptions

The State's proportionate share of the Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:

	2022
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.

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.25 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 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.

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. 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 14 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.

NOTE 14 RISK MANAGEMENT (Continued)

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.

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:

Year Ended December 31	Borough Contributions	Employee Contributions	Claims Reimbursed	Ending Balance
2023	None	$ 9,098	$ 31,385	$ 278,032
2022	None	8,659	249	300,319
2021	None	8,445	1,931	289,708

NOTE 15 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, 2023 and 2022. 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, 2023 and 2022, the Borough reserved $759,673 and $840,190, 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, 2023 and 2022, 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 16 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, 2023 and 2022, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 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 and $1,350 for 2023 and 2022, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The Borough contributed a total of $27,489 and $21,600 for 2023 and 2022, 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.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

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, 2023 and 2022 were $13,831 and $11,367, 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.

NOTE 18 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 leasee notifies the Borough it's intention not to renew the lease within sixty (60) days of expiration. The Borough will receive annual payments of $10,562 and $4,623. The Borough recognized $9,666 and $9,541 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of $40 and $50, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is $30,709 and $40,335, 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 of $35,864 to $24,383. The Borough recognized $34,819 and $33,805 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of $327 and $450, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is $53,813 and $88,305, 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 leasee notifies the Borough of its intention not to renew within sixty (60) days of expiration. The Borough will receive annual payments of $5,400 to $2,700. The Borough recognized $5,400 and $5,400 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of $44 and $62, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is $10,757 and $16,113, respectively, for the lease term ending June 30, 2025.

NOTE 18 LEASES RECEIVABLE (Continued)

The future lease revenue principal and interest payments as of December 31, 2023 were as follows:

Calendar Year	Principal	Interest	Total
2024	$ 50,963	$ 256	$ 51,219
2025	33,765	105	33,870
2026	10,551	11	10,562
Total	$ 95,279	$ 372	$ 95,651

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, 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, 2023 and 2022 the Borough abated property taxes totaling $79,484 and $79,710, respectively, under the NJHMFA program of which $20,419 and $20,129 represents the Borough's share, respectively. The Borough received $8,160 and $8,446 in PILOT payments under this program for both years ended December 31, 2023 and 2022, respectively.

BOROUGH OF MONTVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Montvale's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Montvale's primary revenue source for supporting its budget. The Borough of Montvale cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises $1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a $1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes $350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive $897,009 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized $897,009 of the funds in the 2022 budget to replace lost public sector revenue. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 21 SUBSEQUENT EVENTS

Debt Authorized

On April 30, 2024, the Borough adopted a bond ordinance appropriating $1,643,000 and authorizing the issuance of $1,560,850 in bonds or bond anticipation notes to fund various capital improvements.

Bond Anticipation Notes

On January 18, 2024 the Borough approved the issuance of bond anticipation notes in the amount of $4,900,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to TD Securities, LLC at an interest rate of 4.50%. These notes dated February 1, 2024 will mature on January 30, 2025.

On March 21, 2024 the Borough approved the issuance of bond anticipation notes in the amount of $4,252,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Piper Sandler & Co. at an interest rate of 4.00%. These notes dated April 10, 2024 will mature on January 30, 2025.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

BOROUGH OF MONTVALE
STATEMENT OF CASH - COLLECTOR - TREASURER

Balance, December 31, 2022		$ 10,497,285
Increased by:		
Taxes Receivable	$ 54,800,297	
Non-Budget Revenue	1,304,566	
Prepaid Revenues	30,771	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	33,000	
Revenue Accounts Receivable	3,671,439	
Grants Receivable	61,406	
Receipts from Other Trust Fund	6,475	
Receipts for Other Trust Fund	13,638	
Receipts from Animal Control Fund	3,002	
Fees Payable	55,918	
Tax Overpayments	26,467	
Prepaid Taxes	418,547	
Miscellaneous Reserves	472,500	
Reserve for Grants - Unappropriated	194,190	
Petty Cash	800	
		61,093,016
		71,590,301
Decreased by Disbursements:		
2023 Budget Appropriations	17,228,973	
2022 Appropriation Reserves	265,725	
County Taxes Payable	6,414,925	
Due to County for Added and Omitted Taxes	155,159	
Local School District Tax Payable	19,260,339	
Regional High School Taxes Payable	15,097,897	
Reserve for Tax Appeals	180,517	
Payments to General Capital Fund	297,613	
Payments to Open Space Preservation Trust Fund	112,228	
Payments to LOSAP Fund	21,600	
Accounts Payable	194,889	
Encumbrances Payable	593,185	
Petty Cash	800	
Reserve for Grants - Appropriated	46,213	
Tax Overpayments Refunded	24,015	
Fees Payable	49,235	
Refund Prior Year Revenue	32,787	
		59,976,100
Balance, December 31, 2023		$ 11,614,201

EXHIBIT A-5

BOROUGH OF MONTVALE
STATEMENT OF CHANGE FUNDS

Office	Balance, December 31, 2022	Balance, December 31, 2023
Tax Collector/Borough Clerk	$ 100	$ 100
Dog/Cat License Registrar	50	50
Municipal Court	400	400
Police Department	50	50
	$ 600	$ 600

EXHIBIT A-6

STATEMENT OF PETTY CASH FUND

Office	Received From Treasurer	Returned To Treasurer
Borough Clerk	$ 800	$ 800

EXHIBIT A-7

BOROUGH OF MONTVALE
STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, 2022	Revenue Realized	Received	Balance, December 31, 2023
NJ Department of Transportation -				
Various Street Improvements - 2019	$ 35,098			$ 35,098
Various Street Improvements - 2021	210,000			210,000
Municipal Alliance Program	3,836		$ 3,836	-
NJ DCA - Local Recreation Grant	40,000			40,000
Body-Worn Police Cameras	30,570		30,570	-
Stormwater Assistance Grant		$ 25,000	15,000	10,000
Drive Sober Get Pulled Over		14,000	7,000	7,000
BMED - Wellness Program Grant	5,000	5,000	5,000	5,000
Bergen County Open Space - Huff Pond Improvements	77,340	78,625		155,965
Bergen County Open Space - LaTrenta Field Improvements	96,309	-	-	96,309
	$ 498,153	$ 122,625	$ 61,406	$ 559,372

