

BOROUGH OF TENAFLY
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

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BOROUGH OF TENAFLY

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Tenafly
Tenafly, 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 Tenafly, as of December 31, 2021 and 2020, 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, 2021, 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 Tenafly as of December 31, 2021 and 2020, 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, 2021 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 Tenafly as of December 31, 2021 and 2020, 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 Tenafly 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, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 16 percent and 14 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2021 and 2020, 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 Tenafly 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 Tenafly’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 Tenafly'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 Tenafly'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 Tenafly 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 Tenafly. 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.

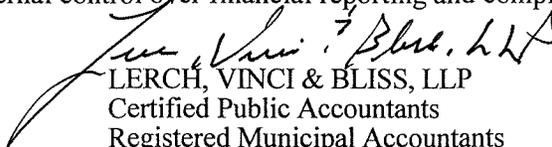
Other Information

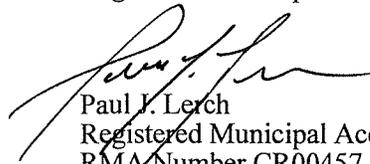
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements 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 August 1, 2022 on our consideration of the Borough of Tenafly'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 Tenafly'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 Tenafly's internal control over financial reporting and compliance.


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


 Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR00457

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	A-4	\$ 9,282,654	\$ 10,055,409
Cash - Change Funds	A-5	375	375
Cash- Petty Cash	A-6	8,736	8,736
Grants Receivable	A-12	<u>12,616</u>	<u>12,655</u>
		<u>9,304,381</u>	<u>10,077,175</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	643,450	650,962
Tax Title Lien Receivable	A-10	1,362	887
Property Acquired for Taxes - Assessed Valuation	A-9	18,200	18,200
Due From Other Trust Fund	B-18	2,479	2,413
Due From Animal Control Trust Fund	B-6	<u>1,935</u>	<u>2,583</u>
Sub Total		<u>667,426</u>	<u>675,045</u>
Deferred Charges			
Emergency	A-26	167,000	
COVID Emergency	A-25	<u>200,000</u>	<u>200,000</u>
Sub Total		<u>367,000</u>	<u>200,000</u>
Total Assets		<u>\$ 10,338,807</u>	<u>\$ 10,952,220</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 1,387,899	\$ 1,534,534
Encumbrances Payable	A-14	606,275	932,429
Accounts Payable	A-21	81,044	17,453
Due to Other Trust Fund- Other	B-8	65,000	65,000
Due to State - Senior Citizen and Veterans Deductions	A-7	4,394	2,734
Due to State - DCA Training Fees	A-27	4,319	
Prepaid Taxes	A-15	826,534	1,299,734
Tax Overpayments	A-20	187,995	259,959
County Taxes Payable	A-18	61,655	96,319
Appropriated Reserve for Grants	A-22	121,799	114,061
Unappropriated Reserve for Grants	A-23	787,319	32,919
Miscellaneous Reserves	A-24	<u>533,998</u>	<u>949,876</u>
		4,668,231	5,305,018
Reserve for Receivables	A	667,426	675,045
Fund Balance	A-1	<u>5,003,150</u>	<u>4,972,157</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,338,807</u>	<u>\$ 10,952,220</u>

BOROUGH OF TENAFLY
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,565,000	\$ 2,690,000
Miscellaneous Revenues Anticipated	A-2	2,964,861	2,805,544
Receipts from Delinquent Taxes	A-2	637,156	676,858
Receipts from Current Taxes	A-2	106,593,129	104,537,153
Non-Budget Revenues	A-2	365,084	155,449
Other Credits to Income			
Interfunds Returned	A	4,996	1,612
Statutory Excess	B-4	1,935	2,583
Unexpended Balance of Appropriation Reserves	A-13	756,939	958,756
Deferred Charge - COVID Emergency	A-25	-	200,000
		<u>113,889,100</u>	<u>112,027,955</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	11,293,185	11,394,691
Other Expenses	A-3	11,957,571	11,636,548
Capital Improvements	A-3	442,000	255,000
Municipal Debt Service	A-3	3,123,705	3,011,030
Deferred Charges and Statutory Expenditures	A-3	2,750,392	2,638,080
Local District School Tax	A-16	69,639,197	68,298,178
County Taxes including Added Taxes	A-17, A-18	11,747,545	11,832,057
Municipal Open Space Taxes incl/Added Taxes	A-19	405,173	404,402
Prior Year Senior Discount Disallowed	A-7	250	-
Adjustment - Prior Year Taxes Due County for Added Taxes	A-18	5,670	
Interfunds Advanced	A	4,414	
Refund of Prior Year Revenue	A-4	91,005	4,996
		<u>111,460,107</u>	<u>109,474,982</u>
Total Expenditures			
Excess in Revenue		2,428,993	2,552,973
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget			
of Succeeding Year			
	A-26	<u>167,000</u>	<u>-</u>
Statutory Excess in Revenue		2,595,993	2,552,973
Fund Balance, January 1	A	<u>4,972,157</u>	<u>5,109,184</u>
		7,568,150	7,662,157
Decreased by:			
Utilization as Anticipated Revenues	A-1	<u>2,565,000</u>	<u>2,690,000</u>
Fund Balance, December 31,	A	<u>\$ 5,003,150</u>	<u>\$ 4,972,157</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 2,565,000	\$ 2,565,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	16,000	27,265	\$ 11,265
Other	A-2	14,000	14,420	420
Fees and Permits				
Other	A-2	150,000	169,193	19,193
Fines and Costs				
Municipal Court	A-11	75,000	82,760	7,760
Interest and Costs on Taxes	A-11	200,000	198,978	(1,022)
Interest on Investments	A-2	115,000	42,222	(72,778)
Rental of Borough Owned Property	A-11	25,000	53,500	28,500
Use of Sewer System Agreements	A-11	35,000	41,499	6,499
Borough Operated Alarm Systems	A-11	40,000	39,630	(370)
Energy Receipts Taxes	A-11	1,119,801	1,119,801	-
Uniform Construction Code Fees	A-11	425,000	665,835	240,835
State and Federal Grants Offset with Appropriations-				
Municipal Alliance on Alcoholism and Drug Abuse	A-12	4,938	4,938	-
Body Armor Fund	A-12	2,587	2,587	-
Clean Communities- Reserve	A-23	27,438	27,438	-
JIF Safety Grant- Reserve	A-23	2,500	2,500	-
Bulletproof Vest - Reserve	A-23	2,981	2,981	-
Drunk Driving Enforcement Fund	A-12	2,270	2,270	-
Recycling Tonnage Grant	A-12	24,603	24,603	-
Uniform Fire Safety Act	A-11	15,000	17,791	2,791
Cable TV Franchise Fee	A-11	168,547	168,547	-
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	30,000	44,009	14,009
Sewer Charges - Tax Exempt Properties	A-11	22,000	19,002	(2,998)
Payment in Lieu of Taxes - Tenafly House	A-11	20,000	26,800	6,800
Cell Tower/Monopole Lease	A-11	150,000	166,292	16,292
Total Miscellaneous Revenues	A-1	<u>2,687,665</u>	<u>2,964,861</u>	<u>277,196</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>585,000</u>	<u>637,156</u>	<u>52,156</u>
AMOUNT TO BE RAISED BY TAXATION:				
Local Tax for Municipal Purposes		23,810,086	25,049,112	1,239,026
Minimum Library Tax		<u>1,552,102</u>	<u>1,552,102</u>	<u>-</u>
Total Amount to be Raised by Taxation	A-2	<u>25,362,188</u>	<u>26,601,214</u>	<u>1,239,026</u>
Total General Revenues		<u>\$ 31,199,853</u>	<u>\$ 32,768,231</u>	<u>\$ 1,568,378</u>
Non-Budget Revenues	A-1,A-2		<u>365,084</u>	
			<u>\$ 33,133,315</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	
Analysis of Realized Revenue		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 106,793,129
Less: Reserve for Tax Appeals	A-24	<u>200,000</u>
	A-1	106,593,129
Less: Allocated to School, County Taxes and Open Space	A-16,A-17,A-18, A-19	<u>81,791,915</u>
Add: Reserve for Uncollected Taxes	A-3	<u>1,800,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 26,601,214</u>
Licenses		
Clerk	A-11	\$ 3,430
Board of Health	A-11	<u>10,990</u>
	A-2	<u>\$ 14,420</u>
Fees and Permits		
Clerk	A-11	\$ 908
Police	A-11	3,189
Board of Health	A-11	2,450
Finance-Admin	A-11	43,285
Fire Prevention	A-11	34,994
Construction Code- Miscellaneous	A-11	59,847
Board of Adjustment/Planning Board	A-11	<u>24,520</u>
	A-2	<u>\$ 169,193</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 30,893
Due from General Capital	C-10	8,219
Due from Animal Control Fund	B-6	77
Due from Other Trust Fund - Miscellaneous Reserves	B-8	1,467
Due from Recreation Trust Fund	B-19	657
Due from Other Trust Fund- Escrow	B-18	539
Due from Other Trust Fund- Police Outside Duty	B-17	24
Due from Other Trust- Payroll	B-20	<u>346</u>
	A-2	<u>\$ 42,222</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF TENAFLY
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	
Non-Budget Revenue		
Recycling Cardboard/Miscellaneous	\$	65,159
Returned Check Fee		760
Prior Year Police Outside Duty		165,430
Sale of Fire Truck and Other Various Properties		59,585
LOSAP Forfeiture		31,138
Other		<u>43,012</u>
	A-2,A-4	<u>\$ 365,084</u>

