

**BOROUGH OF TENAFLY**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**BOROUGH OF TENAFLY**

**BERGEN COUNTY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2022**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTINA CUIFFO, CPA

## **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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022 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, 2022 and 2021, 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, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 11 percent and 16 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2022 and 2021, 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.

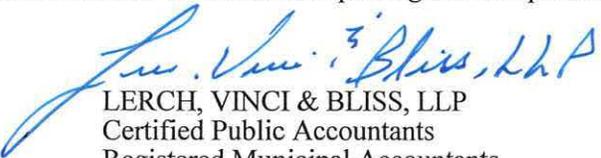
### ***Other Information***

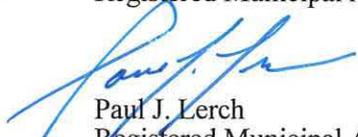
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements 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 28, 2023 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

Fair Lawn, New Jersey  
August 28, 2023

**BOROUGH OF TENAFLY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
Cash	A-4	\$ 9,619,555	\$ 9,282,654
Cash - Change Funds	A-5	375	375
Cash- Petty Cash	A-6	8,736	8,736
Grants Receivable	A-12	<u>12,209</u>	<u>12,616</u>
		<u>9,640,875</u>	<u>9,304,381</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	749,479	643,450
Tax Title Lien Receivable	A-10	1,362	1,362
Property Acquired for Taxes - Assessed Valuation	A-9	18,200	18,200
Due From General Capital Fund	C-10	92,364	-
Due From Other Trust Fund	B-17, B-18, B-20-24	11,203	2,479
Due From Recreation Trust Fund	B-19	4,850	-
Due From Animal Control Trust Fund	B-6	<u>2,318</u>	<u>1,935</u>
Sub Total		<u>879,776</u>	<u>667,426</u>
Deferred Charges			
Emergency	A-26	-	167,000
COVID Emergency	A-25	<u>160,000</u>	<u>200,000</u>
Sub Total		<u>160,000</u>	<u>367,000</u>
Total Assets		<u>\$ 10,680,651</u>	<u>\$ 10,338,807</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, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-13	\$ 1,088,643	\$ 1,387,899
Encumbrances Payable	A-14	523,601	606,275
Accounts Payable	A-21	24,541	81,044
Due to Other Trust Fund- Other	B-8	155,825	65,000
Due to State - Senior Citizen and Veterans Deductions	A-7	3,394	4,394
Due to State - DCA Training Fees	A-27	879	4,319
Prepaid Taxes	A-15	605,763	826,534
Tax Overpayments	A-20	587,031	187,995
County Taxes Payable	A-18	49,287	61,655
Appropriated Reserve for Grants	A-22	130,423	121,799
Unappropriated Reserve for Grants	A-23	1,198,342	787,319
Miscellaneous Reserves	A-24	472,234	533,998
		<u>4,839,963</u>	<u>4,668,231</u>
Reserve for Receivables	A	879,776	667,426
Fund Balance	A-1	<u>4,960,912</u>	<u>5,003,150</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 10,680,651</u>	<u>\$ 10,338,807</u>

**BOROUGH OF TENAFLY**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,635,000	\$ 2,565,000
Miscellaneous Revenues Anticipated	A-2	3,359,355	2,964,861
Receipts from Delinquent Taxes	A-2	624,949	637,156
Receipts from Current Taxes	A-2	108,766,113	106,593,129
Non-Budget Revenues	A-2	185,946	365,084
Other Credits to Income			
Interfunds Returned	A	4,414	4,996
Cancel Prior Year Accounts Payable	A-21	65,200	-
Statutory Excess	A-1	-	1,935
Unexpended Balance of Appropriation Reserves	A-13	605,291	756,939
		<u>116,246,268</u>	<u>113,889,100</u>
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	11,598,175	11,293,185
Other Expenses	A-3	12,189,412	11,957,571
Capital Improvements	A-3	152,000	442,000
Municipal Debt Service	A-3	3,498,749	3,123,705
Deferred Charges and Statutory Expenditures	A-3	3,082,374	2,750,392
Local District School Tax	A-16	71,141,836	69,639,197
County Taxes including Added Taxes	A-17, A-18	11,473,512	11,747,545
Municipal Open Space Taxes incl/Added Taxes	A-19	405,372	405,173
Prior Year Senior Discount Disallowed	A-1	-	250
Adjustment - Prior Year Taxes Due County for Added Taxes	A-1	-	5,670
Interfunds Advanced	A	110,735	4,414
Refund of Prior Year Revenue	A-4	1,341	91,005
		<u>113,653,506</u>	<u>111,460,107</u>
Total Expenditures			
Excess in Revenue		2,592,762	2,428,993
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget			
of Succeeding Year			
	A-26	<u>-</u>	<u>167,000</u>
Statutory Excess in Revenue		2,592,762	2,595,993
Fund Balance, January 1		<u>5,003,150</u>	<u>4,972,157</u>
		7,595,912	7,568,150
Decreased by:			
Utilization as Anticipated Revenues			
	A-1	<u>2,635,000</u>	<u>2,565,000</u>
Fund Balance, December 31,		<u>\$ 4,960,912</u>	<u>\$ 5,003,150</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, 2022**

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	<u>\$ 2,635,000</u>	<u>\$ 2,635,000</u>	<u>-</u>
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	25,000	27,265	\$ 2,265
Other	A-2	13,000	15,225	2,225
Fees and Permits				
Other	A-2	165,000	159,289	(5,711)
Fines and Costs				
Municipal Court	A-11	80,000	81,624	1,624
Interest and Costs on Taxes	A-11	190,000	225,624	35,624
Interest on Investments	A-2	40,000	295,811	255,811
Rental of Borough Owned Property	A-11	50,000	179,612	129,612
Use of Sewer System Agreements	A-11	40,000	61,972	21,972
Borough Operated Alarm Systems	A-11	35,000	38,065	3,065
Energy Receipts Taxes	A-11	1,119,801	1,119,801	-
Uniform Construction Code Fees	A-11	600,000	519,094	(80,906)
State and Federal Grants Offset with Appropriations-				
Municipal Alliance on Alcoholism and Drug Abuse	A-12	6,090	6,090	-
Body Armor Fund	A-23	1,735	1,735	-
Clean Communities- Reserve	A-23	29,197	29,197	-
Recycling Tonnage Grant	A-12	22,063	22,063	-
Uniform Fire Safety Act	A-11	15,000	23,002	8,002
Cable TV Franchise Fee	A-11	163,309	163,309	-
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	40,000	65,192	25,192
Sewer Charges - Tax Exempt Properties	A-11	19,000	17,668	(1,332)
Payment in Lieu of Taxes - Tenafly House	A-11	25,000	26,800	1,800
Cell Tower/Monopole Lease	A-11	165,000	175,397	10,397
Capital Fund Balance	C-2	50,000	50,000	-
Reserve for Payments of Debt Service	C-13	<u>55,520</u>	<u>55,520</u>	<u>-</u>
Total Miscellaneous Revenues	A-1	<u>2,949,715</u>	<u>3,359,355</u>	<u>409,640</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>615,000</u>	<u>624,949</u>	<u>9,949</u>
AMOUNT TO BE RAISED BY TAXATION:				
Local Tax for Municipal Purposes		24,599,755	26,007,315	1,407,560
Minimum Library Tax		<u>1,588,078</u>	<u>1,588,078</u>	<u>-</u>
Total Amount to be Raised by Taxation	A-2	<u>26,187,833</u>	<u>27,595,393</u>	<u>1,407,560</u>
Total General Revenues		<u>\$ 32,387,548</u>	34,214,697	<u>\$ 1,827,149</u>
Non-Budget Revenues	A-1,A-2		<u>185,946</u>	
			<u>\$ 34,400,643</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, 2022**

	<u>Reference</u>	
Analysis of Realized Revenue		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ <u>108,766,113</u>
Less: Allocated to School, County Taxes and Open Space	A-16,A-17,A-18, A-19	<u>83,020,720</u>
Add: Reserve for Uncollected Taxes	A-3	<u>1,850,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 27,595,393</u>
Licenses		
Clerk	A-11	\$ 1,625
Board of Health	A-11	<u>13,600</u>
	A-2	<u>\$ 15,225</u>
Fees and Permits		
Clerk	A-11	\$ 6,874
Police	A-11	3,191
Board of Health	A-11	2,485
Finance-Admin	A-11	45,223
Fire Prevention	A-11	46,756
Construction Code- Miscellaneous	A-11	33,097
Board of Adjustment/Planning Board	A-11	<u>21,663</u>
	A-2	<u>\$ 159,289</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 197,153
Due from General Capital	C-10	75,526
Due from Animal Control Fund	B-6	383
Due from Other Trust Fund - Miscellaneous Reserves	B-8	9,175
Due from Recreation Trust Fund	B-19	4,850
Due from Other Trust Fund- Escrow	B-18	1,245
Due from Other Trust Fund- Police Outside Duty	B-17	141
Due from Other Trust Fund- Tax Title Lien	B-21	4,751
Due from Other Trust Fund- Events	B-22	142
Due from Other Trust Fund- Ice Rink	B-23	44
Due from Other Trust Fund- Teen Center	B-24	330
Due from Other Trust- Payroll	B-20	<u>2,071</u>
	A-2	<u>\$ 295,811</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, 2022**

	<u>Reference</u>	
Non-Budget Revenue		
Recycling Cardboard/Miscellaneous		\$ 42,492
Returned Check Fee		1,360
DMV Inspection		5,506
Other		<u>136,588</u>
	A-2,A-4	<u>\$ 185,946</u>