EXHIBIT A-8

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

Balance, December 31, 2022		$ 14,971
Increased by:		
Payment from State of New Jersey	$ 33,000	
Veterans'/Senior Citizen's Deductions Disallowed by Tax Collector - 2023	1,250	
		34,250
		49,221
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	1,750	
Veterans' Deductions Per Tax Billings	30,500	
Veterans'/Senior Citizen's Deductions Allowed by Tax Collector - 2023	1,000	
		33,250
Balance, December 31, 2023		$ 15,971

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

Year	Balance, December 31, 2022	2023 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2022	Cash Collections 2023	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2023
2018	$ 114								$ 114
2019	456								456
2020	469								469
2021	475								475
2022	240,136	-	-	-	$ 239,659	-	-	-	477
	241,650	-	-	-	239,659	-	-	-	1,991
2023	-	$ 55,323,284	$ 1,250	$ 416,152	54,560,638	$ 33,250	$ 67,041	$ 10,433	237,020
	$ 241,650	$ 55,323,284	$ 1,250	$ 416,152	$ 54,800,297	$ 33,250	$ 67,041	$ 10,433	$ 239,011

Analysis of 2023 Property Tax Levy

ANALYSIS OF 2023 PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax		$ 54,927,383	
Added and Omitted Taxes (54:4-63.1 et. seq.)		395,901	
			$ 55,323,284
TAX LEVY			
Local District School Tax		$ 19,260,339	
Regional High School Tax		15,097,897	
County Taxes:			
County Taxes	$ 6,144,929		
County Open Space	269,996		
Due County for Added Taxes (54:4-63.1 et. seq.)	44,321		
		6,459,246	
Municipal Open Space Tax	111,460		
Municipal Open Space Added Taxes	768		
		112,228	
Local Tax for Municipal Purposes	13,186,076		
Minimum Library Tax	844,859		
Additional Tax Levied	362,639		
		14,393,574	
			$ 55,323,284

EXHIBIT A-10

BOROUGH OF MONTVALE
STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2022	$ 52,035
Increased by:	
Transfers from Taxes Receivable	10,433
Balance, December 31, 2023	$ 62,468

EXHIBIT A-11

STATEMENT OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2022	$ 29,400
Balance, December 31, 2023	$ 29,400

BOROUGH OF MONTVALE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, 2022	Accrued in 2023	Collected	Balance, December 31, 2023
Borough Clerk				
Licenses - Alcoholic Beverages		$ 18,090	$ 18,090	
Fees and Permits - Parking Permits		100	100	
Board of Health				
Licenses		57,745	57,745	
Register of Vital Statistics				
Fees and Permits		846	846	
Construction Code Official				
Uniform Construction Code Fees		579,828	579,828	
Fees and Permits - Other		129,829	129,829	
Police				
Fees and Permits		8,042	8,042	
Tax Collector				
Fees and Permits - Tax Search Fees		350	350	
Planning Board				
Fees and Permits		51,462	51,462	
Recreation				
Fees and Permits		5,057	5,057	
Municipal Court				
Fines and Costs	$ 9,646	145,449	148,670	$ 6,425
Interest and Costs on Taxes	5,586	76,393	73,127	8,852
Interest on Investments and Deposits		138,357	138,357	
Municipal Court Shared Service		183,049	183,049	
Pascack Valley Regional School District				
Special Police Shared Service		187,170	187,170	
Energy Receipts Tax		1,271,104	1,271,104	
Cable TV Franchise Fees		120,937	120,937	
Sewer Agreement - Marriott Corporation		21,031	21,031	
Hotel/Motel Tax		144,011	144,011	
Uniform Fire Safety Act:				
Local Enforcement Fees		141,663	141,663	
LEA Rebate		21,837	21,837	
Sloan Kettering Contribution - Municipal Services		72,000	72,000	
Clothing Bin Fees - American Recycling		3,000	3,000	
Reserve for Field Maintenance		50,000	50,000	
General Capital Fund Balance (Surplus)		20,000	20,000	
Reserve for Payment of Debt		150,000	150,000	
Police Outside Duty Fees		42,541	42,541	
Excess Sewer User Fees (MRNA)	2,070	310,189	309,427	2,832
	$ 17,302	$ 3,950,080	$ 3,949,273	$ 18,109

Cash Received	$ 3,671,439
Prepaid Revenues Applied	21,031
Due from Other Trust Fund	36,803
Due from General Capital Fund	220,000
	$ 3,949,273

BOROUGH OF MONTVALE
STATEMENT OF DEFERRED CHARGES

	Balance December 31, 2022	Added in 2023	Raised in 2023 Budget	Balance, December 31, 2023
Emergency Authorization (40A:4-47)	$ 200,000	-	$ 200,000	-
	$ 200,000	$ -	$ 200,000	$ -

BOROUGH OF MONTVALE
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, 2022	Balance After Modification	Paid or Charged	Transfer to Appropriated Grants	Balance Lapsed
SALARIES AND WAGES					
Administrative and Executive	$ 4,575	$ 4,575			$ 4,575
Mayor and Council	2,110	2,110			2,110
Borough Clerk	456	456			456
Elections	1,549	1,549			1,549
Financial Administration	9,064	9,064			9,064
Assessment of Taxes	32	32			32
Collection of Taxes	27	27			27
Cable TV Committee	2,479	2,479			2,479
Planning Board	1,658	1,658			1,658
Zoning Official	21	21			21
Code Enforcement and Administration Property Maint.	20	20			20
Police	80,782	195,281			195,281
Emergency Management	15	15			15
Uniform Fire Safety Act	248	248			248
Public Buildings and Grounds	13	13			13
Public Health Services	2,085	2,085			2,085
Environmental Commission	1,021	1,021			1,021
Public Assistance	4,550	4,550			4,550
Recreation Services and Programs	3,353	3,353			3,353
Senior Citizen Van	5,928	5,928			5,928
Municipal Court	8,273	8,273			8,273
Municipal Court - Interlocal	6,878	6,878			6,878
Special Police - Shared Services	36	36			36
Construction Code Official	2,088	2,088			2,088
Building Subcode Official	25	25			25
Plumbing Subcode Official	10	10			10
Fire Subcode Official	12	12			12
Electrical Subcode Official	1,530	1,530	-	-	1,530
	138,838	253,337	-	-	253,337
OTHER EXPENSES					
Administrative and Executive	$ 41,527	$ 41,527	$ 9,170		$ 32,357
Mayor and Council	1,320	1,320	733		587
Borough Clerk	13,766	13,766	1,086		12,680
Elections	390	390			390
Financial Administration	22,971	22,971	500		22,471
Audit Services	900	1,700			1,700
Assessment of Taxes	6,915	6,915	350		6,565
Collection of Taxes	5,511	5,511			5,511
Legal Services and Costs	86,657	86,657	7,226		79,431
Engineering Services & Costs	14,785	14,785	1,519		13,266
Cable TV Commission	359	359			359
Historic Preservation Commission	73	73			73
Historian	50	50			50
Planning Board	56,032	70,681			70,681
Fire	11,582	14,357			14,357
Fire Hydrant Service	5,165	5,165			5,165
Police	16,231	16,231	997		15,234
Purchase of Police Vehicles	2,440	2,440			2,440
Police Dispatch	24,224	24,224	2,212		22,012
First Aid Organization	5,619	5,619	651		4,968
Emergency Management	21,267	21,267			21,267
Uniform Fire Safety Act	3,661	3,808			3,808
Municipal Prosecutor	1,050	1,050			1,050
Road Repair and Maintenance	43,870	63,870			63,870
Sewer System	1,615	10,865			10,865