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS"					
General Government					
Administrative and Executive					
Salaries and Wages					
Administrator's Office	\$ 254,078	\$ 248,078	\$ 247,021	\$ 1,057	
Borough Clerk's Office	212,575	182,575	175,082	7,493	
Other Expenses					
Administrator's Office	196,005	172,205	144,269	27,936	
Borough Clerk's Office	54,350	45,850	23,314	22,536	
Postage	30,000	30,000	27,665	2,335	
Photocopy Expense	35,612	43,212	43,173	39	
Human Resources					
Salaries and Wages	100,000	80,000	74,955	5,045	
Other Expenses	11,300	11,300	2,787	8,513	
Mayor and Council					
Salaries and Wages	23,000	23,000	23,000	-	
Other Expenses	16,500	16,500	5,751	10,749	
Elections					
Salaries and Wages	7,500	7,500	6,268	1,232	
Other Expenses	16,200	16,200	14,669	1,531	
Financial Administration					
Salaries and Wages	265,189	265,189	251,558	13,631	
Audit/Other Expenses	69,575	67,075	64,365	2,710	
Revenue Administration					
Salaries and Wages	105,055	102,555	96,815	5,740	
Other Expenses	45,089	43,089	40,369	2,720	
Assessment of Taxes					
Salaries and Wages	136,094	136,094	135,094	1,000	
Other Expenses	28,665	21,165	3,826	17,339	
Legal Services and Costs					
Other Expenses	264,000	349,000	256,496	92,504	
Engineering Services and Costs					
Other Expenses	114,000	97,000	40,845	56,155	
Historic Preservation Commission					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	15,050	15,050	9,495	5,555	
Municipal Land Use Law:					
Planning Board					
Salaries and Wages	6,800	6,800	3,500	3,300	
Other Expenses	36,775	56,775	37,365	19,410	
Zoning Board of Adjustment					
Salaries and Wages	3,000	3,000	3,000	-	
Other Expenses	35,680	27,680	21,897	5,783	
Insurance					
Liability	379,132	390,632	389,995	637	
Surety Bond Premiums	2,250	2,250	-	2,250	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS" (Cont'd)					
Insurance (Continued)					
Worker's Compensation	\$ 327,314	\$ 327,314	\$ 327,314	-	
Group Insurance Plan for Employees	2,013,000	1,940,500	1,879,977	\$ 60,523	
Unemployment	40,000	40,000	40,000	-	
Deductible	1,500	1,500	-	1,500	
Public Safety					
Police					
Salaries and Wages	5,911,754	6,093,741	6,038,781	54,960	
Other Expenses	268,373	268,373	206,639	61,734	
Emergency Management Services					
Salaries and Wages	4,600	4,600	3,999	601	
Other Expenses	19,600	19,600	16,700	2,900	
Aid to Volunteer Fire Company					
Salaries and Wages	142,814	142,814	132,584	10,230	
Other Expenses	13,600	10,600	4,305	6,295	
Aid to Volunteer Ambulance Corps					
Salaries and Wages	21,216	18,716	18,445	271	
Other Expenses	209,500	206,000	192,131	13,869	
Fire Department					
Salaries and Wages	21,525	21,525	20,203	1,322	
Other Expenses	331,450	323,450	289,663	33,787	
Fire Hydrant Services	253,000	238,000	232,831	5,169	
Municipal Prosecutor					
Other Expenses	15,000	15,000	12,900	2,100	
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages	2,202,718	2,202,718	2,101,043	101,675	
Other Expenses	510,100	510,100	464,632	45,468	
Solid Waste Collections					
Contract-Collections	895,000	890,000	890,000	-	
Recycling Center					
Salaries and Wages	444,033	444,033	423,550	20,483	
Other Expenses	144,750	144,750	127,167	17,583	
Public Buildings and Grounds					
Salaries and Wages	184,248	187,261	187,097	164	
Other Expenses	350,275	336,175	243,283	92,892	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS" (Cont'd)					
Health and Welfare					
Board of Health					
Salaries and Wages	\$ 5,000	\$ 5,000	\$ 5,000	-	
Other Expenses	146,064	146,064	120,497	\$ 25,567	
Environmental Commission					
Other Expenses	1,800	1,800	375	1,425	
Animal Welfare					
Other Expenses	14,500	14,500	12,121	2,379	
Mental Health Center					
Other Expenses	7,000	7,000	7,000	-	
Recreation and Education:					
Recreation Commission R.S. 40:12-1					
Salaries and Wages	354,877	309,877	293,854	16,023	
Other Expenses	36,603	26,603	7,646	18,957	
Senior Citizens Center					
Salaries and Wages	98,909	98,909	98,909	-	
Other Expenses	9,300	9,300	4,958	4,342	
Community Support					
Nature Center - Other Expenses	35,000	35,000	35,000	-	
Stigma Free Events - Other Expenses	5,000	5,000	1,290	3,710	
Downtown Committee - Other Expenses	5,000	5,000	-	5,000	
Welcome Committee - Other Expenses	6,500	6,500	1,517	4,983	
Senior Services Committee					
Salaries and Wages	32,460	22,760	21,191	1,569	
Other Expenses	1,750	1,750	307	1,443	
Senior Services Transportation					
Salaries and Wages	87,489	80,489	75,768	4,721	
Other Expenses	6,500	6,500	2,529	3,971	
Parking Lot Rental					
Other Expenses	38,540	38,540	16,732	21,808	
Celebration of Public Events					
Other Expenses	43,500	43,500	28,222	15,278	
Payroll Adjustment	117,000	66,000	4,860	61,140	
PUBLIC SAFETY FUNCTION					
Municipal Court					
Salaries and Wages	130,467	130,467	119,924	10,543	
Other Expenses	14,430	14,430	7,280	7,150	
Public Defender					
Other Expenses	3,550	3,550	1,000	2,550	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
APPROPRIATIONS OFFSET BY					
DEDICATED REVENUES					
(N.J.A.C. 5:23-4-17)					
State Uniform Construction Code					
Construction Code Officials					
Salaries and Wages	\$ 259,917	\$ 259,917	\$ 247,988	\$ 11,929	
Other Expenses	9,540	9,540	3,466	6,074	
Director of Building Department					
Salaries and Wages	128,370	118,370	109,107	9,263	
Other Expenses	6,230	6,230	5,844	386	
Unclassified					
Electricity	214,422	214,422	206,456	7,966	
Street Lighting	168,000	169,500	169,433	67	
Telephone	88,000	84,000	80,391	3,609	
Natural Gas	60,000	60,000	43,943	16,057	
Gasoline	165,500	155,500	140,835	14,665	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
BCUA Disposal Fees	<u>468,000</u>	<u>554,500</u>	<u>551,091</u>	<u>3,409</u>	<u>-</u>
Total Operations Within "CAPS"	<u>19,562,062</u>	<u>19,561,062</u>	<u>18,424,352</u>	<u>1,136,710</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>19,562,062</u>	<u>19,561,062</u>	<u>18,424,352</u>	<u>1,136,710</u>	<u>-</u>
Detail:					
Salaries and Wages	11,264,688	11,265,988	10,922,596	343,392	-
Other Expenses	<u>8,297,374</u>	<u>8,295,074</u>	<u>7,501,756</u>	<u>793,318</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY					
EXPENDITURES - MUNICIPAL WITHIN					
"CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	706,679	707,679	707,656	23	
Social Security System (O.A.S.I.)	562,000	562,000	539,718	22,282	
Police and Firemen's Retirement System of NJ	1,465,713	1,465,713	1,465,713	-	
Defined Contribution Retirement Program	<u>15,000</u>	<u>15,000</u>	<u>14,459</u>	<u>541</u>	<u>-</u>
Total Deferred Charges and Statutory					
Expenditures - Municipal					
Within "CAPS"	<u>2,749,392</u>	<u>2,750,392</u>	<u>2,727,546</u>	<u>22,846</u>	<u>-</u>
Total General Appropriations for					
Municipal Purposes Within "CAPS"	<u>22,311,454</u>	<u>22,311,454</u>	<u>21,151,898</u>	<u>1,159,556</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)	\$ 1,453,458	\$ 1,453,458	\$ 1,353,458	\$ 100,000	
Library Building Maintenance					
Salaries and Wages	27,197	27,197	20,584	6,613	
Other Expenses	71,447	71,447	65,632	5,815	
Bergen County Utilities Authority					
Operations and Maintenance	1,304,427	1,304,427	1,304,427	-	
Debt Service	494,113	494,113	494,113	-	
Reserve for Tax Appeals	194,500	194,500	194,500	-	
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, C. 388)	76,000	76,000	-	76,000	-
Total Other Operations Excluded from "CAPS"	<u>3,621,142</u>	<u>3,621,142</u>	<u>3,432,714</u>	<u>188,428</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Recycling Tonnage Grant - Reserve	24,603	24,603	-	24,603	
Police DWI	2,270	2,270	532	1,738	
Body Armor Fund - Reserve	2,587	2,587	1,311	1,276	
DOJ Bullet Proof Vests	2,981	2,981	1,311	1,670	
Municipal Alliance on Alcoholism and Drug Abuse	4,938	4,938	750	4,188	
Matching Funds - Municipal Alliance	1,235	1,235		1,235	
JIF Grant	2,500	2,500	1,606	894	
Clean Communities Program - Reserve	27,438	27,438	23,127	4,311	-
Total Public and Private Programs Offset by Revenues	<u>68,552</u>	<u>68,552</u>	<u>28,637</u>	<u>39,915</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>3,689,694</u>	<u>3,689,694</u>	<u>3,461,351</u>	<u>228,343</u>	<u>-</u>
Detail:					
Salaries and Wages	27,197	27,197	20,584	6,613	-
Other Expenses	3,662,497	3,662,497	3,440,767	221,730	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	275,000	442,000	442,000	-	-
Total Capital Improvement Fund - Excluded from "CAPS"	<u>275,000</u>	<u>442,000</u>	<u>442,000</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,555,000	2,555,000	2,555,000	-	-
Note Principal	175,500	175,500	175,500	-	-
Interest on Bonds	281,830	281,830	281,830	-	-
Interest on Notes	111,375	111,375	111,375	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>3,123,705</u>	<u>3,123,705</u>	<u>3,123,705</u>	<u>-</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021 Appropriated</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 7,088,399	\$ 7,255,399	\$ 7,027,056	\$ 228,343	-
Subtotal General Appropriations	29,399,853	29,566,853	28,178,954	1,387,899	-
Reserve for Uncollected Taxes	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,800,000</u>	-	-
Total General Appropriations	<u>\$ 31,199,853</u>	<u>\$ 31,366,853</u>	<u>\$ 29,978,954</u>	<u>\$ 1,387,899</u>	<u>\$ -</u>
<u>Reference</u>	A-2			A	
Budget as Adopted	A-2	\$ 31,199,853			
Emergency Authorization	A-26	<u>167,000</u>			
		<u>\$ 31,366,853</u>			
Cash Disbursed	A-4		\$ 27,378,179		
Encumbrances Payable	A-14		606,275		
Reserve for Tax Appeals	A-24		194,500		
Reserve for Uncollected Taxes	A-3		<u>1,800,000</u>		
			<u>\$ 29,978,954</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Animal Control Trust Fund			
Cash	B-3	\$ 28,608	\$ 32,459
Due from State of New Jersey	B-5	<u>-</u>	<u>1</u>
		<u>28,608</u>	<u>32,460</u>
Other Trust Fund			
Cash	B-3	5,462,330	5,496,386
Due from Recreation Trust Fund- Payroll Agency	B-16	30	30
Due from Current Fund - Other Trust Fund	B-8	<u>65,000</u>	<u>65,000</u>
		<u>5,527,360</u>	<u>5,561,416</u>
Unemployment Insurance Trust Fund			
Cash	B-3	<u>71,715</u>	<u>74,296</u>
Recreation Activities Trust Fund			
Cash	B-3	<u>276,062</u>	<u>266,210</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	<u>2,796,248</u>	<u>2,386,540</u>
Length of Service Award Program (Unaudited)			
Investments	B	1,530,137	1,273,858
Contributions Receivable	B	<u>68,932</u>	<u>67,002</u>
		<u>1,599,069</u>	<u>1,340,860</u>
Total Assets		<u>\$ 10,299,062</u>	<u>\$ 9,661,782</u>

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Animal Control Trust Fund			
Reserve for Animal License Expenditures	B-4	\$ 26,673	\$ 29,877
Due to Current Fund	B-6	<u>1,935</u>	<u>2,583</u>
		<u>28,608</u>	<u>32,460</u>
Other Trust Fund			
Due to Current Fund - Escrow Deposits	B-18	2,479	2,413
Reserve for:			
Miscellaneous Reserves	B-12	2,178,421	2,122,481
Escrow Deposits - Construction Fees	B-11	389,913	337,245
Affordable Housing Trust	B-14	2,940,658	3,083,028
Accrued Salary and Wages	B-9	4,468	3,728
Payroll Deductions Payable	B-10	<u>11,421</u>	<u>12,521</u>
		<u>5,527,360</u>	<u>5,561,416</u>
Unemployment Insurance Trust Fund			
Reserve for Unemployment Compensation Insurance	B-7	<u>71,715</u>	<u>74,296</u>
Recreation Activities Trust Fund			
Due to Other Trust Fund- Payroll Agency	B-16	30	30
Reserve for Recreation Expenditures	B-15	<u>276,032</u>	<u>266,180</u>
		<u>276,062</u>	<u>266,210</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Municipal Open Space Expenditures	B-13	<u>2,796,248</u>	<u>2,386,540</u>
Length of Service Award Program (Unaudited)			
Net Position Available for Benefits	B	<u>1,599,069</u>	<u>1,340,860</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,299,062</u>	<u>\$ 9,661,782</u>

BOROUGH OF TENAFLY
STATEMENT OF REVENUES-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Memo)	Realized	Variance
Amount to be Raised by Taxation	\$ 403,055	\$ 405,173	\$ 2,118
Reference	B-2	B-13	

EXHIBIT B-2

STATEMENT OF EXPENDITURES-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget (Memo)	Paid or Charged	Variance
Reserve for Future Use	\$ 403,055	\$ -	\$ 403,055
Reference	B-1	B-13	

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	C-2,C-3	\$ 7,390,185	\$ 2,688,954
Grants / Other Receivable	C-4	558,961	353,710
Deferred Charges to Future Taxation			
Funded	C-5	8,216,000	10,771,000
Unfunded	C-6	<u>21,723,408</u>	<u>13,521,221</u>
 Total Assets		 <u>\$ 37,888,554</u>	 <u>\$ 27,334,885</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	\$ 8,216,000	\$ 10,771,000
Bond Anticipation Notes Payable	C-14	16,861,000	8,910,000
Contracts Payable	C-11	2,746,524	1,835,379
Improvement Authorizations			
Funded	C-8	673,766	1,290,167
Unfunded	C-8	8,177,108	3,893,663
Reserve for:			
Debt Service	C-12	55,520	-
Grants Receivable	C-4	555,528	306,659
Insurance Proceeds	C-13	21,182	-
Capital Improvement Fund	C-9	94,782	79,888
Fund Balance	C-1	<u>487,144</u>	<u>248,129</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 37,888,554</u>	 <u>\$ 27,334,885</u>

There were bonds and notes authorized but not issued at December 31, 2021 and 2020 of \$5,109,925 and \$4,794,000, respectively (Exhibit C-15).