**BOROUGH OF TENAFLY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriated</u>		<u>2022 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	\$ 242,405	\$ 240,905	\$ 236,597	\$ 4,308	
Borough Clerk's Office	198,454	196,954	190,509	6,445	
Other Expenses					
Administrator's Office	167,750	164,750	138,545	26,205	
Borough Clerk's Office	51,800	43,300	31,246	12,054	
Postage	30,000	30,000	28,945	1,055	
Photocopy Expense	36,000	36,000	35,612	388	
Human Resources					
Salaries and Wages	94,910	94,910	94,910	-	
Other Expenses	14,600	11,600	11,387	213	
Mayor and Council					
Salaries and Wages	35,000	23,000	23,000	-	
Other Expenses	14,000	10,500	8,659	1,841	
Elections					
Salaries and Wages	7,500	3,000	2,649	351	
Other Expenses	15,900	19,400	16,137	3,263	
Financial Administration					
Salaries and Wages	294,752	294,752	290,844	3,908	
Audit/Other Expenses	70,800	70,800	64,531	6,269	
Revenue Administration					
Salaries and Wages	102,283	103,083	103,067	16	
Other Expenses	45,769	41,769	38,907	2,862	
Assessment of Taxes					
Salaries and Wages	137,796	137,796	137,796	-	
Other Expenses	28,250	18,750	4,478	14,272	
Legal Services and Costs					
Other Expenses	264,000	254,000	221,847	32,153	
Engineering Services and Costs					
Other Expenses	109,000	112,000	111,678	322	
Historic Preservation Commission					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	11,450	11,450	85	11,365	
Municipal Land Use Law:					
Planning Board					
Salaries and Wages	6,500	6,500	4,000	2,500	
Other Expenses	78,075	73,075	68,277	4,798	
Zoning Board of Adjustment					
Salaries and Wages	3,000	3,000	3,000	-	
Other Expenses	43,630	60,630	59,037	1,593	
Insurance					
Liability	405,822	418,505	415,367	3,138	

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, 2022**

	<u>2022 Appropriated</u>		<u>2022 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	\$ 347,681	\$ 347,681	\$ 347,681	-	
Group Insurance Plan for Employees	2,013,000	2,087,023	2,085,353	\$ 1,670	
Unemployment	40,000	40,000		40,000	
Deductible	1,500	1,500	-	1,500	
Public Safety					
Police					
Salaries and Wages	6,196,756	6,196,756	6,164,801	31,955	
Other Expenses	294,652	294,652	244,024	50,628	
Emergency Management Services					
Salaries and Wages	4,600	4,600	4,600	-	
Other Expenses	19,100	13,600	11,644	1,956	
Aid to Volunteer Fire Company					
Salaries and Wages	124,653	124,653	117,693	6,960	
Other Expenses	13,300	10,800	7,502	3,298	
Aid to Volunteer Ambulance Corps					
Other Expenses	204,000	197,000	192,434	4,566	
Fire Department					
Salaries and Wages	22,500	22,500	21,000	1,500	
Other Expenses	330,450	311,450	264,517	46,933	
Fire Hydrant Services	233,311	233,311	232,878	433	
Municipal Prosecutor					
Other Expenses	15,300	13,300	12,900	400	
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages	2,255,130	2,242,563	2,120,010	122,553	
Other Expenses	550,100	570,100	546,137	23,963	
Solid Waste Collections					
Contract-Collections	895,000	895,000	885,000	10,000	
Recycling Center					
Salaries and Wages	452,987	452,987	449,640	3,347	
Other Expenses	144,800	139,800	138,605	1,195	
Public Buildings and Grounds					
Salaries and Wages	192,285	194,585	194,544	41	
Other Expenses	324,275	300,568	252,499	48,069	

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, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>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	110,741	97,741	87,491	\$ 10,250	
Environmental Commission					
Other Expenses	1,800	1,800	375	1,425	
Animal Welfare					
Other Expenses	14,500	12,000	11,011	989	
Mental Health Center					
Other Expenses	7,000	7,000	7,000	-	
Recreation and Education:					
Recreation Commission R.S. 40:12-1					
Salaries and Wages	301,674	301,674	264,485	37,189	
Other Expenses	34,603	30,103	18,221	11,882	
Senior Citizens Center					
Salaries and Wages	103,162	103,162	95,770	7,392	
Other Expenses	8,850	8,850	6,199	2,651	
Stigma Free Events - Other Expenses	5,000	5,000	829	4,171	
Downtown Committee - Other Expenses	5,000	5,000	-	5,000	
Welcome Committee - Other Expenses	6,500	6,500	5,038	1,462	
Senior Services Coordinator					
Salaries and Wages	33,110	34,810	33,292	1,518	
Other Expenses	1,000	1,000	566	434	
Senior Services Transportation					
Salaries and Wages	94,615	84,615	72,816	11,799	
Other Expenses	6,500	6,500	6,497	3	
Parking Lot Rental					
Other Expenses	30,040	30,040	18,123	11,917	
Celebration of Public Events					
Other Expenses	43,500	43,500	43,408	92	
Payroll Adjustment	175,000	175,000	62,417	112,583	
PUBLIC SAFETY FUNCTION					
Municipal Court					
Salaries and Wages	131,649	125,649	117,536	8,113	
Other Expenses	14,430	14,430	11,538	2,892	
Public Defender					
Other Expenses	3,550	3,550	1,300	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, 2022**

	<u>2022 Appropriated</u>		<u>2022 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	\$ 248,278	\$ 264,278	\$ 264,076	\$ 202	
Other Expenses	9,240	12,240	11,295	945	
Director of Building Department					
Salaries and Wages	132,001	130,001	118,582	11,419	
Other Expenses	6,230	6,230	4,890	1,340	
Unclassified					
Electricity	215,250	211,250	191,593	19,657	
Street Lighting	168,000	168,000	154,934	13,066	
Telephone	88,000	85,000	81,173	3,827	
Natural Gas	77,000	69,500	54,366	15,134	
Gasoline	209,000	228,500	227,640	860	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
BCUA Disposal Fees	<u>468,000</u>	<u>488,000</u>	<u>487,234</u>	<u>766</u>	<u>-</u>
Total Operations Within "CAPS"	<u>19,947,049</u>	<u>19,944,781</u>	<u>19,103,267</u>	<u>841,514</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>19,947,049</u>	<u>19,944,781</u>	<u>19,103,267</u>	<u>841,514</u>	<u>-</u>
Detail:					
Salaries and Wages	11,600,000	11,570,733	11,196,634	374,099	-
Other Expenses	<u>8,347,049</u>	<u>8,374,048</u>	<u>7,906,633</u>	<u>467,415</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	693,459	693,459	693,459	-	
Social Security System (O.A.S.I.)	595,588	595,588	561,211	34,377	
Police and Firemen's Retirement System of NJ	1,563,349	1,563,349	1,563,349	-	
Defined Contribution Retirement Program	<u>22,978</u>	<u>22,978</u>	<u>17,190</u>	<u>5,788</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>2,875,374</u>	<u>2,875,374</u>	<u>2,835,209</u>	<u>40,165</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>22,822,423</u>	<u>22,820,155</u>	<u>21,938,476</u>	<u>881,679</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, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>					
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)	\$ 1,485,443	\$ 1,485,443	\$ 1,398,499	\$ 86,944	
Library Building Maintenance				-	
Salaries and Wages	27,442	27,442	20,709	6,733	
Other Expenses	75,193	75,193	66,869	8,324	
Bergen County Utilities Authority					
Operations and Maintenance	1,572,549	1,572,550	1,572,550	-	
Debt Service	349,571	349,571	349,571	-	
Reserve for Tax Appeals	200,000	200,000	200,000	-	
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, C. 388)	72,000	72,000	-	72,000	-
<b>Total Other Operations Excluded from "CAPS"</b>	<u>3,782,198</u>	<u>3,782,199</u>	<u>3,608,198</u>	<u>174,001</u>	<u>-</u>
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Recycling Tonnage Grant - Reserve	22,063	22,063	465	21,598	
Body Armor Fund - Reserve	1,735	1,735	995	740	
Municipal Alliance on Alcoholism and Drug Abuse	6,090	6,090	2,741	3,349	
Matching Funds - Municipal Alliance	1,522	1,522		1,522	
Clean Communities Program - Reserve	29,197	29,197	23,443	5,754	-
<b>Total Public and Private Programs Offset by Revenues</b>	<u>60,607</u>	<u>60,607</u>	<u>27,644</u>	<u>32,963</u>	<u>-</u>
<b>Total Operations Excluded from "CAPS"</b>	<u>3,842,805</u>	<u>3,842,806</u>	<u>3,635,842</u>	<u>206,964</u>	<u>-</u>
<b>Detail:</b>					
Salaries and Wages	27,442	27,442	20,709	6,733	-
Other Expenses	3,815,363	3,815,364	3,615,133	200,231	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	152,000	152,000	152,000	-	-
<b>Total Capital Improvement Fund - Excluded from "CAPS"</b>	<u>152,000</u>	<u>152,000</u>	<u>152,000</u>	<u>-</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	2,565,000	2,565,000	2,565,000	-	
Note Principal	351,483	351,483	334,645	-	16,838
Interest on Bonds	206,130	206,130	206,130		
Interest on Notes	390,707	392,974	392,974	-	-
<b>Total Municipal Debt Service - Excluded from "CAPS"</b>	<u>3,513,320</u>	<u>3,515,587</u>	<u>3,498,749</u>	<u>-</u>	<u>16,838</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, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>DEFERRED CHARGES</b>					
Deferred Charges					
Emergency Authorization	\$ 167,000	\$ 167,000	\$ 167,000	-	-
Special Emergency Authorization (5 Years)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>207,000</u>	<u>207,000</u>	<u>207,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>7,715,125</u>	<u>7,717,393</u>	<u>7,493,591</u>	<u>\$ 206,964</u>	<u>\$ 16,838</u>
Subtotal General Appropriations	30,537,548	30,537,548	29,432,067	1,088,643	16,838
Reserve for Uncollected Taxes	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 32,387,548</u>	<u>\$ 32,387,548</u>	<u>\$ 31,282,067</u>	<u>\$ 1,088,643</u>	<u>\$ 16,838</u>
<u>Reference</u>	A-2			A	
Budget as Adopted	A-2	<u>\$ 32,387,548</u>			
Cash Disbursed	A-4		\$ 28,501,466		
Encumbrances Payable	A-14		523,601		
Reserve for Tax Appeals	A-24		200,000		
Reserve for Uncollected Taxes	A-3		1,850,000		
Deferred Charges	A-25, A-26		<u>207,000</u>		
			<u>\$ 31,282,067</u>		