BOROUGH OF MONTVALE
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, 2022	Balance After Modification	Paid or Charged	Transfer to Appropriated Grants	Balance Lapsed
OTHER EXPENSES (Continued)					
Garbage and Trash Removal	$ 16,354	$ 16,354	$ 7,667		$ 8,687
Recycling	5,000	5,000			5,000
Public Buildings and Grounds	24,175	27,769			27,769
Maintenance of All Vehicles	20,610	25,118			25,118
Municipal Services Act	1,170	1,170	81		1,089
Stormwater Management	25,000	25,000			25,000
Public Health Services	21,117	21,117	8,985		12,132
Environmental Commission	2,741	2,741			2,741
Administration of Public Assistance	10	10	10		-
Animal Regulation		60			60
Parks and Playgrounds	5,010	5,010			5,010
Recreation Services and Programs	8,465	8,465	408		8,057
Senior Citizens	10,721	10,721	10,197		524
Celebration of Public Events	4,228	4,228			4,228
PEOSHA Compliance	2,000	2,000			2,000
Utilities:					
Gasoline	12,703	12,703	10,294		2,409
Electricity	14,721	21,221	19,566		1,655
Telephone	10,746	10,746	1,018		9,728
Natural Gas	14,075	14,075	14,075		-
Water	30,000	23,500			23,500
Street Lighting	14,931	14,931	12,022		2,909
Prior Year Bills:					
Enclave at Montvale - 2019	2,636	2,636			2,636
Contingent	184	184			184
Social Security System	7,518	10,520			10,520
Defined Contribution Retirement Plan	4,141	4,141			4,141
Construction Code	17,402	17,402	1,111		16,291
Elevator Sub-Code		7,464			7,464
Maintenance of Free Public Library	54,460	54,460	54,460		-
Sewerage Processing and Disposal	51,154	51,154			51,154
Master Plan	22,250	22,250	22,000		250
Insurance:					
Life Insurance		679			679
General Liability	10,302	12,052			12,052
Workers Compensation	2,911	2,911			2,911
Employee Group Health	50,527	55,903			55,903
Employee Group Health - Waiver	15,618	15,618			15,618
Length of Service Award Program	33,400	33,400	11,367		22,033
Municipal Court	5,656	5,656	145		5,511
Municipal Court - Interlocal	3,160	3,160	119		3,041
Municipal Prosecutor - Shared Services	950	950			950
Department of Public Works - Shared Services	6	6			6
Municipal Alliance:					-
County Share	3,836	3,836	3,420	$ 416	-
Local Share	959	959	959		-
Clean Communities	19,017	19,017		19,017	-
Alcohol Education	1,106	1,106		1,106	-
Recycling Tonnage	15,144	15,144		15,144	-
Bergen County Municipal JIF Safety Incentive Program	10	10		10	-
Gateway BMED Fund - Wellness Program	2,340	2,340		2,340	-
Police Donation - Ziccarelli Estate	10,000	10,000		10,000	-
Open Space - Huff Park Playground	77,340	77,340		77,340	-
NJDCA - Local Recreation Improvement Grant	40,000	40,000		40,000	-
Purchase of Speed Limit Signs	3,895	3,895			3,895
Purchase of Furniture and Equipment	13,377	13,377	13,377		-
Demolition of Municipal Owned Properties	50,000	50,000			50,000
Various Improvements - Recreation	50,000	50,000	50,000		-
Various Improvements - UCC Office	4,965	4,965	-	-	4,965
	1,206,021	1,280,075	265,725	165,373	848,977
	$ 1,344,859	$ 1,533,412	$ 265,725	$ 165,373	$ 1,102,314

	Balance After Modification	Paid or Charged	Transfer to Appropriated Grants
Balance December 31, 2022	$ 1,344,859		
Cancelled Encumbrances	188,553		
Cash Disbursements		$ 265,725	
Transfer to Appropriated Grant Reserves	-	-	$ 165,373
	$ 1,533,412	$ 265,725	$ 165,373

EXHIBIT A-15

BOROUGH OF MONTVALE
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2022		$ 985,974
Increased by:		
Charges to 2023 Budget Appropriations	$ 781,482	
Charges to Reserve for Grants Appropriated	71,849	
		853,331
		1,839,305
Decreased by:		
Cash Payments	593,185	
Cancellation Restored to Appropriation Reserves	188,553	
Transferred to Accounts Payable	204,236	
		985,974
Balance, December 31, 2023		$ 853,331

EXHIBIT A-16

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2022	$ 315,058
Increased by:	
Transferred from Encumbrances Payable	204,236
	519,294
Decreased by:	
Cash Payments	194,889
Balance, December 31, 2023	$ 324,405

EXHIBIT A-17

STATEMENT OF PREPAID TAXES

Balance, December 31, 2022	$ 416,152
Increased by:	
2024 Prepaid Taxes Received	418,547
	834,699
Decreased by:	
Application to 2023 Taxes Receivable	416,152
Balance, December 31, 2023	$ 418,547

EXHIBIT A-18

BOROUGH OF MONTVALE
STATEMENT OF TAX OVERPAYMENTS

Increased by:		
Overpayments in 2023	$	26,467
Decreased by:		
Cash Disbursements		24,015
Balance, December 31, 2023	$	2,452