BOROUGH OF TENAFLY
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS -
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, December 31	C	\$ 248,129	\$ 325,961
Increased by:			
Cancellations	C-8	3,222	3,256
Premium on Sale of Notes	C-2	<u>235,793</u>	<u>46,244</u>
		487,144	375,461
Decreased by:			
Appropriate to Finance Improvement Authorizations	C	<u>-</u>	<u>127,332</u>
Balance, December 31	C	<u>\$ 487,144</u>	<u>\$ 248,129</u>

BOROUGH OF TENAFLY
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
General Fixed Assets		
Land	\$ 99,186,540	\$ 98,634,741
Land Improvements	2,302,623	2,219,502
Buildings and Building Improvements	16,146,664	15,611,740
Machinery and Equipment	<u>18,231,424</u>	<u>18,414,327</u>
	<u>\$ 135,867,251</u>	<u>\$ 134,880,310</u>
Investment in General Fixed Assets	<u>\$ 135,867,251</u>	<u>\$ 134,880,310</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tenafly (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, fire protection, recreation and parks, health services, 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, volunteer fire department or volunteer ambulance squad, 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 Tenafly 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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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.

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.

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.

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.

Recreation Activities Trust Fund - This fund is used to account for the receipts and disbursements relating to recreation programs administered by the Recreation Commission.

Municipal 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 open space, recreation and farm land 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.

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.

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, 2020 balances to conform to the December 31, 2021 presentation.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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 Tenafly 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.

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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 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.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Tenafly has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$1,000 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 purchased after December 31, 2010 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, 2010 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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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:

General Capital Fund
Trust Fund (Except Municipal Open Space Preservation Trust Fund)

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 2021 and 2020 the Borough Council did increase the original budget by \$167,000 and \$0. The increase was attributable to an emergency resolution for Capital Improvement Fund. In addition, the governing body approved several budget transfers during 2021 and 2020.

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 all deposits not covered by the FDIC or NCUSIF.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020, the book value of the Borough's deposits were \$25,316,913 and \$21,009,365 and bank and brokerage firm balances of the Borough's deposits amounted to \$26,636,859 and \$21,461,810, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured	\$ 26,214,079	\$ 21,039,203
Uninsured and Collateralized	<u>422,780</u>	<u>422,607</u>
	<u>\$ 26,636,859</u>	<u>\$ 21,461,810</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, the Borough’s bank balances of \$422,780 and \$422,607 were exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 422,780</u>	<u>\$ 422,607</u>

B. Investments

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

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2021 and 2020 the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2021</u>	<u>2020</u>
Investment:		
Lincoln Financial-Length of Service Award Program (Unaudited)	<u>\$ 1,530,137</u>	<u>\$ 1,273,858</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2021 and 2020, \$1,530,137 and \$1,273,858 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 1,530,137</u>	<u>\$ 1,273,858</u>

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services .

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 Tenafly 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.

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, 2021 and 2020 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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Property Taxes	\$ 643,450	\$ 650,962
Tax Title Liens	<u>1,362</u>	<u>887</u>
	<u>\$ 644,812</u>	<u>\$ 651,849</u>

In 2021 and 2020, the Borough collected \$637,156 and \$676,858 from delinquent taxes, which represented 98% and 98%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2021</u>		<u>2020</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 4,414	\$ 65,000	\$ 4,996	\$ 65,000
Animal Control Trust Fund		1,935		2,583
Other Trust Fund - Escrow		2,479		2,413
Other Trust Fund - Misc. Reserves	65,000		65,000	
Other Trust Fund - Payroll Agency	30		30	
Recreation Activities Trust Fund	<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>
Total	<u>\$ 69,444</u>	<u>\$ 69,444</u>	<u>\$ 70,026</u>	<u>\$ 70,026</u>

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

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

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2021</u>			
Current Fund			
COVID Emergency	\$ 200,000	\$ 40,000	\$ 160,000
Emergency	<u>167,000</u>	<u>167,000</u>	<u>-</u>
	<u>\$ 367,000</u>	<u>\$ 207,000</u>	<u>\$ 160,000</u>
<u>2020</u>			
Current Fund			
COVID Emergency	\$ 200,000	\$ -	\$ 200,000

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balance in the Current Fund is 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:

	Fund Balance December 31, <u>2021</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2020</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,623,534	\$ 2,635,000	\$ 4,959,502	\$ 2,565,000
Non-Cash Surplus	<u>379,616</u>	<u>-</u>	<u>12,655</u>	<u>-</u>
	<u>\$ 5,003,150</u>	<u>\$ 2,635,000</u>	<u>\$ 4,972,157</u>	<u>\$ 2,565,000</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020.

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 98,634,741	\$ 551,799		\$ 99,186,540
Land Improvements	2,219,502	83,121		2,302,623
Buildings and Building Improvements	15,611,740	534,924		16,146,664
Machinery and Equipment	18,414,327	913,483	\$ 1,096,386	18,231,424
	<u>\$ 134,880,310</u>	<u>\$ 2,083,327</u>	<u>\$ 1,096,386</u>	<u>\$ 135,867,251</u>
	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land	\$ 98,634,741			\$ 98,634,741
Land Improvements	1,618,756	\$ 600,746		2,219,502
Buildings and Building Improvements	15,159,221	452,519		15,611,740
Machinery and Equipment	15,950,985	2,463,342	-	18,414,327
	<u>\$ 131,363,703</u>	<u>\$ 3,516,607</u>	<u>\$ -</u>	<u>\$ 134,880,310</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 25,077,000	\$ 19,681,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>247,517</u>	<u>182,779</u>
Net Debt Issued	24,829,483	19,498,221
Authorized But Not Issued		
General		
Bonds and Notes	<u>5,109,925</u>	<u>4,794,000</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 29,939,408</u>	<u>\$ 24,292,221</u>

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 0.636% and 0.525% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 30,186,925	\$ 247,517	\$ 29,939,408
School Debt	<u>24,450,000</u>	<u>24,450,000</u>	<u>-</u>
Total	<u>\$ 54,636,925</u>	<u>\$ 24,697,517</u>	<u>\$ 29,939,408</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 24,475,000	\$ 182,779	\$ 24,292,221
School Debt	<u>26,435,000</u>	<u>26,435,000</u>	<u>-</u>
Total	<u>\$ 50,910,000</u>	<u>\$ 26,617,779</u>	<u>\$ 24,292,221</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Borrowing Power

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

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 163,020,127	\$ 163,020,127
Net Debt	<u>29,939,408</u>	<u>24,292,221</u>
Remaining Borrowing Power	<u>\$ 133,080,719</u>	<u>\$ 138,727,906</u>

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2021</u>	<u>2020</u>
\$6,260,000, 2012 General Improvement Bonds, due in annual installment of \$750,000 through October 1, 2022, interest at 2% to 3.75%	\$ 750,000	\$ 1,500,000
\$5,955,000, 2015 General Improvement Refunding Bonds, due in annual installment of \$1,240,000 through December 1, 2022, interest at 4.00%	1,240,000	2,470,000
\$8,526,000, 2017 General Improvement Refunding Bonds, due in annual installments of \$575,000 to \$1,146,000 through May 1, 2027, interest at 2% to 3%	<u>6,226,000</u>	<u>6,801,000</u>
	<u>\$ 8,216,000</u>	<u>\$ 10,771,000</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	General Bonds		Total
	Principal	Interest	
2022	\$ 2,565,000	\$ 206,130	\$ 2,771,130
2023	1,125,000	124,530	1,249,530
2024	1,125,000	102,030	1,227,030
2025	1,125,000	79,530	1,204,530
2026	1,130,000	51,330	1,181,330
2027	1,146,000	17,190	1,163,190
Total	<u>\$ 8,216,000</u>	<u>\$ 580,740</u>	<u>\$ 8,796,740</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One Year
<u>2021</u>					
General Capital Fund					
Bonds Payable	<u>\$ 10,771,000</u>	<u>\$ -</u>	<u>\$ 2,555,000</u>	<u>\$ 8,216,000</u>	<u>\$ 2,565,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 10,771,000</u>	<u>\$ -</u>	<u>\$ 2,555,000</u>	<u>\$ 8,216,000</u>	<u>\$ 2,565,000</u>
<u>2020</u>					
General Capital Fund					
Bonds Payable	<u>\$ 13,286,000</u>	<u>\$ -</u>	<u>\$ 2,515,000</u>	<u>\$ 10,771,000</u>	<u>\$ 2,555,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 13,286,000</u>	<u>\$ -</u>	<u>\$ 2,515,000</u>	<u>\$ 10,771,000</u>	<u>\$ 2,555,000</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Bond Anticipation Notes

<u>2021</u>	<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>
<u>General Capital Fund</u>							
	Various Capital Improvements Teakill/Tenafly Swim Club Parking	2.00%	5/27/2022	\$ 2,050,815	\$ 1,895,315	\$ 2,050,815	\$ 1,895,315
	Lot Paving Project	2.00%	5/27/2022	362,662	342,662	362,662	342,662
	Various Capital Improvements Supplemental Ord. #18-06 - Various Capital Improvements	2.00%	5/27/2022	2,481,991	2,481,991	2,481,991	2,481,991
	Acquisition of Roll-Off Truck	2.00%	5/27/2022	452,000	452,000	452,000	452,000
	Senior Center Parking Lot Imprvts	2.00%	5/27/2022	127,543	127,543	127,543	127,543
	Various Road Improvements	2.00%	5/27/2022	6,572	6,572	6,572	6,572
	Various Capital Improvements	2.00%	5/27/2022	714,000	714,000	714,000	714,000
	Borough Hall ADA Improvements	2.00%	5/27/2022	2,597,417	2,597,417	2,597,417	2,597,417
	Various Capital Improvements	2.00%	5/27/2022	117,000	117,000	117,000	117,000
	Various Capital Improvements	2.00%	5/27/2022		1,550,000		1,550,000
	Various Capital Improvements	2.00%	5/27/2022		3,243,500		3,243,500
	Tropical Storm Ida Road Improvement Project	0.31%	5/27/2022	-	3,333,000	-	3,333,000
	Total			<u>\$ 8,910,000</u>	<u>\$ 16,861,000</u>	<u>\$ 8,910,000</u>	<u>\$ 16,861,000</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>2020</u>	<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	1.25%	5/28/2021	\$ 2,089,612	\$ 2,050,815	\$ 2,089,612	\$ 2,050,815
	Teakill/Tenafly Swim Club Parking						
	Lot Paving Project	1.25%	5/28/2021	362,662	362,662	362,662	362,662
	Various Capital Improvements	1.25%	5/28/2021	2,547,000	2,481,991	2,547,000	2,481,991
	Supplemental Ord. #18-06 - Various						-
	Capital Improvements	1.25%	5/28/2021	452,000	452,000	452,000	452,000
	Acquisition of Roll-Off Truck	1.25%	5/28/2021	127,543	127,543	127,543	127,543
	Senior Center Parking Lot Imprvts	1.25%	5/28/2021	25,183	6,572	25,183	6,572
	Various Road Improvements	1.25%	5/28/2021		714,000		714,000
	Various Capital Improvements	1.25%	5/28/2021		2,597,417		2,597,417
	Borough Hall ADA Improvements	1.25%	5/28/2021	-	117,000	-	117,000
	Total			\$ 5,604,000	\$ 8,910,000	\$ 5,604,000	\$ 8,910,000

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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2021</u>	Acquisition of Aerial Lift	\$ 170,842	2022
	Acquisition of Fire Truck	1,039,587	2022
	Tenafly Library Façade and Roof Replacement	178,895	2022
<u>2020</u>	Acquisition of Sleeper Trailer	\$ 185,113	2021
	Acquisition of Elgin Sweeper	235,220	2021
	Acquisition of (3) Ford Utility Interceptors	113,140	2021

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

The Borough does not permit employees to accumulate unused sick and vacation pay. However, the Borough has a terminal leave policy that is based on years of service with the Borough. An employee terminating their service with the Borough may elect to take severance pay in one (1) payment or continue on the payroll for the designated period of their allowances, thereby continuing all employee benefits while they remain on payroll.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,461,232 and \$1,373,206 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$670,569 and \$675,669 respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 and 2020 were as follows:

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 1,373,206	\$ 158,126	\$ 70,100	\$ 1,461,232	\$ 35,070
Net Pension Liability - PERS (1)	12,141,766			12,141,766	
Net Pension Liability - PFRS (1)	16,952,595			16,952,595	
Net OPEB Liability (1)	<u>21,873,511</u>	<u>-</u>	<u>-</u>	<u>21,873,511</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 52,341,078</u>	<u>\$ 158,126</u>	<u>\$ 70,100</u>	<u>\$ 52,429,104</u>	<u>\$ 35,070</u>
	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 1,318,864	\$ 54,342		\$ 1,373,206	
Net Pension Liability - PERS	14,222,092		\$ 2,080,326	12,141,766	
Net Pension Liability - PFRS	16,575,777	376,818		16,952,595	
Net OPEB Liability (1)	<u>15,383,460</u>	<u>6,490,051</u>	<u>-</u>	<u>21,873,511</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 47,500,193</u>	<u>\$ 6,921,211</u>	<u>\$ 2,080,326</u>	<u>\$ 52,341,078</u>	<u>\$ -</u>

(1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

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) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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) Comprehensive Annual Financial Report (CAFR) 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, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

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

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

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021 and 2020 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, 2021 and 2020 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 2021, 2020 and 2019 were equal to the required contributions.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2021, 2020 and 2019, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2021	\$ 1,465,713	\$ 815,485	\$ 14,459
2020	1,368,166	767,776	11,101
2019	1,296,208	745,234	17,926

(1) Includes Library portion of contribution for the year

In addition for the years ended December 31, 2021, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$2,123 and \$1,610, respectively for PERS and \$-0- for PFRS.