**BOROUGH OF TENAFLY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2022 AND 2021**

ASSETS	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Animal Control Trust Fund			
Cash	B-3	\$ 27,098	\$ 28,608
		<u>27,098</u>	<u>28,608</u>
Other Trust Fund			
Cash	B-3	6,448,169	5,462,330
Due from Recreation Trust Fund- Payroll Agency	B-16	30	30
Due from Current Fund - Other Trust Fund	B-8	155,825	65,000
		<u>6,604,024</u>	<u>5,527,360</u>
Unemployment Insurance Trust Fund			
Cash	B-3	65,038	71,715
Recreation Activities Trust Fund			
Cash	B-3	382,425	276,062
Municipal Open Space Preservation Trust Fund			
Cash	B-3	3,148,098	2,796,248
Due From General Capital	C-11	53,966	-
		<u>3,202,064</u>	<u>2,796,248</u>
Length of Service Award Program (Unaudited)			
Investments	B	1,216,276	1,530,137
Contributions Receivable	B	72,335	68,932
		<u>1,288,611</u>	<u>1,599,069</u>
 Total Assets		 <u>\$ 11,569,260</u>	 <u>\$ 10,299,062</u>

**BOROUGH OF TENAFLY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Animal Control Trust Fund</b>			
Reserve for Animal License Expenditures	B-4	\$ 24,780	\$ 26,673
Due to Current Fund	B-6	<u>2,318</u>	<u>1,935</u>
		<u>27,098</u>	<u>28,608</u>
<b>Other Trust Fund</b>			
Due to Current Fund - Payroll	B-20	2,071	
Due to Current Fund - Ice Rink	B-23	44	
Due to Current Fund - Events	B-22	142	
Due to Current Fund - Teen Center	B-24	330	
Due to Current Fund - Police Outside Duty	B-17	141	
Due to Current Fund - Tax Title Lien	B-21	4,751	
Due to Current Fund - Escrow Deposits	B-18	3,724	2,479
Reserve for:			
Miscellaneous Reserves	B-12	2,787,140	2,178,421
Escrow Deposits - Construction Fees	B-11	374,479	389,913
Affordable Housing Trust	B-14	3,410,596	2,940,658
Accrued Salary and Wages	B-9	6,723	4,468
Payroll Deductions Payable	B-10	<u>13,883</u>	<u>11,421</u>
		<u>6,604,024</u>	<u>5,527,360</u>
<b>Unemployment Insurance Trust Fund</b>			
Reserve for Unemployment Compensation Insurance	B-7	<u>65,038</u>	<u>71,715</u>
<b>Recreation Activities Trust Fund</b>			
Due to Current Fund	B-19	4,850	-
Due to Other Trust Fund- Payroll Agency	B-16	30	30
Reserve for Recreation Expenditures	B-15	<u>377,545</u>	<u>276,032</u>
		<u>382,425</u>	<u>276,062</u>
<b>Municipal Open Space Preservation Trust Fund</b>			
Reserve for Municipal Open Space Expenditures	B-13	<u>3,202,064</u>	<u>2,796,248</u>
<b>Length of Service Award Program (Unaudited)</b>			
Net Position Available for Benefits	B	<u>1,288,611</u>	<u>1,599,069</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 11,569,260</u>	<u>\$ 10,299,062</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF TENAFLY  
STATEMENT OF REVENUES-REGULATORY BASIS  
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget (Memo)	Realized	Variance
Amount to be Raised by Taxation	\$ 403,637	\$ 405,372	\$ 1,735
Reference	B-2	B-13	

**STATEMENT OF EXPENDITURES-REGULATORY BASIS  
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget (Memo)	Paid or Charged	Variance
Reserve for Future Use	\$ 403,637	\$ 96,897	\$ 306,740
Reference	B-1	B-13	

**BOROUGH OF TENAFLY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 10,457,404	\$ 7,390,185
Grants / Other Receivable	C-4	667,658	558,961
Deferred Charges to Future Taxation			
Funded	C-5	13,786,000	8,216,000
Unfunded	C-6	<u>16,596,901</u>	<u>21,723,408</u>
 Total Assets		 <u>\$ 41,507,963</u>	 <u>\$ 37,888,554</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-7	\$ 13,786,000	\$ 8,216,000
Bond Anticipation Notes Payable	C-15	13,294,000	16,861,000
Contracts Payable	C-12	4,515,063	2,746,524
Due To - Current Fund	C-10	92,364	-
Due To - Municipal Open Space	C-11	53,966	-
Improvement Authorizations			
Funded	C-8	2,249,838	673,766
Unfunded	C-8	5,832,905	8,177,108
Reserve for:			
Debt Service	C-13	-	55,520
Grants Receivable	C-4	648,004	555,528
Insurance Proceeds	C-14	46,245	21,182
Capital Improvement Fund	C-9	71,011	94,782
Fund Balance	C-1	<u>918,567</u>	<u>487,144</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 41,507,963</u>	 <u>\$ 37,888,554</u>

There were bonds and notes authorized but not issued at December 31, 2022 and 2021 of \$3,408,950 and \$5,109,925, respectively (Exhibit C-16).

**BOROUGH OF TENAFLY**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS -**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, December 31	C	\$ 487,144	\$ 248,129
Increased by:			
Cancellations	C-1	-	3,222
Premium on Bond Sale	C-2	325,395	
Premium on Sale of Notes	C-2	<u>156,028</u>	<u>235,793</u>
		968,567	487,144
Decreased by:			
Realized as Current Fund Revenue	C-2	<u>50,000</u>	<u>-</u>
Balance, December 31	C	<u>\$ 918,567</u>	<u>\$ 487,144</u>

**BOROUGH OF TENAFLY**  
**COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
General Fixed Assets		
Land	\$ 99,186,540	\$ 99,186,540
Land Improvements	2,646,700	2,302,623
Buildings and Building Improvements	16,467,250	16,146,664
Machinery and Equipment	<u>19,098,169</u>	<u>18,231,424</u>
	<u>\$ 137,398,659</u>	<u>\$ 135,867,251</u>
Investment in General Fixed Assets	<u>\$ 137,398,659</u>	<u>\$ 135,867,251</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

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

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

*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.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

The Borough of 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.

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

**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 11<sup>th</sup> 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, 2022 AND 2021

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.

Prepaid Items - Certain payments to vendors or other governments reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

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

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

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

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

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

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**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.

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

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

**Other Post-Employment Benefits (OPEB)** – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

**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, 2022 AND 2021**

**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 Funds (Except Municipal Open Space Preservation Trust Fund)

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022 and 2021 the Borough Council increased the original budget by \$0 and \$167,000. The increase in 2021 was attributable to an emergency resolution for the Capital Improvement Fund. In addition, the governing body approved several budget transfers during 2022 and 2021.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

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

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, 2022 and 2021, the book value of the Borough's deposits were \$29,727,750 and \$25,316,913 and bank and brokerage firm balances of the Borough's deposits amounted to \$30,862,479 and \$26,636,359, 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>2022</u>	<u>2021</u>
Insured	\$ 23,633,289	\$ 20,554,482
Uninsured and Collateralized	<u>7,229,190</u>	<u>6,082,377</u>
	<u>\$ 30,862,479</u>	<u>\$ 26,636,859</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, 2022 and 2021, the Borough’s bank balances of \$7,229,190 and \$6,082,377 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 7,229,190</u>	<u>\$ 6,082,377</u>
	<u>\$ 7,229,190</u>	<u>\$ 6,082,377</u>

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**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.

As of December 31, 2022 and 2021 the Borough had the following investments:

	<b><u>Fair Value</u></b> (LOSAP Only)	<b><u>Book Value</u></b>
<b><u>2022</u></b>		
Investment:		
N.J. Cash Management Fund		\$ 429,148
Lincoln Financial-Length of Service Award Program (Unaudited)	\$ 1,216,276	-
	<u>\$ 1,216,276</u>	<u>\$ 429,148</u>

	<b><u>Fair Value</u></b> (LOSAP Only)	<b><u>Book Value</u></b>
<b><u>2021</u></b>		
Investment:		
N.J. Cash Management Fund		\$ 422,780
Lincoln Financial-Length of Service Award Program (Unaudited)	\$ 1,530,137	-
	<u>\$ 1,530,137</u>	<u>\$ 422,780</u>

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2022 and 2021, \$1,645,424 and \$1,952,917 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u> (LOSAP)	<u>Book Value</u>
<b><u>2022</u></b>		
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 1,216,276	\$ 429,148
	<u>\$ 1,216,276</u>	<u>\$ 429,148</u>
	<u>Fair Value</u> (LOSAP)	<u>Book Value</u>
<b><u>2021</u></b>		
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 1,530,137	\$ 422,780
	<u>\$ 1,530,137</u>	<u>\$ 422,780</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, 2022 and 2021, the Borough’s investment in Lincoln Financial Group was rated A1 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 75% of the Borough’s total investments.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

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, 2022 and 2021 are categorized as Level 2.