EXHIBIT A-19

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
2023 Levy	$	19,260,339
Decreased by:		
Payments	$	19,260,339

EXHIBIT A-20

STATEMENT OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Increased by:		
2023 Levy	$	15,097,897
Decreased by:		
Payments	$	15,097,897

EXHIBIT A-21

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:				
2023 Levy:				
General County Tax	$	6,144,929		
County Open Space Tax		269,996		
			$	6,414,925
Decreased by:				
Payments			$	6,414,925

EXHIBIT A-22

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

Balance, December 31, 2022	$	155,159
Increased by:		
2023 Added Tax Levy		44,321
		199,480
Decreased by:		
Payments		155,159
Balance, December 31, 2023	$	44,321

EXHIBIT A-23

STATEMENT OF MUNICIPAL OPEN SPACE TAXES

Increased by:				
2023 Levy	$	111,460		
2023 Added Levy		768		
			$	112,228
Decreased by:				
Due to Open Space Preservation Trust Fund			$	112,228

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	Balance, December 31, 2022	Receipts	Disbursements	Balance, December 31, 2023
Marriage Licenses		$ 250	$ 125	$ 125
BOCA Fees	$ 8,671	55,668	49,110	15,229
	$ 8,671	$ 55,918	$ 49,235	$ 15,354

EXHIBIT A-25

BOROUGH OF MONTVALE
STATEMENT OF PREPAID REVENUE

	Balance, December 31, 2022	Receipts	Applied to Current Year Revenue	Balance, December 31, 2023
Sewer Fees - Marriott	$ 31,449	$ 30,771	$ 21,031	$ 41,189
	$ 31,449	$ 30,771	$ 21,031	$ 41,189

EXHIBIT A-26

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2022	$ 840,190
Increased by:	
Transfer from Current Year Tax Collections	100,000
	940,190
Decreased by:	
Tax Appeal Refunds	180,517
Balance, December 31, 2023	$ 759,673

EXHIBIT A-27

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, 2022	Receipts	Disbursements	Balance, December 31, 2023
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	3,966	-	-	3,966
	$ 364,026	$ 472,500	$ -	$ 836,526

EXHIBIT A-28

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

	Balance, December 31, 2022	Received	Realized as Budgeted Revenue	Balance, December 31, 2023
Alcohol Education and Rehab Fund		$ 4,024	$ 4,024	
Distracted Driving		7,000	7,000	
Recycling Tonnage		14,991	14,991	
Body Armor Fund - State	$ 2,004	6,964	6,804	$ 2,164
BMED Wellness Grant	400		400	-
Mini-Grant - Waterways Program		500		500
Clean Communities Grant		21,330	21,330	-
Municipal Alliance		439		439
Spotted Lanternfly Prevention		5,520		5,520
Bergen County Municipal JIF - Safety Incentive	1,750	1,750	1,750	1,750
Municipal Relief Fund	65,851	131,672	65,851	131,672
	$ 70,005	$ 194,190	$ 122,150	$ 142,045

EXHIBIT A-29

STATEMENT OF RESERVES FOR GRANTS - APPROPRIATED

	Balance, December 31, 2022	Transfers In	Paid or Charged	Balance, December 31, 2023
Drunk Driving Enforcement Fund	$ 12,094			$ 12,094
Alcohol Education and Rehab. Fund	5,605	$ 5,130		10,735
Clean Communities Grant	26,546	40,347	$ 13,993	52,900
Bergen County Municipal JIF - Safety Incentive		1,760	1,725	35
Distracted Driving Grant		7,000	7,000	-
BMED Wellness Grant		7,340	2,107	5,233
BC PMD Mini Grant		400		400
Bullet Proof Vest - Federal	2,780			2,780
Municipal Alliance Program		416		416
Body Armor Fund - State		6,804		6,804
Stormwater Assistance Grant		25,000		25,000
Police Donation - Ziccarelli Estate		10,000		10,000
Drive Sober or Get Pulled Over		14,000	6,397	7,603
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	24,186	30,135	14,991	39,330
Open Space - Huff Pond Improvements		155,965	71,849	84,116
NJDCA - Local Recreation Improvement Grant	-	40,000	-	40,000
	$ 639,237	$ 344,297	$ 118,062	$ 865,472

	Transfers In	Paid or Charged
2023 Budget Appropriations	$ 178,924	
2022 Appropriation Reserves	165,373	
Cash Disbursed		$ 46,213
Encumbrances Payable	-	71,849
	$ 344,297	$ 118,062

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, 2022		$ 13,293		$ 2,282,511		$ 300,319		$ 272,288
Increased by Receipts:								
State Dog License Fees	$ 532							
Borough Dog License Fees	4,403							
Borough Cat License Fees	558							
Late Fees	90							
Interest Earned on Deposits			$ 7,008					
Escrow Deposits			403,842					
Miscellaneous Reserves and Deposits			1,889,254					
Payroll Deductions Payable			2,634,779					
Net Payroll Deposits			4,913,908					
Receipts from Current Fund							$ 112,228	
Other Contributions and Reimbursements	-		-		-		10,000	
		5,583		9,848,791		-		122,228
		18,876		12,131,302		300,319		394,516
Decreased by Disbursements:								
Animal Control Expenditures Under R.S. 4:19-15.11	3,945							
Payments to State for Dog License Fees	532							
Payments to State for Unemployment Claims					$ 6,853			
Payments to Current Fund	3,002		6,475					
Escrow Deposits			349,391					
Miscellaneous Reserves and Deposits			1,321,452					
Reserve for Open Space Preservation							106,755	
Encumbrances Payable							20,485	
Payroll Deductions Payable			2,647,056					
Net Payroll	-		4,913,908		-		-	
		7,479		9,238,282		6,853		127,240
Balance, December 31, 2023		$ 11,397		$ 2,893,020		$ 293,466		$ 267,276

EXHIBIT B-4

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

Increased by:		
State Fees Collected	$	532
Decreased by:		
Payments	$	532

EXHIBIT B-5

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND

Balance, December 31, 2022			$	10,291
Increased by:				
Dog License Fees Collected	$	4,403		
Cat License Fees Collected		558		
Late Fees		90		
				5,051
				15,342
Decreased by:				
Expenditures Under R.S.4:19-15.11				
Cash Disbursements		3,945		
Statutory Excess Due to Current Fund		1,347		
				5,292
Balance, December 31, 2023			$	10,050