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, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which 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, 2021 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 toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough reported a liability of \$12,141,766 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the Borough’s proportionate share was 0.07446 percent, which was a decrease of 0.00447 percent from its proportionate share measured as of June 30, 2019 of 0.07893 percent.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2020, the pension system has determined the Borough's pension expense to be \$177,933 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$767,776. At December 31, 2020, 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:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 221,082	\$ 42,939
Changes of Assumptions	393,893	5,083,872
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	415,015	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>220,874</u>	<u>1,241,498</u>
Total	<u>\$ 1,250,864</u>	<u>\$ 6,368,309</u>

At December 31, 2020 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 <u>December 31,</u>	<u>Total</u>
2021	\$ (1,727,548)
2022	(1,738,971)
2023	(1,104,165)
2024	(454,576)
2025	(92,185)
Thereafter	<u>-</u>
	<u>\$ (5,117,445)</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 15,284,458	\$ 12,141,766	\$ 9,475,106

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020. 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.

**BOROUGH OF TENAFLY
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2020 the Borough reported a liability of \$16,952,595 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the Borough’s proportionate share was 0.13120 percent, which was a decrease of 0.00425 percent from its proportionate share measured as of June 30, 2019 of 0.13545 percent.

For the year ended December 31, 2020, the pension system has determined the Borough pension expense to be \$1,070,826 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,368,166. At December 31, 2020, 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:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 170,911	\$ 60,841
Changes of Assumptions	42,661	4,544,889
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	994,010	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>725,804</u>	<u>630,378</u>
Total	<u>\$ 1,933,386</u>	<u>\$ 5,236,108</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2020 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 <u>December 31,</u>	<u>Total</u>
2021	\$ (1,452,340)
2022	(967,721)
2023	(476,336)
2024	(175,333)
2025	(230,992)
Thereafter	<u>-</u>
	<u>\$ (3,302,722)</u>

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

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

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 22,543,462	\$ 16,952,595	\$ 12,308,953

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

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

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, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,630,966. For the year ended December 31, 2020, 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 \$298,167 which is more than the actual contribution the State made on behalf of the Borough of \$202,451. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was 0.13120 percent, which was a decrease of 0.00425 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of 0.13545 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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) Comprehensive Annual Financial Report (CAFR), 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 employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

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, 2021 was not available and for 2020 is \$17.9 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 30, 2020.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2019 which was rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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.

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 \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal year 2020.

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's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021, 2020 and 2019 were \$343,883, \$301,120 and \$275,495, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2021, 2020 and 2019 were \$49,111, \$62,867 and \$56,869, respectively.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which 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, 2021 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 toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020, the Borough reported a liability of \$21,873,511, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2020 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020 the Borough’s proportionate share was 0.12188 percent, which was an increase of 0.00832 percent from its proportionate share measured as of June 30, 2019 of 0.11356 percent.

For the year ended December 31, 2020, the Plan has determined the Borough’s OPEB expense to be \$34,469, based on the actuarial valuation which is less than the actual contributions reported in the Borough’s financial statements of \$301,120. At December 31, 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 576,131	\$ 4,073,256
Changes of Assumptions	3,271,589	4,864,331
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	13,891	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	2,998,648	2,846,470
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 6,860,259</u>	<u>\$ 11,784,057</u>

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ (1,133,092)
2023	(1,133,092)
2024	(1,133,092)
2025	(1,136,261)
2026	(1,137,357)
Thereafter	<u>749,096</u>
	<u>\$ (4,923,798)</u>

**BOROUGH OF TENAFLY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

Calendar Year	Measurement Date	Discount Rate
2020	June 30, 2020	2.21%

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

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2020 calculated using the discount rate of 2.21%, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.21% or 1-percentage-point higher 3.21% than the current rate:

<u>2020</u>	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 25,859,111</u>	<u>\$ 21,873,511</u>	<u>\$ 18,718,546</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2020. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2020</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 18,100,353</u>	<u>\$ 21,873,511</u>	<u>\$ 26,814,513</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2020. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

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 or 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.

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$8,139,142. For the year ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$414,129. At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the Borough was 0.15230 percent, which was an increase of 0.03154 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of 0.12076 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.

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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Tenafly is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and 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 and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

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

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

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

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 40,000	\$ 15,189	\$ 57,854	\$ 71,715
2020	55,000	31,099	19,543	74,296
2019	30,000	14,035	67,838	7,667

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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 15 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. 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, 2021 and 2020, the Borough reserved \$526,047 and \$949,876, 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, 2021 and 2020, 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, 2021 and 2020, 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 Tenafly Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on June 26, 2001 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 Tenafly 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 2001. 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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

The Borough of Tenafly has contributed \$1,814 and \$1,718 for 2021 and 2020, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$68,932 and \$67,002 for 2021 and 2020, respectively.

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 18 TAX ABATEMENTS

For the years ended December 31, 2021 and 2020, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law"), the Five-Year Exemption and Abatement Law (the "FYEA) and 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, 2021 and 2020 the Borough abated property taxes totaling \$45,095 and \$45,231, respectively, under the NJHMFA program. The Borough received \$2,000 and \$2,000 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 18 TAX ABATEMENTS (Continued)

- Prior to the enactment of the Long Term Tax Exempt Law (NJSA 40A:20 et.seq.) and under the provisions of the Senior Citizens Nonprofit Rental Housing Tax Law (NJSA 55:141-1), which has since been repealed, allows for the clearance, re-planning, development or redevelopment of blighted areas by means of a non-profit rental housing project for the elderly, developed, erected and owned by a non-profit corporations under the Federal Senior Citizens Housing Loan Program, and pursuant to section 202 of the Federal Housing Act of 1959, as amended; authorizing and providing for the exemption in part of such non-profit rental housing projects from taxation under the law. A qualified municipality could abate for up to 50 years the property taxes on newly construction senior housing. The process beings when the municipality passes by ordinance or resolution, as appropriate, that such residential rental senior housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor to make a PILOT payment to the municipality in an amount equal to a percentage of the annual gross revenue from each senior housing project. For the years ended December 31, 2021 and 2020 the Borough abated property taxes totaling \$77,624 and \$76,485, respectively, under this law. The Borough received \$24,800 and \$21,432 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

NOTE 19 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 in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate 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. 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.

**BOROUGH OF TENAFLY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

The Borough of Tenafly'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 Tenafly's primary revenue source for supporting its budget. The Borough of Tenafly 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.

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.

The Borough will receive \$1,512,775 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$756,387. The Borough utilized this first installment in the 2022 budget to replace lost public sector revenue. The Borough has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

On April 26, 2022 the Borough adopted a bond ordinance authorizing the issuance \$1,742,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On May 24, 2022 the Borough adopted a bond ordinance authorizing the issuance \$1,732,000 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Bond Anticipation Notes

On May 26, 2022 the Borough issued bond anticipation notes in the amount of \$8,135,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Bank of New York Mellon at an interest rate of 4.00%. These notes will mature on September 30, 2022.

On May 26, 2022 the Borough issued bond anticipation notes in the amount of \$4,797,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Bank of New York Mellon at an interest rate of 4.00%. These notes will mature on May 26, 2023.

CURRENT FUND

BOROUGH OF TENAFLY
STATEMENT OF CURRENT CASH - COLLECTOR-TREASURER

		<u>Current Fund</u>
Balance, December 31, 2020	\$	10,055,409
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$	365,084
Taxes Receivable		106,083,305
Revenue Accounts Receivable		2,886,215
Grants Receivable		34,437
Prepaid Taxes		826,534
Due from State - Senior Citizen and Veteran Deductions		46,410
Tax Overpayments		326,819
Unappropriated Reserve- State and Federal Grants		787,319
Due from General Capital Fund		8,219
Due from Animal Control Fund		2,660
Due from Other Trust Fund		1,467
Due from Other Trust Fund - Payroll		346
Due from Other Trust Fund- Police Outside Duty		24
Due from Other Trust Fund- Recreation		657
Due from Other Trust Fund - Escrow		473
State Training Fees		4,319
Miscellaneous Reserves		7,951
		<u>111,382,239</u>
		121,437,648
Decreased by Disbursements:		
2021 Budget Appropriations	27,378,179	
Appropriation Reserves	1,565,283	
Accounts Payable	517	
Local District School Taxes	69,639,197	
County Taxes Payable	11,685,890	
County Added and Omitted Taxes	101,989	
Tax Overpayments	396,537	
Appropriated Reserve for State and Federal Grants	7,895	
Miscellaneous Reserves	818,329	
Payments to Other Trust Fund	65,000	
Payments to Municipal Open Space Trust Fund	405,173	
Refund of Prior Year Revenue	91,005	
		<u>112,154,994</u>
Balance, December 31, 2021	\$	<u>9,282,654</u>

**BOROUGH OF TENAFLY
STATEMENT OF CHANGE FUNDS**

	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
<u>Office</u>		
Tax Collector	\$ 200	\$ 200
Court Clerk	50	50
Librarian	75	75
Secretary to Board of Health	25	25
Dog/Registrar	<u>25</u>	<u>25</u>
	<u>\$ 375</u>	<u>\$ 375</u>

EXHIBIT A-6

STATEMENT OF PETTY CASH FUND

Balance, December 31, 2020	<u>\$ 8,736</u>
Balance, December 31, 2021	<u>\$ 8,736</u>

EXHIBIT A-7

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

Balance, December 31, 2020	\$ 2,734
Increased by:	
Received in Cash	\$ 46,410
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>250</u>
	<u>46,660</u>
	49,394
Decreased by:	
Senior Citizen Deductions per Tax Billing	4,250
Veterans Deductions per Tax Billing	38,750
Deductions Allowed by Tax Collector	1,250
Deductions Allowed by Tax Collector - Prior Year Taxes	<u>750</u>
	<u>45,000</u>
Balance, December 31, 2021	<u>\$ 4,394</u>

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

Year	Balance	2021	Added	Senior	Collected in		Overpayments	Senior	Cancelled	Transferred to	Balance,
	December 31, 2020			Levy	Taxes	Citizens' and Veterans' Deductions Disallowed		2020			
2020	\$ 650,962			\$ 250	\$ 634,160	\$ 2,246	\$ 750	\$ 13,676	380	\$ -	
2021	-	\$ 107,091,610	\$ 562,593	-	1,299,734	-	44,250	217,529	95	\$ 643,450	
	<u>\$ 650,962</u>	<u>\$ 107,091,610</u>	<u>\$ 562,593</u>	<u>\$ 250</u>	<u>\$ 1,299,734</u>	<u>\$ 106,083,305</u>	<u>\$ 2,246</u>	<u>\$ 45,000</u>	<u>\$ 231,205</u>	<u>\$ 475</u>	<u>\$ 643,450</u>