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2022 and 2021 consisted of the following:

<u>Current</u>	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 749,479	\$ 643,450
Tax Title Liens	<u>1,362</u>	<u>1,362</u>
	<u>\$ 750,841</u>	<u>\$ 644,812</u>

In 2022 and 2021, the Borough collected \$624,949 and \$637,156 from delinquent taxes, which represented 97% and 98%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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>2022</u>		<u>2021</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:	\$ 110,735	\$ 155,825		
Trust Fund:				
Animal Control		2,318		\$ 1,935
Other Trust Fund - Escrow		3,724		2,479
Other Trust Fund - Misc. Reserves	155,825		\$ 65,000	
Other Trust Fund - Payroll Agency	30		30	
Other Trust Fund - Police Outside Duty		141		
Other Trust Fund - Net Payroll		2,071		
Other Trust Fund - Tax Title Lien		4,751		
Other Trust Fund - Events		142		
Other Trust Fund - Ice Rink		44		
Other Trust Fund - Teen Center		330		
Recreation Trust Fund		4,880		30
Municipal Open Space	53,966			
General Capital Fund	-	146,330	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 320,556</u>	<u>\$ 320,556</u>	<u>\$ 65,030</u>	<u>\$ 4,444</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

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

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<u>2022</u>			
Current Fund			
COVID Emergency	<u>\$ 160,000</u>	<u>\$ 40,000</u>	<u>\$ 120,000</u>
<u>2021</u>			
Current Fund			
COVID Emergency	\$ 200,000	\$ 40,000	\$ 160,000
Emergency Authorization	<u>167,000</u>	<u>167,000</u>	<u>-</u>
	<u>367,000</u>	<u>207,000</u>	<u>160,000</u>

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	<u>2022</u>		<u>2021</u>	
	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,788,703	\$ 2,635,000	\$ 4,623,534	\$ 2,635,000
Non-Cash Surplus	<u>172,209</u>	<u>-</u>	<u>379,616</u>	<u>-</u>
	<u>\$ 4,960,912</u>	<u>\$ 2,635,000</u>	<u>\$ 5,003,150</u>	<u>\$ 2,635,000</u>

**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, 2022 and 2021.

	<u>Balance</u> <u>December 31,</u> <u>2021</u>			<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>		
<u>2022</u>								
Land	\$ 99,186,540					\$ 99,186,540		
Land Improvements	2,302,623	\$ 344,077				2,646,700		
Buildings and Building Improvements	16,146,664	320,586				16,467,250		
Machinery and Equipment	<u>18,231,424</u>	<u>891,281</u>	\$ 24,536			<u>19,098,169</u>		
	<u>\$ 135,867,251</u>	<u>\$ 1,555,944</u>	<u>\$ 24,536</u>			<u>\$ 137,398,659</u>		
	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>		<u>Balance,</u> <u>December 31,</u> <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	<u>18,414,327</u>	<u>913,483</u>	\$ 1,096,386		<u>18,231,424</u>			
	<u>\$ 134,880,310</u>	<u>\$ 2,083,327</u>	<u>\$ 1,096,386</u>		<u>\$ 135,867,251</u>			

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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 general capital fund 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>2022</u>	<u>2021</u>
Issued		
General		
Bonds, Notes and Loans	\$ 27,080,000	\$ 25,077,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>106,049</u>	<u>247,517</u>
Net Debt Issued	26,973,951	24,829,483
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,408,950</u>	<u>5,109,925</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 30,382,901</u>	<u>\$ 29,939,408</u>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .634% and .636% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
General Debt	\$ 30,488,950	\$ 106,049	\$ 30,382,901
School Debt	<u>20,505,000</u>	<u>20,505,000</u>	<u>-</u>
Total	<u>\$ 50,993,950</u>	<u>\$ 20,611,049</u>	<u>\$ 30,382,901</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2021</u></b>			
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>

**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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 168,484,610	\$ 163,020,127
Less: Net Debt	<u>30,382,901</u>	<u>29,939,408</u>
Remaining Borrowing Power	<u>\$ 138,101,709</u>	<u>\$ 133,080,719</u>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2022</u>	<u>2021</u>
\$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%	\$ 5,651,000	\$ 6,226,000
\$8,135,000, 2022 General Improvement Bonds, due in annual installments of \$900,000 to \$1,125,000 through September 15, 2030, interest at 3% to 4%	<u>8,135,000</u>	<u>-</u>
Total	<u>\$ 13,786,000</u>	<u>\$ 6,226,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2022 is as follows:

Calendar Year	General Bonds		Total
	Principal	Interest	
2023	\$ 2,025,000	\$ 391,142	\$ 2,416,142
2024	2,025,000	391,142	2,416,142
2025	2,125,000	302,930	2,427,930
2026	2,130,000	244,730	2,374,730
2027	2,146,000	180,590	2,326,590
2028-2030	<u>3,335,000</u>	<u>267,800</u>	<u>3,602,800</u>
Total	<u>\$ 13,786,000</u>	<u>\$ 1,778,334</u>	<u>\$ 15,564,334</u>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 8,216,000	\$ 8,135,000	\$ 2,565,000	\$ 13,786,000	\$ 2,025,000
General Capital Fund Long-Term Liabilities	<u>\$ 8,216,000</u>	<u>\$ 8,135,000</u>	<u>\$ 2,565,000</u>	<u>\$ 13,786,000</u>	<u>\$ 2,025,000</u>
	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 10,771,000	\$ -	\$ 2,555,000	\$ 8,216,000	\$ 2,565,000
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>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

**Bond Anticipation Notes**

<u>2022</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2022</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	2.00%	5/27/2022	\$ 1,895,315		\$ 1,895,315	\$ -
	Tenakill/Tenafly Swim Club Parking Lot Paving Project	2.00%	5/27/2022	342,662		342,662	-
	Various Capital Improvements	2.00%	5/27/2022	2,481,991		2,481,991	-
	Supplemental Ord. #18-06 - Various Capital Improvements	2.00%	5/27/2022	-			-
	Acquisition of Roll-Off Truck	2.00%	5/27/2022	127,543		127,543	-
	Senior Center Parking Lot Imprvts	2.00%	5/27/2022	6,572		6,572	-
	Various Road Improvements	2.00%	5/27/2022	714,000		714,000	-
	Various Capital Improvements	2.00%	5/27/2022	2,597,417		2,597,417	-
	Borough Hall ADA Improvements	2.00%	5/27/2022	117,000		117,000	-
	Various Capital Improvements	4.00%	5/26/2023	1,550,000	\$ 1,550,000	1,550,000	1,550,000
	Various Capital Improvements	4.00%	5/26/2023	3,243,500	3,244,000	3,243,500	3,244,000
	Various Capital Improvements	4.50%	5/26/2023		2,307,000		2,307,000
	Various Capital Improvements	4.50%	5/26/2023		2,814,000		2,814,000
	Various Capital Improvements	4.50%	5/26/2023		46,000		46,000
	Tropical Storm Ida Road Improvement Project	4.50%	5/27/2022	<u>3,333,000</u>	<u>3,333,000</u>	<u>3,333,000</u>	<u>3,333,000</u>
	<b>Total</b>			<b><u>\$ 16,861,000</u></b>	<b><u>\$ 13,294,000</u></b>	<b><u>\$ 16,861,000</u></b>	<b><u>\$ 13,294,000</u></b>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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

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, 2022 AND 2021**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>2022</u>		
Acquisition of Aerial Lift	\$ 170,842	2023
Acquisition of Fire Truck	1,039,587	2023
Tropical Storm Ida Road Improvements	1,508,675	2023
Acquisition of Front End Loader	263,111	2023
2022 Road Program	130,000	2023
Acquisition of Emergency Generator System	162,623	2023
<u>2021</u>		
Acquisition of Aerial Lift	\$ 170,842	2023
Acquisition of Fire Truck	1,039,587	2023
Tenaflly Library Façade and Roof Replacement	178,895	2022

**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 \$1,441,231 and \$1,461,232 at December 31, 2022 and 2021, 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, 2022 and 2021, the Borough has reserved in the Other Trust Fund \$604,961 and \$670,569, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
Compensated Absences	\$ 1,461,232	\$ 156,103	\$ 176,104	1,441,231	\$ 41,390
Net Pension Liability - PERS (1)	8,127,893			8,127,893	
Net Pension Liability - PFRS (1)	9,804,466			9,804,466	
Net OPEB Liability (1)	<u>25,580,389</u>	<u>-</u>	<u>-</u>	<u>25,580,389</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 44,973,980</u>	<u>\$ 156,103</u>	<u>\$ 176,104</u>	<u>\$ 44,953,979</u>	<u>\$ 41,390</u>
	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
Compensated Absences	\$ 1,373,206	\$ 158,126	\$ 70,100	1,461,232	\$ 35,070
Net Pension Liability - PERS	12,141,766		4,013,873	8,127,893	
Net Pension Liability - PFRS	16,952,595		7,148,129	9,804,466	
Net OPEB Liability	<u>21,873,511</u>	<u>3,706,878</u>	<u>-</u>	<u>25,580,389</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 52,341,078</u>	<u>\$ 3,865,004</u>	<u>\$ 11,232,102</u>	<u>\$ 44,973,980</u>	<u>\$ 35,070</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) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

The following represents the membership tiers for PFRS:

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

**Other Pension Funds**

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://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, 2022 AND 2021**

**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](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2022 and 2021 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 2022, 2021 and 2020 were equal to the required contributions.

**BOROUGH OF TENAFLY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions (Contributions)**

During the years ended December 31, 2022, 2021, and 2020, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2022	\$ 1,563,349	\$ 812,401	\$ 17,190
2021	1,465,713	815,485	14,459
2020	1,368,166	767,776	11,101

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

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$0, \$0 and \$2,123, 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, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2023-10 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, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2021, the Borough reported a liability of \$8,127,893, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough’s proportionate share was .06937 percent, which was a decrease of .00509 percent from its proportionate share measured as of June 30, 2020 of .07446 percent.