EXHIBIT B-6

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

Balance, December 31, 2022	$	3,002
Increased by:		
Statutory Excess in Reserve for Animal Control Expenditures		1,347
		4,349
Decreased by:		
Payments to Current Fund		3,002
Balance, December 31, 2023	$	1,347

EXHIBIT B-7

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

Increased by:		
Unemployment Claims Charged to Reserve	$	31,385
Decreased by:		
Cash Disbursements		6,853
Balance, December 31, 2023	$	24,532

EXHIBIT B-8

STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE
UNEMPLOYMENT INSURANCE FUND

Balance, December 31, 2022	$	300,319
Increased by:		
Employee Contributions - Due from Other Trust Fund		9,098
		309,417
Decreased by:		
Unemployment Claims Due to State		31,385
Balance, December 31, 2022	$	278,032

EXHIBIT B-9

BOROUGH OF MONTVALE
OTHER RECEIVABLES
OTHER TRUST FUND

Increased by:	
Forfeited Funds Due from County of Bergen	$ 16,806
Balance, December 31, 2023	$ 16,806

EXHIBIT B-10

DUE TO UNEMPLOYMENT INSURANCE TRUST FUND
OTHER TRUST FUND

Increased by:	
Employee Unemployment Payroll Deductions	$ 9,098
Balance, December 31, 2023	$ 9,098

EXHIBIT B-11

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

Balance, December 31, 2022		$ 5,121
Increased by:		
Police Outside Duty Administration Fees Due Current Fund	$ 33,938	
Interest on Deposits	2,865	
		36,803
		41,924
Decreased by:		
Payments to Current Fund	6,475	
Receipts Deposited in Current Fund - Miscellaneous Reserves and Deposits	13,638	
		20,113
Balance, December 31, 2023		$ 21,811

Analysis of Balance:

Due to Current Fund - Developers' Accutrak Trust Account-Interest	$ 261
Due to Current Fund - Police Outside Detail	33,938
Due from Current Fund - Affordable Housing Trust	(12,388)
	$ 21,811

EXHIBIT B-12

STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND

Balance, December 31, 2022		$ 1,000,037
Increased by:		
Developers' Deposits	$ 403,842	
Developers' Interest Earned	4,143	
		407,985
		1,408,022
Decreased by:		
Cash Disbursements		349,391
Balance, December 31, 2023		$ 1,058,631

EXHIBIT B-13

BOROUGH OF MONTVALE
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND

Balance, December 31, 2022		$ 65,540
Increased by:		
Deposits:		
Payroll Deductions		2,634,779
		2,700,319
Decreased by:		
Disbursements:		
Payroll Deductions	$ 2,647,056	
Due to Unemployment Insurance Trust Fund - Employee Contributions	9,098	
		2,656,154
Balance, December 31, 2023		$ 44,165

EXHIBIT B-14

STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND

	Balance, December 31, 2022	Receipts	Disbursements	Balance, December 31, 2023
Engineering Fee Deposits	$ 36,269	$ 31,290	$ 15,299	$ 52,260
Planning Board Deposits	20,944		20,944	-
Affordable Housing Trust Fees	505,389	672,718	64,240	1,113,867
POAA Fees	770	202		972
Special Police Outside Duty Fees	96,390	889,261	985,651	-
Tax Sale Premiums	30,500	25,500		56,000
Disposal of Forfeited Property		16,806		16,806
Celebration of Public Events Donations	83			83
Public Defender Fees	2,843	900		3,743
Performance Bond Deposits	58,442	89,010	4,040	143,412
DARE Program Donations	1,202		1,202	-
Uniform Fire Safety Act Penalty Monies	52,244	14,554	9,121	57,677
Fire Training/Equipment UFSA Penalty Monies	4,864			4,864
Historic Preservation Donations	1,621			1,621
Flex Spending Account Deposits	2,669	2,400	2,249	2,820
Vision Benefit Deposits	3,991	5,000	6,551	2,440
Donations - Public Improvements		6,600		6,600
Recreation Fees	92,408	159,607	186,137	65,878
Self Insurance - Employee Health Ins. Deductibles	50,000		50,000	-
North/South Park-Improvement Donations	12,867			12,867
Miscellaneous Deposits	543			543
Storm Recovery Reserves	225,283			225,283
Community Policing Program Donations	12,491	5,850	9,956	8,385
	$ 1,211,813	$ 1,919,698	$ 1,355,390	$ 1,776,121
Cash Receipts		$ 1,889,254		
Other Receivables		16,806		
Due from Current Fund		13,638		
Cash Disbursed			$ 1,321,452	
Due to Current Fund		-	33,938	
		$ 1,919,698	$ 1,355,390	

EXHIBIT B-15

BOROUGH OF MONTVALE
STATEMENT OF NET PAYROLL PAYABLE
OTHER TRUST FUND

Increased by:		
Net Payroll Deposits		$ 4,913,908
Decreased by:		
Disbursements - Net Payroll		$ 4,913,908

EXHIBIT B-16

STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND

Increased by:		
2023 Levy	$ 111,460	
2023 Added Levy	768	
		$ 112,228
Decreased by:		
Receipts from Current Fund		$ 112,228

EXHIBIT B-17

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

Balance, December 31, 2022		$ 251,803
Increased by:		
Cash Receipts from Contributions and Reimbursements	$ 10,000	
Due from Current Fund		
2023 Levy	111,460	
2023 Added Levy	768	
		122,228
		374,031
Decreased by:		
Cash Disbursements for Expenditures	106,755	
Encumbrances Payable	7,765	
		114,520
Balance, December 31, 2023		$ 259,511

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

Balance, December 31, 2022	$ 20,485
Increased by:	
Charges to Reserve for Open Space Preservation	7,765
	28,250
Decreased by:	
Cash Disbursements	20,485
Balance, December 31, 2023	$ 7,765

GENERAL CAPITAL FUND

BOROUGH OF MONTVALE
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2022		$ 3,431,462
Increased by:		
Premium on Bond Anticipation Notes Issued	$ 37,095	
Grant Receivable	147,000	
Receipts from Current Fund	297,613	
Reserve for Improvement of Fields	69,372	
Bond Anticipation Notes Issued	4,030,000	
		4,581,080
		8,012,542
Decreased by Disbursements:		
Payments Made for Current Fund	122,613	
Improvement Authorizations	544,406	
Encumbrances Payable	2,004,226	
		2,671,245
Balance, December 31, 2023		$ 5,341,297