Analysis of 2021 Property Tax Levy

Tax Yield	
General Property Tax	\$ 107,091,610
Added Tax (R.S. 54:4-63.1 et seq.)	<u>562,593</u>
	<u>\$ 107,654,203</u>
Tax Levy	
Local District School Tax	\$ 69,639,197
County Tax - General	11,278,732
County Tax - Open Space	468,813
Municipal Open Space	<u>405,173</u>
	81,791,915
Local Tax for Municipal and Library	25,362,188
Additional Taxes	<u>500,100</u>
	<u>25,862,288</u>
	<u>\$ 107,654,203</u>

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

Balance, December 31, 2020	\$	<u>18,200</u>
Balance, December 31, 2021	\$	<u><u>18,200</u></u>

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2020	\$	887
Increased by:		
Transfer to Tax Title Liens - Current Year	\$	95
Transfer to Tax Title Liens - Prior Year		<u>380</u>
		<u>475</u>
Balance, December 31, 2021	\$	<u><u>1,362</u></u>

BOROUGH OF TENAFLY
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2020</u>	Accrued in 2021	Realized	Balance, December 31, <u>2021</u>
Borough Clerk				
Liquor Licenses		\$ 27,265	\$ 27,265	
Licenses - Other		3,430	3,430	
Fees and Permits - Other		908	908	
Board of Health				
Fees and Permits		2,450	2,450	
Licenses - Other		10,990	10,990	
Police Department				
Fees and Permits		3,189	3,189	
Alarm System Fees		39,630	39,630	
Planning Board/Board of Adjustment				
Fees and Permits		24,520	24,520	
Finance/Admin				
Fees and Permits		43,285	43,285	
Fire Prevention				
Fees and Permits		34,994	34,994	
Municipal Court				
Fines and Costs		82,760	82,760	
Uniform Construction Code				
Fees and Permits		665,835	665,835	
Fees and Permits- Other		65,196	59,847	
Interest and Costs on Taxes		198,978	198,978	
Energy Receipts Taxes		1,119,801	1,119,801	
Rental of Borough Owned Property		53,500	53,500	
Uniform Fire Safety Act (Life Hazard Use)		17,791	17,791	
Interest on Investments and Deposits		30,893	30,893	
Tax Exempt Sewer Fees		19,002	19,002	
Cable TV Franchise Fee		168,547	168,547	
Cell Tower/Monopole Lease		166,292	166,292	
Hotel Occupancy Fee (P.L. 2003, c. 114)		44,009	44,009	
Payment in Lieu of Taxes - Tenafly House		26,800	26,800	
Use of Sewer System Agreements	-	41,499	41,499	-
	<u>-</u>	<u>\$ 2,891,564</u>	<u>\$ 2,886,215</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 2,891,564</u>	<u>\$ 2,886,215</u>	<u>\$ -</u>

EXHIBIT A-12

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2021</u>	Accrued	Cash Receipts	Balance, December 31, <u>2021</u>
Body Armor		\$ 2,587	\$ 2,587	
Drunk Driving Enforcement Fund		2,270	1,000	\$ 1,270
Recycling Tonnage Grant		24,603	24,603	-
Municipal Alliance	\$ 12,655	4,938	6,247	11,346
	<u>\$ 12,655</u>	<u>\$ 34,398</u>	<u>\$ 34,437</u>	<u>\$ 12,616</u>

**BOROUGH OF TENAFLY
STATEMENT OF 2020 APPROPRIATION RESERVES**

	Balance, December 31, <u>2020</u>	Budget After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 4,413	\$ 4,413			\$ 4,413
Mayor and Council	750	750			750
Municipal Clerk	10,822	10,822			10,822
Human Resources	4,487	209			209
Elections	295	295			295
Financial Administration		489	\$ 489		-
Revenue Administration	6,003	6,003	186		5,817
Tax Assessment Administration	9,663	4,663			4,663
Zoning Board	500	500			500
Police Department	51,586	64,829	64,829		-
Volunteer Fire Company	2,367				-
Volunteer Ambulance		810	810		-
Fire Department	4,839	4,839			4,839
Fire Prevention		4,289	4,289		-
Streets & Roads	62,935	62,935	(2,065)	\$ 65,000	-
Recycling		7,379	7,379		-
Buildings & Grounds	44,970	44,970	3,049		41,921
Building Department		6,781	1,938		4,843
Recreation	66,117	58,117	36,305		21,812
Senior Citizens Center	650	650			650
Senior Services Coordinator	1,214	1,683	1,683		-
Senior Services Transportation	16,151	16,151	2,008		14,143
Construction Code Official		440	440		-
Director of Building Department	6,781				-
Municipal Court	20,441	20,441	2,073		18,368
Municipal Library		115,680	115,680		-
Municipal Library-Building Maintenance	11,954	11,954	11,954		-
Payroll Adjustment/Terminal Leave	89,729	64,977	64,977		-
Other Expenses					
General Administration	53,675	54,608	10,384		44,224
Municipal Clerk	13,961	14,951	1,090		13,861
Postage	2,930	2,930			2,930
Photocopy Expense	13,312	13,312			13,312
Human Resources	1,501	1,501			1,501
Mayor & Council	511	511			511
Elections	9,454	9,807	94		9,713
Financial Administration/Audit	1,770	1,770	1,770		-
Revenue Administration	9,386	9,814	2,761		7,053
Tax Assessment Administration	20,295	23,355	11,094		12,261
Legal Services & Costs	14,152	14,152	13,294		858
Engineering		37,802	37,797		5
Historic Preservation	7,660	14,270	5,085		9,185
Planning Board	5,887	8,583	3,181		5,402
Zoning Board of Adjustment	8,068	8,068	1,681		6,387
Insurance - Group Insurance for Employees	192,906	333,755	152,676		181,079
Liability Insurance	1,500	102,620	102,620		-
Worker Compensation Insurance		83,467	83,467		-
Municipal Court	9,985	9,985			9,985
Public Defender	2,800	2,800			2,800
Municipal Prosecutor	1,236	1,236			1,236
Emergency Management Services	9,235	9,235			9,235
Aid to Volunteer Fire Company	10,218				-
Aid to Volunteer Ambulance Corp	20,665	25,659	2,985		22,674
Police		221,621	150,077		71,544
Emergency Response Team	70,507				-

**BOROUGH OF TENAFLY
STATEMENT OF 2020 APPROPRIATION RESERVES**

	Balance, December 31, <u>2020</u>	Total Modified <u>Budget</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Fire Department	\$ 35,179	\$ 50,822	\$ 43,194		\$ 7,628
Volunteer Firemen Life		9,874	9,874		-
Fire Prevention		10,218			10,218
Fire Hydrant Service	3,915	4,059	138		3,921
Streets & Roads	2,666	91,041	87,758		3,283
Recycling	430	26,269	25,329		940
Solid Waste Contract Collections	5,000	79,583	74,583		5,000
Solid Waste Disposal - Tipping Fees		42,331	42,331		-
Building & Grounds	40,379	77,423	61,636		15,787
Building Department		2,833	1,330		1,503
Public Health	4,236	4,397	161		4,236
Environmental Commission	1,800	1,800			1,800
Animal Control	2,379	2,379			2,379
Recreation	19,683	23,127	2,545		20,582
Senior Citizens Center	6,825	7,435	1,301		6,134
Senior Services Coordinator	1,367	1,367	79		1,288
Welcome Committee	4,548	4,548			4,548
Senior Citizens Transportation	4,902	4,902			4,902
Stigma Free Events	14	14			14
Parking Lot Rental	12,172	12,172			12,172
Celebration of Public Events	19,140	19,140			19,140
Construction Code Official	5,459	5,509	50		5,459
Director of Building Department	1,503				-
Electricity	5,431	34,288	21,822		12,466
Street Lighting		15,060	14,856		204
Telephone	953	1,558	579		979
Natural Gas	21,350	28,818	12,025		16,793
Gasoline	13,905	36,295	26,216		10,079
Social Security System (O.A.S.I.)	7,267	7,267	52		7,215
Defined Contribution Retirement Program	7,399	7,399	401		6,998
Public Employees Retirement System		13,613	12,641		972
Police & Firemen's Retirement System					-
Deductible		1,500			1,500
Municipal Library	275,248	189,713	189,713		-
Library Building Maintenance	23,251	19,326	19,326		-
LOSAP	76,000	76,000	67,002		8,998
Recycling Tonnage Grant	19,361	19,361	10,796	\$ 8,565	-
Police DWI	3,761	3,761	521	3,240	-
Body Armor Fund	3,354	3,354	3,153	201	-
Municipal Alliance on Alcoholism and Drug Abuse	3,042	3,042	2,250	792	-
Municipal Alliance - Matching Funds	1,235	1,235		1,235	-
JIF Grant	1,600	1,750	150	1,600	-
Clean Communities	1,499	1,499	1,499	-	-
	<u>\$ 1,534,534</u>	<u>\$ 2,466,963</u>	<u>\$ 1,629,391</u>	<u>\$ 80,633</u>	<u>\$ 756,939</u>
Appropriation Reserves		\$ 1,534,534			
Prior Year Encumbrances		<u>932,429</u>			
		<u>2,466,963</u>			
Cash Disbursed			\$ 1,565,283		
Accounts Payable			<u>64,108</u>		
			<u>\$ 1,629,391</u>		
			<u>Analysis</u>		
Transfer to Appropriated Reserve-Grants			\$ 15,633		
Transfer to Terminal Leave- Other Trust Fund			<u>65,000</u>		
			<u>\$ 80,633</u>		

**BOROUGH OF TENAFLY
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2020	\$	932,429
Increased by:		
Charged to 2021 Budget Appropriations		<u>606,275</u>
		1,538,704
Decreased by:		
Transferred to Appropriation Reserves		<u>932,429</u>
Balance, December 31, 2021	\$	<u><u>606,275</u></u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES

Balance, December 31, 2020	\$	1,299,734
Increased by:		
Collection of 2022 Taxes		<u>826,534</u>
		2,126,268
Decreased by:		
Applied to 2021 Taxes		<u>1,299,734</u>
Balance, December 31, 2021	\$	<u><u>826,534</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF LOCAL DISTRICT SCHOOL TAX**

Increased by:		
Levy - Calendar Year 2021		\$ <u>69,639,197</u>
Decreased by:		
Payments		\$ <u><u>69,639,197</u></u>

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
Levy- General County - 2021	\$ 11,217,077	
Levy- Open Space Preservation - 2021	<u>468,813</u>	
		\$ <u>11,685,890</u>
Decreased by:		
Payments		\$ <u><u>11,685,890</u></u>

EXHIBIT A-18

STATEMENT OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES

Balance, December 31, 2020		\$ 96,319
Increased by:		
County Share of Added and Omitted Taxes - Prior Year Adjustment	\$ 5,670	
County Share of Added and Omitted Taxes	<u>61,655</u>	
		<u>67,325</u>
		163,644
Decreased by:		
Payments		<u>101,989</u>
Balance, December 31, 2021		\$ <u><u>61,655</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND**

Increased by:		
Tax Levy- 2021	\$	403,055
Added and Omitted Taxes		<u>2,118</u>
	\$	405,173
Decreased by:		
Cash Disbursed		<u>405,173</u>
Balance, December 31, 2021	\$	<u><u>-</u></u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2020	\$	259,959
Increased by:		
Cash Receipts		<u>326,819</u>
		586,778
Decreased by:		
Cash Disbursements	396,537	
Applied to Taxes Receivable		<u>2,246</u>
		<u>398,783</u>
Balance, December 31, 2021	\$	<u><u>187,995</u></u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2020	\$	17,453
Increased by:		
Transfer from Appropriation Reserves		<u>64,108</u>
		81,561
Decreased by:		
Cash Disbursed		<u>517</u>
Balance, December 31, 2021	\$	<u><u>81,044</u></u>

BOROUGH OF TENAFLY
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance, December 31, <u>2020</u>	Transfer From Appropriation <u>Reserves</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2021</u>
Body Armor Replacement Grant	\$ 1,273	\$ 201		\$ 1,474
DOJ- Bullet Proof Vest	381		\$ 381	
Recycling Tonnage Grant	185	8,565		8,750
Clean Communities Grant	7,305		4,114	3,191
Green Communities	5,000			5,000
Click It or Ticket	10,548			10,548
JIF Grant	1,593	1,600		3,193
Police DWI	1,342	3,240		4,582
U.S. Department of Justice - COPS Universal - Local Share	55,856			55,856
U.S. Department of Justice - COPS More - Local Share	9			9
Municipal Alliance on Alcoholism and County Share	4,188			4,188
Local Share	21,379	2,027	3,400	20,006
Bergen County Department of Parks - Arts Grant County Share	2			2
NJLM Sustainable Jersey Small Cities Grant	5,000	-	-	5,000
	<u>\$ 114,061</u>	<u>\$ 15,633</u>	<u>\$ 7,895</u>	<u>\$ 121,799</u>