**BOROUGH OF TENAFLY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2021, the pension system has determined the Borough's pension (benefit) to be (\$1,525,070), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$815,485. At December 31, 2021, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 129,607	\$ 58,830
Changes of Assumptions	42,799	2,925,623
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,164,809
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>63,620</u>	<u>1,776,019</u>
Total	<u>\$ 236,026</u>	<u>\$ 6,925,281</u>

At December 31, 2021 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>
2022	\$ (2,558,411)
2023	(1,923,605)
2024	(1,274,016)
2025	(911,623)
2026	(21,600)
Thereafter	<u>-</u>
	<u>\$ (6,689,255)</u>

**BOROUGH OF TENAFLY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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 Rates*

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

The actuarial assumptions used in the July 1, 2020 valuation 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, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF TENAFLY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Discount Rate*

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2021 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>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,068,542</u>	<u>\$ 8,127,893</u>	<u>\$ 5,632,336</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. 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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2021, the Borough reported a liability of \$9,804,466, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough’s proportionate share was .13414 percent, which was an increase of .00294 percent from its proportionate share measured as of June 30, 2020 of .13120 percent.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

For the year ended December 31, 2021, the pension system has determined the Borough pension (benefit) to be (\$1,151,549), for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,465,713. At December 31, 2021, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 111,857	\$ 1,174,474
Changes of Assumptions	52,170	2,938,354
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		4,178,002
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>838,145</u>	<u>446,907</u>
Total	<u>\$ 1,002,172</u>	<u>\$ 8,737,737</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (2,396,457)
2023	(1,905,072)
2024	(1,604,069)
2025	(1,659,729)
2026	(145,506)
Thereafter	<u>(24,732)</u>
	<u>\$ (7,735,565)</u>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

***Actuarial Assumptions***

The Borough’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2021 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>2021</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,887,775</u>	<u>\$ 9,804,466</u>	<u>\$ 5,573,160</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

***Special Funding Situation – PFRS***

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

At December 31, 2021, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,757,504. For the year ended December 31, 2021, 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 \$307,106, which is more than the actual contribution the State made on behalf of the Borough of \$239,542. At December 31, 2021 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the Borough was .13414 percent, which was an increase of .00294 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .13120 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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Plan Membership and Contributing Employers**

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

**Measurement Focus and Basis of Accounting**

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

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

**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, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2020 which was rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution**

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

The employers participating in the OPEB plan made contributions of \$325.1 million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal year 2021.

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, 2022, 2021 and 2020 were \$444,985, \$343,883 and \$301,120, 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, 2022, 2021 and 2020 were \$62,613, \$49,111 and \$62,867, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 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, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2021, the Borough reported a liability of \$25,580,389, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2021. As of the measurement date of June 30, 2021 the Borough's proportionate share was .15064 percent, which was an increase of .02881 percent from its proportionate share measured as of June 30, 2020 of .12183 percent.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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)**

For the year ended December 31, 2021, the Plan has determined the Borough's OPEB expense to be \$971,427, based on the actuarial valuation which is more or less than the actual contributions reported in the Borough's financial statements of \$343,883. At December 31, 2021, 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>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 608,433	\$ 5,672,906
Changes of Assumptions	3,900,607	4,792,935
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	12,965	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	8,102,361	2,265,386
Contributions made Subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total	<u>\$ 12,624,366</u>	<u>\$ 12,731,227</u>

At December 31, 2021 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (592,594)
2023	(592,594)
2024	(595,763)
2025	(596,860)
2026	676,005
Thereafter	<u>1,594,945</u>
	<u>\$ (106,861)</u>

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Actuarial Assumptions*

The Borough’s total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</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%

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

*Mortality Rates*

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

*Health Care Trends*

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 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 for June 30, 2021 measurement date was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*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, 2021 calculated using the discount rate of 2.16%, 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 1.16% or 1-percentage-point higher 3.16% than the current rate:

<u>2021</u>	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 30,103,211</u>	<u>\$ 25,580,389</u>	<u>\$ 21,995,955</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the Plan.

*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, 2021 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>2021</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>\$ 21,342,660</u>	<u>\$ 25,580,389</u>	<u>\$ 31,110,101</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the pension system.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*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, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$712,923. For the year ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$97,232. At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the Borough was .01846 percent, which was a decrease of .13384 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .15230 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](http://www.state.nj.us/treasury/pensions).

**NOTE 14 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained 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.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 14 RISK MANAGEMENT (Continued)**

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

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	-	\$ 16,399	\$ 24,044	\$ 65,038
2021	\$ 40,000	15,189	57,854	71,715
2020	55,000	31,099	19,543	74,296

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. 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) or (immaterial). As of December 31, 2022 and 2021, the Borough reserved \$464,299 and \$526,047, 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, 2022 and 2021, 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.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2022 and 2021, 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.

The Borough of Tenafly has contributed \$1,955 and \$1,814 for 2022 and 2021, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$72,335 and \$68,932, for 2022 and 2021, 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.

**BOROUGH OF TENAFLY  
 NOTES TO FINANCIAL STATEMENTS  
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**NOTE 18 LEASES RECEIVABLE**

On November 3, 1998 the Borough began leasing cell tower site space to a third party. The lease was for five years with the option to renew for four optional five-year renewal terms. The Borough received monthly payments with annual increases of 3%. The Borough recognized \$166,292 and \$179,612 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$6,712 and \$10,185, respectively. As of December 31, 2022 and 2021 the Township’s receivable for lease payments, exclusive of future interest earnings is \$167,840 and \$327,421, respectively.

The future lease revenue principal and interest payments as of December 31, 2022 were as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 167,840	\$ 3,441	\$ 171,281

**NOTE 19 TAX ABATEMENTS**

For the years ended December 31, 2022 and 2021, 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 Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being “in need of redevelopment”. These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area “in need of redevelopment”. Upon adopting the planning board’s recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2022 and 2021 the Borough abated property taxes totaling \$46,734 and \$45,095, respectively under the LTTE program. The Borough received \$2,000 and \$2,000 in PILOT payments under this program for the years ended December 31, 2022 and 2021, respectively.
- The Five-Year Exemption and Abatement Law (NJSA 40:21et.seq.) generally concerns rehabilitation of particular buildings and structures, with an abatement period that lasts no more than five years. These “short-term” property tax abatements can be structured as reduced property tax bills that exclude all or part of improvement value or as payments in lieu of taxes (PILOTs). Procedurally, a municipality must first adopt an ordinance invoking its five-year abatement authority and setting forth application procedures. This ordinance, referred to as the general ordinance, defines the eligibility criteria, which may include types of structures, types of permissible improvements, as well as qualifying geographic zones or similar designations. An applicant must satisfy all of the criteria stipulated in the statute and general ordinance to be entitled to approval. Applications for individual short-term abatements are presented to the local governing body and must include a general description of the project, plans demonstrating the structure of the project, a statement of reasons for seeking the abatement, claimed benefits to be realized by the applicant if the application is approved, and a statement of taxes currently being assessed and taxes to be paid during the period of the abatement. The application is approved by an ordinance authorizing execution of a tax agreement. If during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the property tax which would have otherwise been payable for each year shall become due and payable from the property owner as if no exemption and abatement had been granted. For the years ended December 31, 2022 and 2021 the Borough abated property taxes totaling \$79,027 and \$77,624, respectively under the FYEA program. The Borough received \$24,800 and \$24,800 in PILOT payments under this program for the years ended December 31, 2022 and 2021 respectively.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022.

On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

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

The Borough of 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.

**BOROUGH OF TENAFLY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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

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

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

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

The Borough will receive \$1,512,775 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$440,000 of the funds in 2022 to fund capital improvements to the HVAC systems. The Borough has not yet determined how it will spend the remaining funds received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**NOTE 21 SUBSEQUENT EVENTS**

**Debt Authorized**

On April 18, 2023 the Borough adopted a bond ordinance authorizing the issuance \$1,576,000 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 August 7, 2023 the Borough adopted a bond ordinance authorizing the issuance \$452,000 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.

**CURRENT FUND**

**BOROUGH OF TENAFLY**  
**STATEMENT OF CURRENT CASH - COLLECTOR-TREASURER**

		<u>Current Fund</u>
Balance, December 31, 2021	\$	9,282,654
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$	185,946
Taxes Receivable		108,524,778
Revenue Accounts Receivable		3,096,092
Grants Receivable		28,560
Prepaid Taxes		605,763
Due To State - Senior Citizen and Veteran Deductions		38,750
Due To State - DCA Training Fees		33,486
Tax Overpayments		453,347
Unappropriated Reserve- State and Federal Grants		881,955
Due from General Capital Fund		105,520
Miscellaneous Reserves		7,935
		<u>113,962,132</u>
		123,244,786
Decreased by Disbursements:		
2022 Budget Appropriations	28,501,466	
Appropriation Reserves	1,271,562	
Local District School Taxes	71,141,836	
County Taxes Payable	11,424,225	
County Added and Omitted Taxes	61,655	
Tax Overpayments	54,311	
Miscellaneous Reserves	269,699	
Due from General Capital Fund-Excess Funding	16,838	
Payments to General Capital Fund	440,000	
Payments to Municipal Open Space Trust Fund	405,372	
Payments to State - DCA Training Fees	36,926	
Refund of Prior Year Revenue	1,341	
		<u>113,625,231</u>
Balance, December 31, 2022	\$	<u>9,619,555</u>

**BOROUGH OF TENAFLY  
STATEMENT OF CHANGE FUNDS**

	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</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>

**STATEMENT OF PETTY CASH FUND**

Balance, December 31, 2021	<u>\$ 8,736</u>
Balance, December 31, 2022	<u>\$ 8,736</u>

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

Balance, December 31, 2021	\$ 4,394
Increased by:	
Received in Cash	<u>38,750</u>
	43,144
Decreased by:	
Senior Citizen Deductions per Tax Billing	\$ 3,750
Veterans Deductions per Tax Billing	<u>36,000</u>
	<u>39,750</u>
Balance, December 31, 2022	<u>\$ 3,394</u>

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

<u>Year</u>	<u>Balance December 31, 2021</u>	<u>2022 Levy</u>	<u>Added Taxes</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected in</u>		<u>Overpayments Applied</u>	<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Balance, December 31, 2022</u>
					<u>2021</u>	<u>2022</u>				
2021	\$ 643,450					\$ 624,949			\$ 15,801	\$ 2,700
2022	<u>-</u>	<u>\$ 109,183,871</u>	<u>\$ 469,163</u>	<u>-</u>	<u>\$ 826,534</u>	<u>107,899,829</u>	<u>-</u>	<u>\$ 39,750</u>	<u>140,142</u>	<u>746,779</u>
	<u>\$ 643,450</u>	<u>\$ 109,183,871</u>	<u>\$ 469,163</u>	<u>\$ -</u>	<u>\$ 826,534</u>	<u>\$ 108,524,778</u>	<u>\$ -</u>	<u>\$ 39,750</u>	<u>\$ 155,943</u>	<u>\$ 749,479</u>