BOROUGH OF MONTVALE
ANALYSIS OF GENERAL CAPITAL CASH

Fund Balance		$ 39,008
Encumbrances Payable		2,245,211
Capital Improvement Fund		37,291
Reserve for Payment of Debt		522,082
Reserve for Improvement of Fields		183,599
Excess Note Proceeds		147,000
Ord. No.	Improvement Description	
1425	Various Capital Improvements - 2017	19,849
1447	Various Capital Improvements - 2018	321,318
1470	Various Capital Improvements - 2019	97,173
1482	Various Capital Improvements - 2020	34,533
1497	Various Capital Improvements - 2021	349,084
1519	Various Capital Improvements - 2022	312,592
1524	Acquisition of 127 Summit Avenue	21,692
1535	Various Capital Improvements - 2023	836,034
1537	Acquisition of Property - 53 Craig Road	174,194
1541	Acquisition of Computer Equipment	637
		$ 5,341,297

EXHIBIT C-4

BOROUGH OF MONTVALE
STATEMENT OF GRANTS RECEIVABLE

Ord. No.	Grantor	Balance, December 31, 2022	2023 Grant Awards	Grant Receipts	Balance, December 31, 2023	Balance Pledged to: Reserve
1535	NJ Dept. of Transportation - Summit Ave.		$ 196,000	$ 147,000	$ 49,000	$ 49,000
1535	NJ Dept. of Transportation - Terkuile Rd.	-	180,540	-	180,540	180,540
		$ -	$ 376,540	$ 147,000	$ 229,540	$ 229,540

EXHIBIT C-5

STATEMENT OF DUE FROM CURRENT FUND

Increased by:		
Payments Made for Current Fund	$ 122,613	
Budget Appropriation - Capital Improvement Fund	395,000	
		$ 517,613
Decreased by:		
Anticipated Revenue - Capital Surplus	20,000	
Anticipated Revenue - Reserve for Field Maintenance	50,000	
Anticipated Revenue - Reserve for Retirement of Debt	150,000	
Cash Received from Current Fund	297,613	
		$ 517,613

EXHIBIT C-6

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2022	$ 11,970,000
Decreased by:	
2023 Budget Appropriation to Pay Bonds	1,290,000
Balance, December 31, 2023	$ 10,680,000

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

Ord. No.	Improvement Description	Balance, December 31, 2022	2023 Authorizations	Grant Receipts	Balance, December 31, 2023	Analysis of Balance, December 31, 2023: Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1470	Various Capital Improvements - 2019	$ 2,815			$ 2,815	$ 2,815		
1482	Various Capital Improvements - 2020	55,999			55,999	55,235		$ 764
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	4,380,950		
1535	Various Capital Improvements - 2023		$ 2,735,500	$ 147,000	2,588,500	2,588,500		
1537	Acquisition of Property - 53 Craig Road	-	4,900,000	-	4,900,000	-	-	4,900,000
		$ 6,045,264	$ 7,635,500	$ 147,000	$ 13,533,764	$ 8,633,000	$ -	$ 4,900,764

Bond Anticipation Notes		$ 8,780,000
Less: Excess Note Proceeds Ordinance No. 1535	147,000	
		147,000
		$ 8,633,000

Improvement Authorizations - Unfunded			$ 6,108,430
Less: Unexpended Bond Anticipation Note Proceeds			
Ordinance No.	1470	$ 2,815	
	1482	34,533	
	1519	312,592	
	1524	21,692	
	1535	836,034	
			1,207,666
			$ 4,900,764

BOROUGH OF MONTVALE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ord. Amount	Balance, December 31, 2022 Funded	Balance, December 31, 2022 Unfunded	2023 Authorizations Deferred Charges Unfunded	2023 Authorizations Down Payment or Capital Improvement Fund	Cancelled Encumbrances	Expended	Balance, December 31, 2023 Funded	Balance, December 31, 2023 Unfunded
	General Improvements									
1425	Various Capital Improvements - 2017	$ 1,250,000	$ 20,663					$ 814	$ 19,849	
1447	Various Capital Improvements - 2018	1,750,000	384,114					62,796	321,318	
1470	Various Capital Improvements - 2019	2,475,000	343,222	$ 2,815				248,864	94,358	$ 2,815
1482	Various Capital Improvements - 2020	2,250,000		27,936			$ 7,361			35,297
1497	Various Capital Improvements - 2021	2,270,000	599,129					250,045	349,084	
1519	Various Capital Improvements - 2022	1,690,000		359,585				46,993		312,592
1524	Acquisition of Property - 127 Summit Ave.	4,600,000		74,662				52,970		21,692
1535	Various Capital Improvements - 2023	2,848,000			$ 2,735,500	$ 112,500		2,011,966		836,034
1537	Acquisition of Property - 53 Craig Road	5,150,000			4,900,000	250,000		75,806	174,194	4,900,000
1541	Acquisition of Computer Equipment	40,000	-	-	-	40,000	-	39,363	637	-
			$ 1,347,128	$ 464,998	$ 7,635,500	$ 402,500	$ 7,361	$ 2,789,617	$ 959,440	$ 6,108,430

Cash Disbursements	$ 544,406
Encumbrances Payable	2,245,211
	$ 2,789,617

EXHIBIT C-9

BOROUGH OF MONTVALE
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2022		$ 2,011,587
Increased by:		
Charges to Improvement Authorizations		2,245,211
		4,256,798
Decreased by:		
Payments	$ 2,004,226	
Cancelled Encumbrances Restored to Improvement Authorizations	7,361	
		2,011,587
Balance, December 31, 2023		$ 2,245,211

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	$ 44,791
Increased by:	
Budget Appropriation Due from Current Fund	395,000
	439,791
Decreased by:	
Appropriation to Finance Improvement Authorizations	402,500
Balance, December 31, 2023	$ 37,291

EXHIBIT C-11

BOROUGH OF MONTVALE
STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2022	$ 672,082
Decreased by:	
Due to Current Fund as Anticipated Revenue	150,000
Balance, December 31, 2023	$ 522,082

EXHIBIT C-12

STATEMENT OF RESERVE FOR IMPROVEMENT OF FIELDS

Balance, December 31, 2022	$ 164,227
Increased by:	
Cash Receipts - Field Use Fees	69,372
	233,599
Decreased by:	
Due to Current Fund as Anticipated Revenue	50,000
Balance, December 31, 2023	$ 183,599