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance, December 31, <u>2020</u>	Realized as Budgeted <u>Revenue</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2021</u>
Clean Communities	\$ 27,438	\$ 27,438	\$ 29,197	\$ 29,197
JIF Safety Grant	2,500	2,500		-
Body Armor			1,735	1,735
American Rescue Plan			756,387	756,387
BOJ Bulletproof Vest	2,981	2,981	-	-
	<u>\$ 32,919</u>	<u>\$ 32,919</u>	<u>\$ 787,319</u>	<u>\$ 787,319</u>

**BOROUGH OF TENAFLY
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2020</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2021</u>
Reserve for:				
State Library Aid		\$ 7,951		\$ 7,951
Tax Appeals	\$ 949,876	394,500	\$ 818,329	526,047
	<u>\$ 949,876</u>	<u>\$ 402,451</u>	<u>\$ 818,329</u>	<u>\$ 533,998</u>
		Budget Appropriation \$ 194,500		
		Revenue from Current Year Tax Collections 200,000		
		Cash Receipts 7,951		
		<u>\$ 402,451</u>		

EXHIBIT A-25

STATEMENT OF DEFERRED CHARGES -SPECIAL EMERGENCY

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2020</u>	Balance December 31, <u>2021</u>
12/21/2020	Covid 19 Related Revenue Deficit	\$ 200,000	\$ 40,000	\$ 200,000	\$ 200,000
		<u>\$ 200,000</u>	<u>\$ 40,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

EXHIBIT A-26

STATEMENT OF DEFERRED CHARGES - EMERGENCY

	Balance, December 31, <u>2020</u>	Authorized <u>2021</u>	2021 Budget <u>Appropriations</u>	Balance December 31, <u>2021</u>
Emergency Authorizations	\$ -	\$ 167,000	\$ -	\$ 167,000
	<u>\$ -</u>	<u>\$ 167,000</u>	<u>\$ -</u>	<u>\$ 167,000</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY
DCA STATE TRAINING FEES**

Increased by:

Cash Receipts

\$ 4,319

Balance, December 31, 2021

\$ 4,319

TRUST FUNDS

BOROUGH OF TENAFLY
STATEMENT OF CASH - TREASURER

	<u>Animal Control</u> <u>Fund</u>	<u>Other Trust</u> <u>Fund</u>	<u>Unemployment</u> <u>Compensation Trust Fund</u>	<u>Recreation Activities</u> <u>Trust Fund</u>	<u>Municipal Open Space</u> <u>Preservation</u> <u>Trust Fund</u>
Balance, December 31, 2020	\$ 32,459	\$ 5,496,386	\$ 74,296	\$ 266,210	\$ 2,386,540
Increased by Receipts:					
Animal License Fees - Borough Share	\$ 12,457				
Dog License Fees - State Share	941				
Miscellaneous Reserves		\$ 1,043,771			
Employee Contributions			\$ 15,189		
Budget Appropriation			40,000		
Municipal Open Space Tax Levy					\$ 405,173
Affordable Housing Trust		514,923			
Escrow Deposits- Construction Fees		251,051			
Payroll Deductions Payable		5,328,551			
Net Payroll		9,066,353			
Recreation Activities				\$ 387,830	
Receipts from Current Fund		65,000			
Interest on Deposits	77	2,376	84	657	4,535
	<u>45,934</u>	<u>21,768,411</u>	<u>129,569</u>	<u>654,697</u>	<u>2,796,248</u>
	45,934	21,768,411	129,569	654,697	2,796,248
Decreased by:					
Reserve for Animal Expenditures	13,726				
State Share - Dog Licenses	940				
Miscellaneous Reserves		1,052,831			
Payroll Deductions Payable		5,329,651			
Net Payroll		9,065,613			
Affordable Housing Trust		657,293			
Reserve for Unemployment			57,854		
Recreation Activities				377,978	
Reserve for Municipal Open Space					
Escrow Deposits- Construction Fees		198,383			
Payments to Current Fund	2,660	2,310	-	657	
	<u>17,326</u>	<u>16,306,081</u>	<u>57,854</u>	<u>378,635</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 28,608</u>	<u>\$ 5,462,330</u>	<u>\$ 71,715</u>	<u>\$ 276,062</u>	<u>\$ 2,796,248</u>

**BOROUGH OF TENAFLY
STATEMENT OF RESERVE FOR ANIMAL LICENSE EXPENDITURES
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2020		\$	29,877
Increased by:			
Animal License Fees	\$ 11,325		
Cat License Fees	937		
Miscellaneous Fees	<u>195</u>		
			<u>12,457</u>
			42,334
Decreased by:			
Statutory Excess Due to Current Fund	1,935		
Expenditures Under R.S. 4:19-15.11			
Cash Disbursements	<u>13,726</u>		
			<u>15,661</u>
Balance, December 31, 2021		\$	<u><u>26,673</u></u>

Animal License Fees Collected

<u>Year</u>	
2019	\$ 14,230
2020	<u>12,443</u>
	<u>\$ 26,673</u>

**STATEMENT OF AMOUNT DUE FROM STATE OF NEW JERSEY -
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2020		\$	1
Increased by:			
Payments			<u>940</u>
			941
Decreased by:			
State Fees Collected			<u>941</u>
Balance, December 31, 2021		\$	<u><u>-</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2020		\$ 2,583
Increased by:		
Statutory Excess	\$ 1,935	
Interest on Deposits	<u>77</u>	
		\$ <u>2,012</u>
Decreased by:		
Payments to Current Fund		<u>2,660</u>
Balance, December 31, 2021		<u><u>\$ 1,935</u></u>

EXHIBIT B-7

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

Balance, December 31, 2020		\$ 74,296
Increased by:		
Employee Deductions	\$ 15,189	
Interest on Deposits	84	
Budget Appropriation	<u>40,000</u>	
		<u>55,273</u>
		129,569
Decreased by:		
Unemployment Claims		<u>57,854</u>
Balance, December 31, 2021		<u><u>\$ 71,715</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2020		\$	65,000
Increased by:			
Transfer from Appropriation Reserves- Terminal Leave	\$	65,000	
Payments to Current Fund		<u>1,467</u>	
			<u>66,467</u>
			131,467
Decreased by:			
Interest Earned on Deposits		1,467	
Receipts from Current Fund		<u>65,000</u>	
			<u>66,467</u>
Balance, December 31, 2021		\$	<u><u>65,000</u></u>

EXHIBIT B-9

**STATEMENT OF ACCRUED SALARY AND WAGES
OTHER TRUST FUND**

Balance, December 31, 2020		\$	3,728
Increased by:			
Cash Receipts			<u>9,066,353</u>
			9,070,081
Decreased by:			
Cash Disbursements			<u>9,065,613</u>
Balance, December 31, 2021		\$	<u><u>4,468</u></u>

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

Balance, December 31, 2020	\$ 12,521
Increased by:	
Cash Receipts	<u>5,328,551</u>
	5,341,072
Decreased by:	
Cash Disbursements	<u>5,329,651</u>
Balance, December 31, 2021	<u>\$ 11,421</u>

**STATEMENT OF ESCROW DEPOSITS - CONSTRUCTION FEES
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 337,245
Increased by:	
Cash Receipts	<u>251,051</u>
	588,296
Decreased by:	
Cash Disbursements	<u>198,383</u>
Balance, December 31, 2021	<u>\$ 389,913</u>

**BOROUGH OF TENAFLY
STATEMENT OF MISCELLANOUS RESERVES
OTHER TRUST FUND**

	<u>Balance,</u> <u>December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31, 2021</u>
Shade Tree Trust Fund	\$ 6,778	\$ 41,175	\$ 2,167	\$ 45,786
Hazmat Recovery	422			422
Tree Escrow Bonds	452,423	330,547	127,233	655,737
Street Opening Escrow Bonds	6,000	1,972	539	7,433
Tenafly Presents	25			25
Security Deposits/Refundable Deposits	27,080			27,080
Davis Johnson Park	14,912	17,564	14,363	18,113
Marriage License/Domestic Partners Trust	1,175	500	535	1,140
Burial Permits	3,210	40	5	3,245
Police Donations	17,329	7,500	15,344	9,485
State Training Fees	120			120
Home Rehabilitation Inspection Fee	50			50
Teen Center/Teen Camp	10,905	44,347	47,732	7,520
Public Defender Fees	2,500			2,500
Alcohol Education and Rehabilitation	21,039		600	20,439
Lost Money - Found	2,686	166		2,852
Tenafly Welcome	44			44
HPC	941			941
Donations Huyler Park Gazebo	3,018			3,018
Fire Penalty Fund	6,258			6,258
Uniform Construction Code Penalties	21,195			21,195
Donations All Abilities Playground	342			342
Receptacle Trust		3,000		3,000
Snow Removal Trust	66,845	7,740	17,925	56,660
Parking Permit Trust	4,325			4,325
POAA	4,620	58	1,269	3,409
Premium on Tax Sale	358,708	115,000	126,000	347,708
Tax Title Lien Redemptions	207,283	236,102	386,468	56,917

**BOROUGH OF TENAFLY
STATEMENT OF MISCELLANOUS RESERVES (CONTINUED)
OTHER TRUST FUND**

	Balance, <u>December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2021</u>
Planning Board / Board of Adjustment- Escrow	\$ 151,971	\$ 154,488	\$ 156,079	\$ 150,380
Reserve for Terminal Leave	675,669	65,000	70,100	670,569
Confiscated Funds	4,025			4,025
Covid-19 Donations Trust	3,946			3,946
Mayor's Wellness Campaign	490			490
Tenafly Community Night	3,632			3,632
Police Outside Duty	13,241	17,629	20,669	10,201
Police Video Cameras	1,900	50		1,950
Environmental Trust	520	50	74	496
Dog Park Trust	560			560
L.E.A.D. Donations Trust	1,645			1,645
Ice Rink		46,170	42,377	3,793
Borough "Events"	24,649	18,101	23,352	19,398
Fire Dedicated Penalty Trust	-	1,572	-	1,572
	<u>\$ 2,122,481</u>	<u>\$ 1,108,771</u>	<u>\$ 1,052,831</u>	<u>\$ 2,178,421</u>
Cash Receipts		\$ 1,043,771		
Due from Current Fund		65,000		
Cash Disbursements		-	\$ 1,052,831	
		<u>\$ 1,108,771</u>	<u>\$ 1,052,831</u>	

EXHIBIT B-13

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

Balance, December 31, 2020	\$ 2,386,540
Increased by:	
Tax Levy - 2021	\$ 403,055
Added and Omitted Taxes	2,118
Interest Earned on Deposits	<u>4,535</u>
	<u>409,708</u>
Balance, December 31, 2021	<u>\$ 2,796,248</u>

**BOROUGH OF TENAFLY
STATEMENT OF RESERVE FOR AFFORDABLE HOUSING TRUST
OTHER TRUST FUND**

Balance, December 31, 2020	\$	3,083,028
Increased by:		
Cash Receipts		514,923
		3,597,951
Decreased by:		
Cash Disbursement		657,293
Balance, December 31, 2021	\$	2,940,658

**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES
RECREATION ACTIVITIES TRUST FUND**

Balance, December 31, 2020	\$	266,180
Increased by:		
Cash Receipts		388,487
		654,667
Decreased by:		
Cash Disbursements		378,635
Balance, December 31, 2021	\$	276,032

**STATEMENT OF DUE TO OTHER TRUST FUND-PAYROLL
RECREATION ACTIVITIES TRUST FUND**

Balance, December 31, 2020	\$	30
Balance, December 31, 2021	\$	30

**BOROUGH OF TENAFLY
STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND- POLICE OUTSIDE DUTY**

Increased by:	
Interest Earnings	\$ <u>24</u>
Decreased by:	
Payments to Current Fund	\$ <u><u>24</u></u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND- ESCROW DEPOSITS**

Balance, December 31, 2020	\$ 2,413
Increased by:	
Interest Earnings	<u>539</u>
	2,952
Decreased by:	
Payments to Current Fund	<u>473</u>
Balance, December 31, 2021	\$ <u><u>2,479</u></u>