Analysis of 2022 Property Tax Levy

Tax Yield	
General Property Tax	\$ 109,183,871
Added Tax (R.S. 54:4-63.1 et seq.)	<u>469,163</u>
	<u>\$ 109,653,034</u>
Tax Levy	
Local District School Tax	\$ 71,141,836
County Tax - General	11,016,755
County Tax - Open Space	456,757
Municipal Open Space	<u>405,372</u>
	83,020,720
Local Tax for Municipal and Library	26,187,833
Additional Taxes	<u>444,481</u>
	<u>26,632,314</u>
	<u>\$ 109,653,034</u>

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

Balance, December 31, 2021	\$ <u>18,200</u>
Balance, December 31, 2022	\$ <u><u>18,200</u></u>

**STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2021	\$ <u>1,362</u>
Balance, December 31, 2022	\$ <u><u>1,362</u></u>

**BOROUGH OF TENAFLY  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Realized</u>	Balance, December 31, <u>2022</u>
Borough Clerk				
Liquor Licenses		\$ 27,265	\$ 27,265	
Licenses - Other		1,625	1,625	
Fees and Permits - Other		6,874	6,874	
Board of Health				
Fees and Permits		2,485	2,485	
Licenses - Other		13,600	13,600	
Police Department				
Fees and Permits		3,191	3,191	
Alarm System Fees		38,065	38,065	
Planning Board/Board of Adjustment				
Fees and Permits		21,663	21,663	
Finance/Admin				
Fees and Permits		45,223	45,223	
Fire Prevention				
Fees and Permits		46,756	46,756	
Municipal Court				
Fines and Costs		81,624	81,624	
Uniform Construction Code				
Fees and Permits		519,094	519,094	
Fees and Permits- Other		33,097	33,097	
Interest and Costs on Taxes		225,624	225,624	
Energy Receipts Taxes		1,119,801	1,119,801	
Rental of Borough Owned Property		179,612	179,612	
Uniform Fire Safety Act (Life Hazard Use)		23,002	23,002	
Interest on Investments and Deposits		197,153	197,153	
Tax Exempt Sewer Fees		17,668	17,668	
Cable TV Franchise Fee		163,309	163,309	
Cell Tower/Monopole Lease		175,397	175,397	
Hotel Occupancy Fee (P.L. 2003, c. 114)		65,192	65,192	
Payment in Lieu of Taxes - Tenafly House		26,800	26,800	
Use of Sewer System Agreements	-	61,972	61,972	-
	<u>-</u>	<u>\$ 3,096,092</u>	<u>\$ 3,096,092</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 3,096,092</u>	<u>\$ 3,096,092</u>	<u>\$ -</u>

EXHIBIT A-12

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Accrued	Cash <u>Receipts</u>	Balance, December 31, <u>2022</u>
Drunk Driving Enforcement Fund	\$ 1,270			\$ 1,270
Recycling Tonnage Grant		\$ 22,063	\$ 22,063	-
Municipal Alliance	11,346	6,090	6,497	10,939
	<u>12,616</u>	<u>28,153</u>	<u>28,560</u>	<u>12,209</u>
	<u>\$ 12,616</u>	<u>\$ 28,153</u>	<u>\$ 28,560</u>	<u>\$ 12,209</u>

**BOROUGH OF TENAFLY  
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Budget After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 1,057	\$ 1,057			\$ 1,057
Municipal Clerk	7,493	7,493			7,493
Human Resources	5,045	5,045			5,045
Elections	1,232	1,232			1,232
Financial Administration	13,631	3,631	\$ 1,151		2,480
Revenue Administration	5,740	5,740	287		5,453
Tax Assessment Administration	1,000	1,000			1,000
Planning Board	3,300	3,300			3,300
Emergency Management Services	601	601			601
Police Department	54,960	115,876	115,876		-
Volunteer Fire Company - (Fire Prevention)	10,230	10,230	2,547		7,683
Volunteer Ambulance	271	271			271
Fire Department	1,322	1,322			1,322
Streets & Roads	101,675	101,675	6,903	\$ 94,772	-
Recycling	20,483	20,483	784	5,228	14,471
Buildings & Grounds	164	164			164
Recreation	16,023	6,024	1,129		4,895
Senior Services Coordinator	1,569	1,569	1,342		227
Senior Services Transportation	4,721	4,721	2,921		1,800
Construction Code Official	11,929	1,929	548		1,381
Director of Building Department	9,263	9,263	1,974		7,289
Municipal Court	10,543	10,543	2,386		8,157
Municipal Library-Building Maintenance	6,613	6,613	6,613		-
Payroll Adjustment/Terminal Leave	61,140	111,140	111,140		-
Other Expenses					
General Administration	27,936	28,115	1,811		26,304
Municipal Clerk	22,536	22,844	856		21,988
Postage	2,335	2,335	36		2,299
Photocopy Expense	39	4,842	206		4,636
Human Resources	8,513	8,553	40		8,513
Mayor & Council	10,749	10,749	30		10,719
Elections	1,531	1,531			1,531
Financial Administration/Audit	2,710	3,263	1,153		2,110
Revenue Administration	2,720	8,856	8,687		169
Tax Assessment Administration	17,339	20,355	3,016		17,339
Legal Services & Costs	92,504	97,004	22,957	-	74,047
Engineering	56,155	56,155	4,630		51,525
Historic Preservation	5,555	13,314	7,642		5,672
Planning Board	19,410	26,225	26,225		-
Zoning Board of Adjustment	5,783	6,728	1,883		4,845
Insurance - Group Insurance for Employees	60,523	188,592	164,326		24,266
Deductible	1,500	1,500			1,500
Liability Insurance	637	637			637
Surety Bond Premium	2,250	2,250			2,250
Municipal Court	7,150	7,150			7,150
Public Defender	2,550	2,550			2,550
Municipal Prosecutor	2,100	2,100			2,100
Emergency Management Services	2,900	2,900			2,900
Aid to Volunteer Fire Company - (Fire	6,295	6,765			6,765
Aid to Volunteer Ambulance Corp	13,869	15,397	4,810		10,587
Police	61,734	115,123	108,216		6,907

**BOROUGH OF TENAFLY  
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, December 31, <u>2021</u>	Total Modified <u>Budget</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Fire Department	\$ 33,787	\$ 59,129	\$ 58,294		\$ 835
Volunteer Firemen Life		1,120			1,120
Fire Hydrant Service	5,169	5,309	140		5,169
Streets & Roads	45,468	69,953	68,301		1,652
Recycling	17,583	43,094	27,396		15,698
Solid Waste Contract Collections	-	74,583	74,583		-
Solid Waste Disposal - Tipping Fees	3,409	47,980	46,691		1,289
Building & Grounds	92,892	131,511	90,101		41,410
Public Health	25,567	25,907	340		25,567
Environmental Commission	1,425	1,425			1,425
Animal Control	2,379	2,379			2,379
Recreation	18,957	19,126	369		18,757
Senior Citizens Center	4,342	4,642	190		4,452
Senior Services Coordinator	1,443	1,443			1,443
Downtown Committee	5,000	5,000			5,000
Welcome Committee	4,983	4,983			4,983
Senior Citizens Transportation	3,971	3,971			3,971
Stigma Free Events	3,710	3,710			3,710
Parking Lot Rental	21,808	21,808			21,808
Celebration of Public Events	15,278	15,278	14,750		528
Construction Code Official	6,074	6,074			6,074
Director of Building Department	386	1,033	291		742
Electricity	7,966	36,284	27,044		9,240
Street Lighting	67	14,922	14,899		23
Telephone	3,609	3,813	502		3,311
Natural Gas	16,057	26,297	11,262		15,035
Gasoline	14,665	25,619	20,074		5,545
Social Security System (O.A.S.I.)	22,282	22,282			22,282
Defined Contribution Retirement Program	541	541	419		122
Public Employees Retirement System	23	23			23
Municipal Library	100,000	107,650	107,650		-
Library Building Maintenance	5,815	1,993	1,993		-
LOSAP	76,000	76,000	68,932		7,068
Recycling Tonnage Grant	24,603	24,603	17,715	\$ 6,888	-
Police DWI	1,738	1,738	598	1,140	-
Body Armor Fund	1,276	2,587	2,587		-
DOJ Bulletproof Vest	1,670	2,981	2,981		-
Municipal Alliance on Alcoholism and Drug Abuse	4,188	4,188	4,188		-
Municipal Alliance - Matching Funds	1,235	1,235	1,235		-
JIF Grant	894	894	298	596	-
Clean Communities	4,311	4,311	4,311	-	-
	<u>\$ 1,387,899</u>	<u>\$ 1,994,174</u>	<u>\$ 1,280,259</u>	<u>\$ 108,624</u>	<u>\$ 605,291</u>

Appropriation Reserves  
Prior Year Encumbrances

\$ 1,387,899  
606,275  
1,994,174

Cash Disbursed  
Accounts Payable

\$ 1,271,562  
8,697  
\$ 1,280,259

Analysis

Transfer to Appropriated Reserve-Grants \$ 8,624  
Transfer to Terminal Leave- Due to Other Trust Fund 100,000  
\$ 108,624

**BOROUGH OF TENAFLY  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2021	\$	606,275
Increased by:		
Charged to 2022 Budget Appropriations		523,601
		1,129,876
Decreased by:		
Transferred to Appropriation Reserves		606,275
Balance, December 31, 2022	\$	523,601

EXHIBIT A-15

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2021	\$	826,534
Increased by:		
Collection of 2023 Taxes		605,763
		1,432,297
Decreased by:		
Applied to 2022 Taxes		826,534
Balance, December 31, 2022	\$	605,763

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

Increased by:		
Levy - Calendar Year 2022		\$ <u>71,141,836</u>
Decreased by:		
Payments		\$ <u>71,141,836</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:		
Levy- General County - 2022	\$ 10,967,468	
Levy- Open Space Preservation - 2022	<u>456,757</u>	
		\$ <u>11,424,225</u>
Decreased by:		
Payments		\$ <u>11,424,225</u>