BOROUGH OF MONTVALE
STATEMENT OF GENERAL SERIAL BONDS

Issue	Date of Issue	Original Issue	Maturity of Bonds Outstanding December 31, 2023 Date	Amount	Interest Rate	Balance, December 31, 2022	Increase	Decrease	Balance, December 31, 2023
General Improvement	8/23/2018	$ 9,305,000	8/15/2024	$ 760,000	5.00 %				
			8/15/2025	765,000	5.00				
			8/15/2026	770,000	4.00				
			8/15/2027	770,000	3.00				
			8/15/2028-29	775,000	3.00				
			8/15/2030	795,000	3.00	$ 6,170,000		$ 760,000	$ 5,410,000
General Improvement	8/15/2021	6,160,000	8/15/2024	550,000	0.05				
			8/15/2025	580,000	2.00				
			8/15/2026	625,000	2.00				
			8/15/2027	670,000	2.00				
			8/15/2028	695,000	2.00				
			8/15/2029	720,000	2.00				
			8/15/2030-31	715,000	2.00	5,800,000	-	530,000	5,270,000
						$ 11,970,000	$ -	$ 1,290,000	$ 10,680,000
						Paid by Budget Appropriation		$ 1,290,000	
								$ 1,290,000	

EXHIBIT C-14

BOROUGH OF MONTVALE
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2022	Increase	Decrease	Balance, December 31, 2023
1470	Various Capital Improvements - 2019	7/14/2023	7/13/2023	4/11/2024	4.50%		$ 2,815		$ 2,815
1482	Various Capital Improvements - 2020	7/14/2023	7/13/2023	4/11/2024	4.50%		55,235		55,235
1519	Various Capital Improvements - 2022	10/20/2022	10/20/2022	7/14/2023	3.52%	$ 369,050		$ 369,050	
		7/14/2023	7/13/2023	4/11/2024	4.50%		1,605,500		1,605,500
1524	Acquisition of Property - 127 Summit Ave.	10/20/2022	10/20/2022	7/14/2023	3.52%	4,380,950		4,380,950	
		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	7/13/2023	4/11/2024	4.50%	-	2,735,500	-	2,735,500
						$ 4,750,000	$ 8,780,000	$ 4,750,000	$ 8,780,000

	Increase	Decrease
Renewals	$ 4,750,000	$ 4,750,000
Issued for Cash	4,030,000	-
	$ 8,780,000	$ 4,750,000

EXHIBIT C-15

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

Ord. No.	Purpose	Balance, December 31, 2022	2023 Authorizations	Bond Anticipation Notes Issued	Balance, December 31, 2023
1470	2019 Various Capital Improvements	$ 2,815		$ 2,815	
1482	2020 Various Capital Improvements	55,999		55,235	$ 764
1519	Various Capital Improvements - 2022	1,236,450		1,236,450	
1535	Various Capital Improvements - 2023		$ 2,735,500	2,735,500	
1537	Acquisition of Property - 53 Craig Road	-	4,900,000	-	4,900,000
		$ 1,295,264	$ 7,635,500	$ 4,030,000	$ 4,900,764

PUBLIC ASSISTANCE FUND

EXHIBIT D-1

BOROUGH OF MONTVALE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

	Account #1	Account #2	Total
Balance, December 31, 2022	$ 35	$ 4,789	$ 4,824
Decreased by:			
Disbursements	-	1,665	1,665
Balance, December 31, 2023	$ 35	$ 3,124	$ 3,159

EXHIBIT D-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	Account #1	Account #2	Total
Balance, December 31, 2022	$ 35	$ 4,789	$ 4,824
Decreased by:			
Expenditures	-	1,665	1,665
Balance, December 31, 2023	$ 35	$ 3,124	$ 3,159

EXHIBIT D-3

BOROUGH OF MONTVALE
STATEMENT OF PUBLIC ASSISTANCE REVENUES

	Account #1	Account #2	Total
State Aid Payments	-	$ -	$ -
Total Revenues/Receipts	$ -	$ -	$ -

EXHIBIT D-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

	Account #1	Account #2	Total
Current Year Assistance (Reported):			
Maintenance Payments	-	$ 1,665	$ 1,665
Total Expenditures/Disbursements	$ -	$ 1,665	$ 1,665

BOROUGH OF MONTVALE

BERGEN COUNTY, NEW JERSEY

PART II

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2023

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 as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2024. 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.

17-17 ROUTE 208 FAIR LAWN, NJ 07410 • TELEPHONE (201) 791-7100 • FACIMILE (201) 791-3035
WWW.LVBCPA.COM

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
July 29, 2024

SCHEDULE A

BOROUGH OF MONTVALE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Funding Department	Account Number	AL Number	Grant Period	Grant Award Amount	2023 Grant Receipts	Balance, January 1, 2023	Revenue Realized	Expenditures	Balance, December 31, 2023	(Memo) Cumulative Expenditures
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	$ 14,000	$ 7,000		$ 14,000	$ 6,397	$ 7,603	$ 6,397
Distracted Driving Incentive	N/A	20.616	2023	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		$ 2,780	-	-	2,780	
						$ 2,780	$ 21,000	$ 13,397	$ 10,383	