**STATEMENT OF DUE TO CURRENT FUND
RECREATION ACTIVITIES TRUST FUND**

Increased by:	
Interest Earnings	\$ <u>657</u>
Decreased by:	
Payments to Current Fund	\$ <u><u>657</u></u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND- PAYROLL**

Increased by:	
Interest Earnings	\$ <u>346</u>
Decreased by:	
Payments to Current Fund	\$ <u><u>346</u></u>

GENERAL CAPITAL FUND

BOROUGH OF TENAFLY
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2020		\$ 2,688,954
Increased by Receipts:		
Interest Earnings	\$ 8,219	
Capital Improvement Fund	442,000	
Grant Receipts	77,823	
Bond Anticipation Notes	8,126,500	
Premium on the Sale of Notes	235,793	
Receipt for Insurance Proceeds	21,182	
Light Pole Reimbursement	59,175	
Board of Education Reimbursement	<u>17,338</u>	
		<u>8,988,030</u>
		11,676,984
Decreased by Disbursements:		
Improvement Authorizations	4,278,580	
Payments to Current Fund	<u>8,219</u>	
		<u>4,286,799</u>
Balance, December 31, 2021		<u>\$ 7,390,185</u>

BOROUGH OF TENAFLY
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 487,144
Grant / Other Receivables		(3,433)
Contracts Payable		2,746,524
Capital Improvement Fund		94,782
Excess Note Proceeds		247,517
Cancellation of Improvement Authorization		55,520
Receipt from Insurance Proceeds		21,182
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Description</u>	
15-08	Various Capital Improvements	162,247
16-07	Various Capital Improvements	48,666
17-09	Various Capital Improvements	390,924
17-19	Pfister's Pond Restoration	166,338
17-23	Tenakill/Tenafly Swim Club Parking Lot Paving Project	53,240
18-06	Various Capital Improvements	453,346
18-09	Supplemental Ord. #18-06 Various Capital Improvements	309,365
19-04	Various Road Improvements	116,623
19-11	Various Capital Improvements	301,364
19-16	Repair to Monument at Roosevelt Commons and Rebuild the Aviary Nature Center	107,405
19-20	Borough Hall ADA Restroom Improvements	50,032
20-01	Various Capital Improvements	81,155
20-06	Upgrade of the Aviary Center	102,519
20-07	Various Capital Improvements	1,218,305
21-03	Various Capital Improvements	(1,727,228)
21-11	Various Capital Improvements	(1,468,320)
21-19	Various Capital Improvements	(44,623)
21-20	Tropical Storm Ida Road Improvement Project	3,419,591
		<u>\$ 7,390,185</u>

**BOROUGH OF TENAFLY
SCHEDULE OF GRANT / OTHER RECEIVABLES
GENERAL CAPITAL FUND**

	<u>Pledged</u>	Balance, December 31, <u>2020</u>	Grants <u>Awards</u>	<u>Collected</u>	<u>Cancellation</u>	Balance, December 31, <u>2021</u>
<u>Bergen County/County Open Space Trust</u>						
Ord. 07-24 - Phase I Improvements to Huyler Park	Reserve	\$ 9,941			\$ 9,941	
Ord. 09-21 - Drainage Improvements	Reserve	119,000			119,000	
Ord. 15-06 Cooperative Curb Ramp Program	Ord.	1,893				\$ 1,893
Ord. 16-07 Roosevelt Common Tennis Court Lighting	Ord.	13,158			13,158	-
Ord. 17-09 Park and Field Improvements	Reserve	7,528				7,528
Ord. 19-20 Borough Hall ADA Restroom Impvts.	Reserve	98,400		\$ 47,400		51,000
Ord. 19-21 ADA Walkway at Roosevelt Commons	Ord.	<u>32,000</u>	<u>-</u>	<u>30,423</u>	<u>37</u>	<u>1,540</u>
		<u>281,920</u>	<u>-</u>	<u>77,823</u>	<u>142,136</u>	<u>61,961</u>
 <u>New Jersey Department of Transportation</u>						
Ord. 19-11 2019 Road Resurfacing Project	Reserve	53,000	-		-	53,000
Ord. 21-03 2020 Road Improvement Project	Reserve		\$ 225,000			225,000
Ord. 21-11 2021 Road Improvement Project	Reserve	<u>-</u>	<u>219,000</u>	<u>-</u>	<u>-</u>	<u>219,000</u>
		<u>53,000</u>	<u>444,000</u>	<u>-</u>	<u>-</u>	<u>497,000</u>
 <u>Due from Tenafly Chamber of Commerce</u>						
Ord. 07-24 - Phase I Improvements Huyler Park	Reserve	<u>15,900</u>	<u>-</u>	<u>-</u>	<u>15,900</u>	<u>-</u>
 <u>Bergen County Community Development</u>						
Ord. 07-23 - Construct Barrier Free Doors	Reserve	<u>2,890</u>	<u>-</u>	<u>-</u>	<u>2,890</u>	<u>-</u>
		<u>\$ 353,710</u>	<u>\$ 444,000</u>	<u>\$ 77,823</u>	<u>\$ 160,926</u>	<u>\$ 558,961</u>
				<u>\$ 77,823</u>		
					<u>Analysis of Balance</u>	
						\$ 555,528
						<u>3,433</u>
						<u>\$ 558,961</u>

BOROUGH OF TENAFLY
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2020	\$ 10,771,000
Decreased by:	
Budget Appropriations to Pay Bonds	<u>2,555,000</u>
Balance, December 31, 2021	<u>\$ 8,216,000</u>

**BOROUGH OF TENAFLY
STATEMENT OF GENERAL SERIAL BONDS**

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
2012 General Improvement Bonds	10/1/2012	\$ 6,260,000	10/01/2022	\$ 750,000	3.75%-2.00%	\$ 1,500,000	\$ 750,000	\$ 750,000
2015 General Improvement Refunding Bonds	12/2/2015	5,955,000	12/1/2022	1,240,000	4.000%	2,470,000	1,230,000	1,240,000
2017 General Improvement Bonds	5/1/2017	8,526,000	5/1/2022	575,000	2.000%	<u>6,801,000</u>	<u>575,000</u>	<u>6,226,000</u>
			5/1/2023-2025	1,125,000	2.000%			
			5/1/2026	1,130,000	2.000%			
			5/1/2027	1,146,000	3.000%			
						<u>\$ 10,771,000</u>	<u>\$ 2,555,000</u>	<u>\$ 8,216,000</u>
Budget Appropriation							<u>\$ 2,555,000</u>	

**BOROUGH OF TENAFLY
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2020		2021 Authorization	Contracts Cancelled	Cancellation	Paid or Charged	Balance, December 31, 2021	
				Funded	Unfunded					Funded	Unfunded
10-08	Improvements to Davis Johnson Park	3/9/2010	\$ 171,300	\$ 963				\$ 963			
13-11/13-14/15-07	Various Capital Improvements	4/30/13-4/28/15	2,437,100				\$ 54,399		\$ 54,399		
13-27	Improvements to Froggy Park	11/26/2013	106,902	855				855			
14-08/14-12/15-13	Various Capital Improvements	4/29/14-5/27/14	2,068,122	64			212,961	64	212,961		
15-08	Various Capital Improvements	4/28/2015	1,601,113	162,247						\$ 162,247	
15-09	Improvements to Griffin Park	7/13/2015	100,500	505				505		-	
16-02	Supplemental to #14-08 New Public Works Bldg	1/26/2016	50,000				519	519		-	
16-07	Various Capital Improvements	4/12/2016	2,808,624	113,870			3,155	68,159	200	48,666	
17-09	Various Capital Improvements	4/20/2017	2,620,817		\$ 400,328		32,353		41,757		\$ 390,924
17-19	Pfister's Pond Restoration	10/24/2017	661,000	569,473			25,865		429,000	166,338	
17-23	Tenakill/Tenaflly Swim Club Parking Lot Paving Project	10/24/2017	400,000								53,240
18-06	Various Capital Improvements	4/17/2018	2,674,615				443,936				453,346
18-09	Supplemental #18-06 Various Capital Improvements	6/12/2018	475,000				309,365				309,365
19-04	Various Road Improvements	3/12/2019	750,000				116,623		71,753		116,623
19-11	Various Capital Improvements	5/7/2019	2,728,000				380,970		226,960		301,364
19-16	Repair to Monument at Roosevelt Commons and Rebuild the Aviary Nature Center	6/25/2019	155,000	149,180			4,320		46,095	107,405	
19-20	Borough Hall ADA Restroom Improvements	12/10/2019	123,000				4,620		4,588		50,032
19-21	ADA Walkway at Roosevelt Commons	12/10/2019	75,000				63,164	37	63,127	-	
20-01	Various Capital Improvements	2/25/2020	1,628,500				193,383		230,631		81,155
20-06	Upgrade of the Aviary Center	5/5/2020	256,218	215,700			24,880		138,061	102,519	
20-07	Various Capital Improvements	5/5/2020	3,406,307				1,945,818		1,692,867		1,218,805
20-08	Security System at the Borough Hall	5/19/2020	16,000	835				835		-	
20-20	Sleeper Trailer for the Tenaflly Ambulance Corps	11/9/2020	76,475	76,475					76,475	-	-
21-03	Various Capital Improvements	2/23/2021	2,423,230			\$ 2,423,230			1,843,458		579,772
21-11	Various Capital Improvements	5/11/2021	2,955,476			2,955,476			1,668,971		1,286,505
21-19	Various Capital Improvements	10/5/2021	50,000			50,000			47,023		2,977
21-20	Tropical Storm Ida Road Improvement Project	10/5/2021	3,500,000	-	-	3,500,000			80,409	86,591	3,333,000
				<u>\$ 1,290,167</u>	<u>\$ 3,893,663</u>	<u>\$ 8,928,706</u>	<u>\$ 1,835,379</u>	<u>\$ 71,937</u>	<u>\$ 7,025,104</u>	<u>\$ 673,766</u>	<u>\$ 8,177,108</u>
						Capital Improvement Fund	\$ 427,106				
						Deferred Charges Unfunded	<u>8,501,600</u>				
							<u>\$ 8,928,706</u>				
						Cash Disbursements			\$ 4,278,580		
						Contracts Payable			<u>2,746,524</u>		
									<u>\$ 7,025,104</u>		
						Fund Balance	\$ 3,222				
						Reserve for Debt Service	55,520				
						Grants Receivable	<u>13,195</u>				
									<u>\$ 71,937</u>		

**BOROUGH OF TENAFLY
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2020	\$	79,888
Increased by:		
Budget Appropriation		<u>442,000</u>
		521,888
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>427,106</u>
Balance, December 31, 2021	\$	<u><u>94,782</u></u>

STATEMENT OF DUE TO CURRENT FUND

Increased by:		
Interest Earnings	\$	<u>8,219</u>
Decreased by:		
Payments made to Current Fund	\$	<u><u>8,219</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2020	\$ 1,835,379
Increased by:	
Contract Awards	<u>2,746,524</u>
	4,581,903
Decreased by:	
Contract Payable Cancelled	<u>1,835,379</u>
Balance, December 31, 2021	<u><u>\$ 2,746,524</u></u>

STATEMENT OF RESERVE FOR DEBT SERVICE

Increased by:	
Cancellation of Improvement Authorization	<u>\$ 55,520</u>
Balance, December 31, 2021	<u><u>\$ 55,520</u></u>