**STATEMENT OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES**

Balance, December 31, 2021		\$ 61,655
Increased by:		
County Share of Added and Omitted Taxes - 2022		<u>49,287</u>
		110,942
Decreased by:		
Payments		<u>61,655</u>
Balance, December 31, 2022		<u>\$ 49,287</u>

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

Increased by:		
Tax Levy- 2022	\$	403,637
Added and Omitted Taxes - 2022		<u>1,735</u>
	\$	405,372
Decreased by:		
Cash Disbursed		<u>405,372</u>
Balance, December 31, 2022	\$	<u>-</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2021	\$	187,995
Increased by:		
Cash Receipts		<u>453,347</u>
		641,342
Decreased by:		
Cash Disbursements		<u>54,311</u>
Balance, December 31, 2022	\$	<u>587,031</u>

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2021	\$	81,044
Increased by:		
Transfer from Appropriation Reserves		<u>8,697</u>
		89,741
Decreased by:		
Cancelled Prior Year Accounts Payable		<u>65,200</u>
Balance, December 31, 2022	\$	<u>24,541</u>

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

	Balance, December 31, <u>2021</u>	Transfer From Appropriation <u>Reserves</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2022</u>
Body Armor Replacement Grant	\$ 1,474			\$ 1,474
Recycling Tonnage Grant	8,750	\$ 6,888		15,638
Clean Communities Grant	3,191			3,191
Green Communities	5,000			5,000
Click It or Ticket	10,548			10,548
JIF Grant	3,193	596		3,789
Police DWI	4,582	1,140		5,722
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	20,006			20,006
Bergen County Department of Parks - Arts Grant				
County Share	2			2
NJLM Sustainable Jersey Small Cities Grant	5,000	-	-	5,000
	<u>\$ 121,799</u>	<u>\$ 8,624</u>	<u>\$ -</u>	<u>\$ 130,423</u>

EXHIBIT A-23

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance, December 31, <u>2021</u>	Cash <u>Receipts</u>	Decreased <u>By:</u>	Balance, December 31, <u>2022</u>
Clean Communities	\$ 29,197	\$ 29,985	\$ 29,197	\$ 29,985
Insurance Reimb. - Acq. Of Police Car		23,495		23,495
Municipal Relief - State Aid		58,413		58,413
Stigma Free Grant		1,087		1,087
JIF Safety Grant	-	1,000		1,000
Body Armor	1,735	2,326	1,735	2,326
American Rescue Plan	756,387	756,387	440,000	1,072,774
Opioid Grant	-	9,262	-	9,262
	<u>\$ 787,319</u>	<u>\$ 881,955</u>	<u>\$ 470,932</u>	<u>\$ 1,198,342</u>
Current Fund Anticipated Revenue			\$ 30,932	
General Capital Funded Ord. 22-03			290,000	
General Capital Funded Ord. 22-23			<u>150,000</u>	
			<u>\$ 470,932</u>	

**BOROUGH OF TENAFLY  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2021</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2022</u>
Reserve for:				
State Library Aid	\$ 7,951	\$ 7,935	\$ 7,951	\$ 7,935
Tax Appeals	<u>526,047</u>	<u>200,000</u>	<u>261,748</u>	<u>464,299</u>
	<u>\$ 533,998</u>	<u>\$ 207,935</u>	<u>\$ 269,699</u>	<u>\$ 472,234</u>
		Budget Appropriation \$ 200,000		
		Cash Receipts <u>7,935</u>		
		<u>\$ 207,935</u>		

**STATEMENT OF DEFERRED CHARGES -SPECIAL EMERGENCY**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	Balance December 31, <u>2021</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2022</u>
12/21/2020	Covid 19 Related Revenue Deficit	\$ 200,000	\$ 200,000	\$ 40,000	\$ 160,000
		<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 40,000</u>	<u>\$ 160,000</u>

**STATEMENT OF DEFERRED CHARGES - EMERGENCY**

	Balance, December 31, <u>2021</u>	Authorized <u>2022</u>	2022 Budget <u>Appropriations</u>	Balance December 31, <u>2022</u>
Emergency Authorizations	\$ 167,000	\$ -	\$ 167,000	\$ -
	<u>\$ 167,000</u>	<u>\$ -</u>	<u>\$ 167,000</u>	<u>\$ -</u>

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

Balance, December 31, 2021	\$ 4,319
Increased by:	
Cash Receipts	<u>33,486</u>
	37,805
Decreased by:	
Cash Disbursements	<u>36,926</u>
Balance, December 31, 2022	<u>\$ 879</u>

**TRUST FUNDS**

**BOROUGH OF TENAFLY  
STATEMENT OF CASH - TREASURER**

	Animal Control <u>Fund</u>	Other Trust <u>Fund</u>	Unemployment <u>Compensation Trust Fund</u>	Recreation Activities <u>Trust Fund</u>	Municipal Open Space <u>Preservation Trust Fund</u>
Balance, December 31, 2021	\$ 28,608	\$ 5,462,330	\$ 71,715	\$ 276,062	\$ 2,796,248
Increased by Receipts:					
Animal License Fees - Borough Share	\$ 11,768				
Dog License Fees - State Share	865				
Miscellaneous Reserves		\$ 1,582,412			
Employee Contributions			\$ 16,399		
Municipal Open Space Tax Levy					\$ 405,372
Affordable Housing Trust		501,012			
Escrow Deposits- Construction Fees		161,185			
Payroll Deductions Payable		5,492,923			
Net Payroll		8,684,291			
Recreation Activities				\$ 536,225	
Receipts from County					11,138
Interest on Deposits	383	17,899	968	4,850	32,237
	<u>41,624</u>	<u>17,899</u>	<u>968</u>	<u>4,850</u>	<u>32,237</u>
	41,624	21,902,052	89,082	817,137	3,244,995
	41,624	21,902,052	89,082	817,137	3,244,995
Decreased by:					
Reserve for Animal Expenditures	13,661				
State Share - Dog Licenses	865				
Miscellaneous Reserves		1,073,693			
Payroll Deductions Payable		5,490,461			
Net Payroll		8,682,036			
Affordable Housing Trust		31,074			
Reserve for Unemployment Claims			24,044		
Recreation Activities				434,712	
Reserve for Municipal Open Space Trust					40,000
Escrow Deposits- Construction Fees		176,619			
Payments to General Capital Fund	-	-	-	-	56,897
	<u>14,526</u>	<u>15,453,883</u>	<u>24,044</u>	<u>434,712</u>	<u>96,897</u>
	14,526	15,453,883	24,044	434,712	96,897
Balance, December 31, 2022	<u>\$ 27,098</u>	<u>\$ 6,448,169</u>	<u>\$ 65,038</u>	<u>\$ 382,425</u>	<u>\$ 3,148,098</u>

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

Balance, December 31, 2021		\$ 26,673
Increased by:		
Animal License Fees	\$ 10,575	
Cat License Fees	903	
Miscellaneous Fees	<u>290</u>	
		<u>11,768</u>
		38,441
Decreased by:		
Cash Disbursements	<u>13,661</u>	
		<u>13,661</u>
Balance, December 31, 2022		<u>\$ 24,780</u>

Animal License Fees Collected

<u>Year</u>	
2020	\$ 12,443
2021	<u>12,457</u>
	<u>\$ 24,900</u>

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

Increased by:		
Payments		<u>\$ 865</u>
Decreased by:		
State Fees Collected		<u>\$ 865</u>

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

Balance, December 31, 2021	\$	1,935
Increased by:		
Interest on Deposits		<u>383</u>
Balance, December 31, 2022	\$	<u>2,318</u>

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

Balance, December 31, 2021	\$	71,715
Increased by:		
Employee Deductions	\$	16,399
Interest on Deposits		<u>968</u>
		<u>17,367</u>
		89,082
Decreased by:		
Unemployment Claims		<u>24,044</u>
Balance, December 31, 2022	\$	<u>65,038</u>

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

Balance, December 31, 2021	\$	65,000
Increased by:		
Transfer from Appropriation Reserves- Terminal Leave		100,000
		165,000
Decreased by:		
Interest Earned on Deposits		9,175
Balance, December 31, 2022	\$	155,825

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

Balance, December 31, 2021	\$	4,468
Increased by:		
Cash Receipts		8,684,291
		8,688,759
Decreased by:		
Cash Disbursements		8,682,036
Balance, December 31, 2022	\$	6,723

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

Balance, December 31, 2021	\$ 11,421
Increased by:	
Cash Receipts	<u>5,492,923</u>
	5,504,344
Decreased by:	
Cash Disbursements	<u>5,490,461</u>
Balance, December 31, 2022	<u>\$ 13,883</u>

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

Balance, December 31, 2021	\$ 389,913
Increased by:	
Cash Receipts	<u>161,185</u>
	551,098
Decreased by:	
Cash Disbursements	<u>176,619</u>
Balance, December 31, 2022	<u>\$ 374,479</u>

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

	Balance, <u>December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2022</u>
Shade Tree Trust Fund	\$ 45,786	\$ 103,489	\$ 30,902	\$ 118,373
Hazmat Recovery	422			422
Tree Escrow Bonds	655,737	340,894	217,040	779,591
Street Opening Escrow Bonds	7,433			7,433
Tenafly Presents	25			25
Security Deposits/Refundable Deposits	27,080			27,080
Davis Johnson Park	18,113	9,880	14,572	13,421
Marriage License/Domestic Partners Trust	1,140	200	150	1,190
Burial Permits	3,245	100	5	3,340
Police Donations	9,485	11,234	5,654	15,065
State Training Fees	120			120
Home Rehabilitation Inspection Fee	50			50
Teen Center/Teen Camp	7,520	50,955	31,067	27,408
Public Defender Fees	2,500			2,500
Alcohol Education and Rehabilitation	20,439		300	20,139
Lost Money - Found	2,852	1,767	1,000	3,619
Tenafly Welcome	44			44
HPC	941		-	941
Donations Huyler Park Gazebo	3,018			3,018
Fire Penalty Fund	6,258	500		6,758
Uniform Construction Code Penalties	21,195			21,195
Donations All Abilities Playground	342			342
Receptacle Trust	3,000		3,000	-
Snow Removal Trust	56,660	419,200	39,050	436,810
Parking Permit Trust	4,325			4,325
POAA	3,409	140		3,549
Premium on Tax Sale	347,708	202,700	169,300	381,108
Tax Title Lien Redemptions	56,917	258,391	268,024	47,284