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, 2023

State Grant Program	Account Number	Grant Year	Grant Award	2023 Grant Receipts	Balance, January 1, 2023	Revenue Realized	Expended	Adjustments	Balance, December 31, 2023	(Memo) Cumulative Expenditures
Clean Communities Grant	042-4900-765-004	2023	$ 21,330	$ 21,330		$ 21,330			$ 21,330	
		2022	19,017		$ 19,017				19,017	
		2021	18,120		18,120		$ 5,567		12,553	$ 5,567
		2020	17,029		8,426		8,426		-	17,029
Recycling Tonnage Grant	042-4900-752-001	2024	13,196						-	
		2023	14,991	14,991		14,991			14,991	
		2022	15,144		15,144				15,144	
		2021	15,584		15,584		6,389		9,195	6,389
		2019	22,561		8,602		8,602		-	22,561
Municipal Drug and Alcohol Alliance Program (Passed Through County of Bergen)	N/A	2024	439	439						
		2022	3,836	3,836	3,836		3,420		416	3,420
		2021	3,126		1,162			$ (1,162)	-	3,126
Body-Worn Camera Grant Program	21-BWC-281	2022	30,570	30,570	-				-	30,570
NJDCA - Local Recreation Improvement Grant	N/A	2022	40,000		40,000				40,000	
NJDEP - Stormwater Assistance Grant	N/A	2023	25,000	15,000		25,000			25,000	
Spotted Lanternfly Prevention and Mitigation	010-3320-100-130	2023	15,000	5,520					-	
Body Armor Grant	066-1020-718-001	2024	2,164	2,164					-	
		2023	6,804			6,804			6,804	-
Alcohol Education and Rehabilitation Fund	098-9735-760-001	2023	4,024	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				1,875	162
		2015	1,965		10				10	1,955
Drunk Driving Enforcement Fund	1110-448-031020-22	2021	4,267		4,267				4,267	-
		2019	9,805		7,827				7,827	1,978
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										
Summit Avenue (Ord. #1535)	078-6320-480-A01	2023	196,000	147,000		196,000	196,000		-	196,000
Terkuile Road (Ord. #1535)	078-6320-480-XXX	2023	180,540			180,540	41,750		138,790	41,750
Various Streets	078-6320-480-XXX	2021	210,000		37,935	-	-	-	37,935	172,065
					$ 191,420	$ 448,689	$ 270,154	$ (1,162)	$ 368,793	

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, 2023

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 Principals, 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:

	Federal	State	Total
Current Fund	$ 21,000	$ 72,149	$ 93,149
General Capital Fund	-	376,540	376,540
	$ 21,000	$ 448,689	$ 469,689

BOROUGH OF MONTVALE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023

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, 2023

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements	Modified - Unaudited LOSAP Fund
Internal control over financial reporting:	
1) Material weakness(es) identified	____ yes X no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	____ yes X none reported
Noncompliance material to the financial statements noted?	____ yes X 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, 2023

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, 2023

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, 2023

BOROUGH OF MONTVALE
SUPPLEMENTARY DATA

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

	Year 2023 Amount	Year 2023 Percent	Year 2022 Amount	Year 2022 Percent
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	$ 4,160,000	6.31 %	$ 3,800,000	6.03 %
Miscellaneous - From Other Than Local Property Tax Levies	5,498,614	8.34	5,240,125	8.31
Collection of Delinquent Taxes Tax and Tax Title Liens	239,659	0.36	474,553	0.75
Collection of Current Tax Levy	54,908,790	83.32	52,601,342	83.47
Other Credits to Income	1,103,661	1.67	906,655	1.44
Total Income	65,910,724	100.00 %	63,022,675	100.00 %
EXPENDITURES				
Budget Expenditures Municipal Purposes	20,202,073	33.02 %	19,753,488	33.59 %
County Taxes	6,459,246	10.56	6,147,600	10.45
Local & Regional School Taxes	34,358,236	56.16	32,744,513	55.68
Municipal Open Space Taxes	112,228	0.18	107,627	0.18
Other Expenditures	47,822	0.08	56,974	0.10
Total Expenditures	61,179,605	100.00 %	58,810,202	100.00 %
Excess in Revenue	4,731,119		4,212,473	
Adjustments to Income before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	-		200,000	
Statutory Excess to Fund Balance	4,731,119		4,412,473	
Fund Balance, January 1	5,988,687		5,376,214	
	10,719,806		9,788,687	
Less: Utilization as Anticipated Revenue	4,160,000		3,800,000	
Fund Balance, December 31	$ 6,559,806		$ 5,988,687	

BOROUGH OF MONTVALE
SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate Information

	2023		2022		2021	
Tax Rate	$	2.464	$	2.471	$	2.458
Apportionment of Tax Rate						
Municipal	$	0.591	$	0.580	$	0.578
Library		0.037		0.039		0.037
Municipal Open Space		0.005		0.005		0.005
County		0.276		0.275		0.276
County Open Space		0.013		0.012		0.012
Local School		0.865		0.854		0.851
Regional High School		0.677		0.706		0.699
Assessed Valuation						
2023	$	2,229,195,725				
2022			$	2,098,500,325		
2021					$	2,079,574,689

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.

Year		Tax Levy		Cash Collections	Percentage of Collection
2023	$	55,323,284	$	55,008,790	99.43%
2022		53,210,332		52,801,342	99.23%
2021		51,554,090		51,317,709	99.54%

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, Year	Amount of Delinquent Taxes	Amount of Tax Title Liens	Total Delinquent	Percentage of Tax Levy
2023	$ 239,011	$ 62,468	$ 301,479	0.54%
2022	241,650	52,035	293,685	0.55%
2021	160,017	41,572	201,589	0.39%

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:

Year	Amount
2023	$29,400
2022	29,400
2021	29,400

Comparative Schedule of Fund Balances

	Year	Balance, December 31	Utilized In Budget of Succeeding Year
Current Fund	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
	2019	4,713,174	4,100,000

BOROUGH OF MONTVALE
SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

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

Name	Title
Michael Ghassali	Mayor
Doug Arendacs	Council President
Theresa Cudequest	Councilwoman
Dieter Koelling	Councilman
Timothy Lane	Councilman
Christopher Roche	Councilman
AnnMarie Russo-Vogelsang	Councilwoman
Joseph Voytus	Administrator
Matthew A. Cavallo	Chief Financial Officer
David S. Lafferty, Esq.	Attorney
Christine Kalafut	Treasurer
Fran Scordo	Borough Clerk/Tax Collector
Ray Tighe	Tax Assessor
Christopher Gruber	Building Code Official
Douglas McDowell	Chief of Police
Giulia Bombace	Library Director
Harry D. Norton, Jr.	Magistrate
Ann Levitzki	Court Administrator
Brian Eyerman	Prosecutor
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 –** We noted certain Chapter 159 special item of revenues and appropriations were not recorded in the Borough's budget appropriation report.

  Recommendation – Chapter 159 special item of revenues and appropriations be recorded in the budget appropriations report.

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 2023. 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 construction of:

Road Improvements
Municipal Building HVAC Installation
Pickleball Court Resurfacing and Net Installation

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, 2023 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 2023, 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 26, 2023.

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

December 31,	Number of Liens
2023	4
2022	4
2021	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.
- Consideration should be given to review and clear of record old prior year open purchase orders (accounts payable) in the Current 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 Chapter 159 special item of revenues and appropriations be recorded in the budget appropriations report.

* * * * * * * * * *

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