STATEMENT OF RESERVE FOR INSURANCE PROCEEDS

Increased by:	
Receipt from Insurance Proceeds	<u>\$ 21,182</u>
Balance, December 31, 2021	<u><u>\$ 21,182</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Amount of Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
17-09	Various Capital Improvements	5/31/2018	\$ 2,496,013	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 % 2.00	\$ 2,050,815	\$ 1,895,315	\$ 2,050,815	\$ 1,895,315
17-23	Teakill/Tenafly Swim Club Parking Lot Paving Project	5/31/2018	380,000	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	362,662	342,662	362,662	342,662
18-06	Various Capital Improvements	5/29/2019	2,547,000	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	2,481,991	2,481,991	2,481,991	2,481,991
18-09	Supplemental Ord. #18-06- Various Capital Improvements	5/29/2019	452,000	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	452,000	452,000	452,000	452,000
18-21	Acquisition of Roll-Off Truck	5/29/2019	127,543	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	127,543	127,543	127,543	127,543
18-30	Senior Center Parking Lot Improvements	5/29/2019	25,183	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	6,572	6,572	6,572	6,572
19-04	Various Road Improvements	5/28/2020	714,000	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	714,000	714,000	714,000	714,000
19-11	Various Capital Improvements	5/28/2020	2,597,417	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	2,597,417	2,597,417	2,597,417	2,597,417
19-20	Borough Hall ADA Improvements	5/28/2020	117,000	5/28/2020 5/27/2021	5/28/2021 5/27/2022	1.25 2.00	117,000	117,000	117,000	117,000
20-01	Various Capital Improvements	5/27/2021	1,550,000	5/27/2021	5/27/2022	2.00		1,550,000		1,550,000
20-07	Various Capital Improvements	5/27/2021	3,243,500	5/27/2021	5/27/2022	2.00	-	3,243,500	-	3,243,500
21-20	Tropical Storm Ida Road Improvement Project	5/27/2021	3,333,000	5/27/2021	5/27/2022	0.31	-	3,333,000	-	3,333,000
							<u>\$ 8,910,000</u>	<u>\$ 16,861,000</u>	<u>\$ 8,910,000</u>	<u>\$ 16,861,000</u>
								\$ 8,734,500	\$ 8,734,500	
								8,126,500		
								-	175,500	
							<u>\$ 16,861,000</u>	<u>\$ 8,910,000</u>		

BOROUGH OF TENAFLY
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2020	2021 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Other <u>Proceeds</u>	Balance, December 31, 2021
	<u>General Improvements</u>					
20-01	Various Capital Improvements	\$ 1,550,000		\$ 1,550,000		
20-07	Various Capital Improvements	3,244,000		3,243,500		\$ 500
21-03	Various Capital Improvements		\$ 2,307,000			2,307,000
21-11	Various Capital Improvements		2,814,000		\$ 59,175	2,754,825
21-19	Various Capital Improvements		47,600			47,600
21-20	Tropical Storm Ida Road Improvement Project	-	3,333,000	3,333,000	-	-
		<u>\$ 4,794,000</u>	<u>\$ 8,501,600</u>	<u>\$ 8,126,500</u>	<u>\$ 59,175</u>	<u>\$ 5,109,925</u>

BOROUGH OF TENAFLY
COUNTY OF BERGEN, NEW JERSEY



PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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 Tenafly
Tenafly, 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 Tenafly as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 1, 2022. 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Tenafly'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Tenafly's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Tenafly's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Tenafly'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.

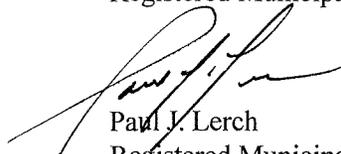
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Tenafly in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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 Tenafly'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 Tenafly's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
August 1, 2022

**BOROUGH OF TENAFLY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Federal Grant Program</u>	<u>Grant Year</u>	<u>CFDA Number</u>	<u>Award Amount</u>	<u>2021 Grant Receipts</u>	<u>Balance December 31, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2021</u>	<u>(Memo) Cumulative Expenditures</u>
<u>US Department of Justice</u>									
Bulletproof Vest Partnership Program	2018	16.607	\$ 2,740		\$ 381		\$ 381	-	\$ 2,740
	2021		2,981			\$ 2,981	1,311	\$ 1,670	1,311
<u>Division of Highway Safety- Occupant Protection Incentive</u>									
Click-it or Ticket		20.616							
	2014		3,955		48			48	3,907
	2016		5,000		5,000			5,000	
	2019		5,500		5,500	-	-	5,500	
<u>U.S. Dept. of Treasury</u>									
COVID American Rescue Plan - State and Local Fiscal Recovery Funding - Non-Entitlement Units (Passed through State Division of Local Government Services)	2021	21.027	1,512,775	\$ 756,387	-	-	-	-	
					<u>\$ 10,929</u>	<u>\$ 2,981</u>	<u>\$ 1,692</u>	<u>\$ 12,218</u>	

Note: This schedule was not subject to an audit in accordance with Federal Uniform Guidance.

BOROUGH OF TENAFLY
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2021 Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment/ Cancellations</u>	<u>Balance, December 31, 2021</u>	<u>(Memo) Cumulative Expended</u>
<u>Division of Criminal Justice</u>										
Body Armor Grant	120-718-066-1020-001	2017	\$ 3,227		\$ 487		\$ 487			\$ 3,227
		2019	3,594		786		786			3,594
		2020	3,354		3,354		1,880		\$ 1,474	1,880
		2021	2,587	\$ 2,587		\$ 2,587	1,311		1,276	1,276
<u>Department of Environmental Protection</u>										
Clean Communities Program	4900-765-004-2011	2017	33,551		1,455		1,455			33,551
		2018	28,504		5,850		2,659		3,191	25,313
		2020	30,431		1,499		1,499			30,431
		2021	29,197			27,438	23,127		4,311	23,127
Recycling Tonnage Grant	4900-752-001-2012	2017	22,573		185		185			22,573
		2020	20,442		19,361		10,611		8,750	11,692
		2021	24,603			24,603			24,603	
Green Communities	Not Available	2012	3,000		3,000				3,000	
		2017	2,000		2,000				2,000	
<u>Pass Thru - Bergen County</u>										
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	2017	4,938		4,188				4,188	750
		2020	4,938		3,042		2,250		792	4,146
		2021	4,938			4,938	750		4,188	750
<u>Division of Highway-Traffic Safety</u>										
Drunk Driving Enforcement Fund	1110-448-031020-22	2018	3,799		1,342		521		821	2,978
		2020	4,946		3,761				3,761	1,185
		2021	2,270			2,270	532		1,738	532
<u>Department of Transportation</u>										
Ordinance #19-11	20.205	2019	212,000		53,000				53,000	
Ordinance #21-03		2021	225,000			225,000			225,000	
Ordinance #21-11		2021	219,000		-	219,000	-	-	219,000	
					<u>\$ 103,310</u>	<u>\$ 505,836</u>	<u>\$ 48,053</u>	<u>\$ -</u>	<u>\$ 561,093</u>	

Adjustment represents cancellation of unexpended balance.
 Note: This schedule was not subject to an audit in accordance with NJ OMB Circular 15.08.

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

**BOROUGH OF TENAFLY
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Tenafly. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 2,981	\$ 61,836	\$ 64,817
General Capital Fund	-	444,000	444,000
	<u>\$ 2,981</u>	<u>\$ 505,836</u>	<u>\$ 508,817</u>

NOTE 4 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.

**BOROUGH OF TENAFLY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 are none.

**BOROUGH OF TENAFLY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part 3 – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF TENAFLY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 TENAFLY
BERGEN COUNTY, NEW JERSEY**

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

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

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,565,000	2.25 %	\$ 2,690,000	2.40 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,964,861	2.60	2,805,544	2.50
Collection of Delinquent Taxes and Tax Title Liens	637,156	0.56	676,858	0.60
Collection of Current Tax Levy	106,593,129	93.59	104,537,153	93.31
Other Credits	<u>1,128,954</u>	<u>0.99</u>	<u>1,318,400</u>	<u>1.18</u>
 Total Income	 <u>113,889,100</u>	 <u>100.00 %</u>	 <u>112,027,955</u>	 <u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	29,566,853	26.53 %	28,935,349	26.42 %
County Taxes	11,747,545	10.54	11,832,057	10.81
Local District School Taxes	69,639,197	62.48	68,298,178	62.39
Municipal Open Space Taxes	405,173	0.36	404,402	0.37
Other Expenditures	<u>101,339</u>	<u>0.10</u>	<u>4,996</u>	<u>0.00</u>
 Total Expenditures	 <u>111,460,107</u>	 <u>100.00 %</u>	 <u>109,474,982</u>	 <u>100.00 %</u>
Excess in Revenues	2,428,993		2,552,973	
Adjustments to Income before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>167,000</u>		<u>-</u>	
Statutory Excess in Revenue	2,595,993		2,552,973	
Fund Balance, January 1	<u>4,972,157</u>		<u>5,109,184</u>	
	7,568,150		7,662,157	
Less Utilization as Anticipated Revenue	<u>2,565,000</u>		<u>2,690,000</u>	
Fund Balance, December 31	<u>\$ 5,003,150</u>		<u>\$ 4,972,157</u>	

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

Comparative Schedule Of Fund Balances

	<u>Year</u>	<u>Balance, December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2021	\$ 5,003,150	\$ 2,635,000
	2020	4,972,157	2,565,000
	2019	5,109,184	2,690,000

Comparative Schedule Of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ <u>2.657</u>	\$ <u>2.618</u>	\$ <u>2.572</u>

Apportionment of Tax Rate

Municipal (Including Municipal Library)	\$ 0.628	\$ 0.611	\$ 0.599
Municipal Open Space	0.010	0.010	0.010
County (Including Open Space)	0.291	0.293	0.285
Local School	1.728	1.704	1.678

Assessed Valuation

2021	\$ <u>4,030,546,000</u>	
2020		\$ <u>4,009,550,000</u>
2019		\$ <u>4,007,822,300</u>

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

Comparison Of Levies And Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 107,654,203	\$ 106,593,129	99.01%
2020	105,871,968	104,537,153	98.73%
2019	103,469,873	102,469,991	99.03%

Delinquent Taxes And Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 643,450	\$ 1,362	\$ 644,812	0.60%
2020	650,962	887	651,849	0.62%
2019	689,396	887	690,283	0.67%

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Mark Zinna	Mayor	None
Venugopal Menon	Council Member	None
Daniel Park	Council Member	None
Lauren Dayton	Council President	None
Jeffrey Grossman	Council Member	None
Adam Michael	Council Member	None
Julie O'Connor	Council Member	None
Omar Stovall	Borough Clerk	None
Jimmy Homs	Borough Administrator	None
Susan Corrado	Chief Financial Officer/Tax Collector	\$ 1,000,000
Benjamin Choi	Municipal Court Judge	1,000,000
Dawn Curatola	Municipal Court Administrator	1,000,000
Robert Byrnes	Construction Code Official	None
Jeffrey Statham	Assessor	None
Kathy Soule	Deputy Treasurer	None

**BOROUGH OF TENAFLY
LETTER OF COMMENTS AND RECOMMENDATION**

GENERAL COMMENTS

Prior Year Comment Unresolved

Our audit of the Borough Clerk Department revenues collected revealed that the Borough Clerk's cash receipt ledger didn't include all receipts that were collected. Additionally, the cash receipts ledgers did not include monthly subtotals and year-to-date totals. It is recommended that the Borough Clerk Department's cash receipt ledger include all receipts collected, contain monthly sub-totals and a year-to-date total.

Current Year Comments

There are none.

Contracts and Agreements Required To Be Advertised For NJS 40a:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any 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 \$44,000, except by contract or agreement".

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

The minutes indicate that bids were requested by public advertising for the following items:

- Repair and Maintenance of Traffic Signals and Related Equipment
- Auto Service Repair and Maintenance of Police Vehicles
- Downtown Business District Culvert Video Inspection and Cleaning Project
- Pfister's Pond Hydro-Raking Project
- Various Street Projects
- Tenafly Library Façade and Roof Replacement

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.

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

Our examination of expenditures did reveal an exception (see general comments) for any individual payments, contracts or agreements in excess of \$44,000 effective July 1, 2020 other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

**BOROUGH OF TENAFLY
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED, by the Mayor and Council of the Borough of Tenafly that the rate of interest to be charged for the non-payment of taxes or assessments shall be 8% per annum on the first \$1,500 of any delinquency and eighteen (18%) percent on any amount in excess of \$1,500. There should be a grace period of ten days as permitted by the State Statutes.”

It appears from an examination of the collector’s records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The date of the last tax sale was December 2, 2021.

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

<u>Year</u>	<u>Number of Liens</u>
2021	1
2020	1
2019	1

Management Suggestions

- Changes to the Borough’s Holiday Schedule be approved by governing body resolution and done in advance of the actual Holiday.
- Non-contractual salaries be identified and approved by governing body resolutions.

APPRECIATION

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

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

RECOMMENDATIONS

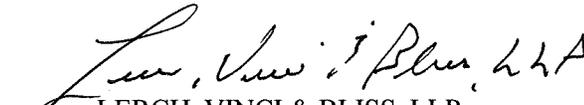
It is recommended that:

- * 1. The Borough Clerk Department's cash receipt ledger include all receipts collected, contain monthly sub-totals and a year-to-date total.

A review was performed on all prior year's recommendations and corrective action has been taken on all, except those marked with an asterisk (*).

The problems and weaknesses noted in our review 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 or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


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


Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457