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

	Balance, <u>December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2022</u>
Planning Board / Board of Adjustment- Escrow	\$ 150,380	\$ 145,497	\$ 88,974	\$ 206,903
Reserve for Terminal Leave	670,569	100,000	165,608	604,961
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	1,750	663	4,719
Police Outside Duty	10,201	12,780	11,020	11,961
Police Video Cameras	1,950	150		2,100
Environmental Trust	496	175	-	671
Dog Park Trust	560			560
L.E.A.D. Donations Trust	1,645	2,515	505	3,655
Ice Rink	3,793	3,395	2,710	4,478
Borough "Events"	19,398	16,700	24,149	11,949
Fire Dedicated Penalty Trust	<u>1,572</u>	<u>-</u>	<u>-</u>	<u>1,572</u>
	<u>\$ 2,178,421</u>	<u>\$ 1,682,412</u>	<u>\$ 1,073,693</u>	<u>\$ 2,787,140</u>
Cash Receipts		\$ 1,582,412		
Due from Current Fund		100,000		
Cash Disbursements		<u>-</u>	\$ 1,073,693	
		<u>\$ 1,682,412</u>	<u>\$ 1,073,693</u>	

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

Balance, December 31, 2021		\$ 2,796,248
Increased by:		
Tax Levy - 2022	\$ 403,637	
Added and Omitted Taxes	1,735	
Cash Receipt - From County	11,138	
Excess Budget Appropriation - Ord. 20-06	53,966	
Interest Earned on Deposits	<u>32,237</u>	
		<u>502,713</u>
		3,298,961
Decreased by:		
Appropriated to Finance Improvement Authorization #Ord. 22-11	56,897	
Cash Disbursement	<u>40,000</u>	
		<u>96,897</u>
Balance, December 31, 2022		<u>\$ 3,202,064</u>

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

Balance, December 31, 2021	\$	2,940,658
Increased by:		
Cash Receipts		501,012
		3,441,670
Decreased by:		
Cash Disbursement		31,074
Balance, December 31, 2022	\$	3,410,596

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

Balance, December 31, 2021	\$	276,032
Increased by:		
Cash Receipts		536,225
		812,257
Decreased by:		
Cash Disbursements		434,712
Balance, December 31, 2022	\$	377,545

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

Balance, December 31, 2021	\$	30
Balance, December 31, 2022	\$	30

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

Increased by:	
Interest Earnings	\$ <u>141</u>
Balance, December 31, 2022	\$ <u>141</u>

EXHIBIT B-18

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

Balance, December 31, 2021	\$ 2,479
Increased by:	
Interest Earnings	<u>1,245</u>
Balance, December 31, 2022	\$ <u>3,724</u>

EXHIBIT B-19

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

Increased by:	
Interest Earnings	\$ <u>4,850</u>
Balance, December 31, 2022	\$ <u>4,850</u>

EXHIBIT B-20

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

Increased by:	
Interest Earnings	\$ <u>2,071</u>
Balance, December 31, 2022	\$ <u>2,071</u>

EXHIBIT B-21

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- TAX TITLE LIEN**

Increased by:	
Interest Earnings	\$ <u>4,751</u>
Balance, December 31, 2022	\$ <u>4,751</u>

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

Increased by:	
Interest Earnings	\$ <u>          142</u>
Balance, December 31, 2022	\$ <u>          142</u>

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- ICE RINK**

Increased by:	
Interest Earnings	\$ <u>          44</u>
Balance, December 31, 2022	\$ <u>          44</u>

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND- TEEN CENTER**

Increased by:	
Interest Earnings	\$ <u>         330</u>
Balance, December 31, 2022	\$ <u>         330</u>

**GENERAL CAPITAL FUND**

**BOROUGH OF TENAFLY**  
**STATEMENT OF GENERAL CAPITAL CASH - TREASURER**

Balance, December 31, 2021		\$ 7,390,185
Increased by Receipts:		
Interest Earnings	\$ 75,526	
Capital Improvement Fund	152,000	
Grant Receipts	130,406	
Current Fund - Ordinance Authorization	440,000	
Current Fund - Note Paydown	351,483	
Municipal Open Space - Ordinance Authorization	56,897	
Due to Municipal Open Space - Grant Receipt	53,966	
General Obligation Bonds	8,135,000	
Bond Anticipation Notes	5,167,500	
Premium on the Sale of Notes	156,028	
Premium on the Bond Sale	325,395	
Receipt for Insurance Proceeds	25,063	
Board of Education Reimbursement	<u>17,338</u>	
		<u>15,086,602</u>
		22,476,787
Decreased by Disbursements:		
Improvement Authorizations	432,839	
Contracts Payable	2,746,524	
Bond Anticipation Notes- Payments	8,734,500	
Payments to Current Fund	<u>105,520</u>	
		<u>12,019,383</u>
Balance, December 31, 2022		<u>\$ 10,457,404</u>

**BOROUGH OF TENAFLY**  
**ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS**

		Balance, December 31, <u>2022</u>
Fund Balance		\$ 918,567
Grant / Other Receivables		(19,654)
Due to Current		92,364
Due to Municipal Open Space		53,966
Contracts Payable		4,515,063
Capital Improvement Fund		71,011
Excess Note Proceeds		106,049
Receipts from Insurance Proceeds		46,245
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Description</u>	
15-08	Various Capital Improvements	139,000
16-07	Various Capital Improvements	10,171
17-09	Various Capital Improvements	350,885
17-19	Pfister's Pond Restoration	158,266
17-23	Tenakill/Tenafly Swim Club Parking Lot Paving Project	47,965
18-06	Various Capital Improvements	408,118
18-09	Supplemental Ord. #18-06 Various Capital Improvements	295,784
19-04	Various Road Improvements	116,623
19-11	Various Capital Improvements	220,777
19-16	Repair to Monument at Roosevelt Commons and Rebuild the Aviary Nature Center	73,907
19-20	Borough Hall ADA Restroom Improvements	50,032
20-01	Various Capital Improvements	72,585
20-06	Upgrade of the Aviary Center	88,015
20-07	Various Capital Improvements	1,020,020
21-03	Various Capital Improvements	547,888
21-11	Various Capital Improvements	800,430
21-19	Various Capital Improvements	1,377
21-20	Tropical Storm Ida Road Improvement Project	1,508,122
22-03	Various Capital Improvements	229,600
22-07	Various Capital Improvements	(713,112)
22-10	Various Capital Improvements	(813,355)
22-11	Walkway Path at Oresko Park	56,235
22-23	Various Capital Improvements	4,460
		<u>\$ 10,457,404</u>

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

		Balance, December 31, <u>2021</u>	Grants <u>Awards</u>	<u>Collected</u>		Balance, December 31, <u>2022</u>
<u>Pledged</u>						
<u>Bergen County/County Open Space Trust</u>						
Ord. 15-06 Cooperative Curb Ramp Program	Ord.	\$ 1,893				\$ 1,893
Ord. 17-09 Park and Field Improvements	Reserve	7,528				7,528
Ord. 19-20 Borough Hall ADA Restroom Impvts.	Reserve	51,000				51,000
Ord. 19-21 ADA Walkway at Roosevelt Commons	Ord.	1,540				1,540
Ord. 22-11 ADA Walkway at Oresko Park	Ord.	-	\$ 33,103	\$ 16,882		16,221
		<u>61,961</u>	<u>33,103</u>	<u>16,882</u>		<u>78,182</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	219,000		46,874		172,126
Ord. 22-07 - 2022 Road Improvement Project	Reserve	-	206,000	66,650		139,350
		<u>497,000</u>	<u>206,000</u>	<u>113,524</u>		<u>589,476</u>
		<u>\$ 558,961</u>	<u>\$ 239,103</u>	<u>\$ 130,406</u>		<u>\$ 667,658</u>
				<u>\$ 130,406</u>		
						<u>Analysis of Balance</u>
						Offset by Reserve
						Unfunded
						\$ 648,004
						<u>19,654</u>
						<u>\$ 667,658</u>

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

Balance, December 31, 2021	\$ 8,216,000
Increased by:	
Issuance of Serial Bonds	<u>8,135,000</u>
Decreased by:	
Budget Appropriations to Pay Bonds	<u>2,565,000</u>
Balance, December 31, 2022	<u>\$ 13,786,000</u>

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

Ord. No.	Improvement Description	Analysis of Balance December 31, 2022									
		Balance, December 31, 2021	2022 Authorizations	Funded By Issuance of Serial Bond	Board of Education Reimbursement	Grant Proceeds	Funded by Budget Appropriation	Balance, December 31, 2022	Funded by Bond Anticipation Notes	Unexpended Improvement	
17-09	Various Capital Improvements	\$ 1,895,315		\$ 1,739,273	\$ 17,338		\$ 138,704				
17-23	Tenakil/Tenafly Swim Club Parking Lot Paving Project	307,986		287,986			20,000				
18-06	Various Capital Improvements	2,481,991		2,345,335			136,656				
18-09	Supplemental Ord. #18-06 Various Capital Improvements	452,000		428,211			23,789				
18-21	Acquisition Roll-Off Truck	124,801		110,630			14,171				
18-30	Senior Center Parking Lot Improvements	2,290		965			1,325				
19-04	Various Road Improvements	714,000		714,000							
19-11	Various Capital Improvements	2,439,000		2,439,000							
19-20	Borough Hall ADA Restroom Improvements	69,600		69,600							
20-01	Various Capital Improvements	1,550,000					\$ 1,550,000	\$ 1,550,000			
20-07	Various Capital Improvements	3,244,000					3,244,000	3,244,000			
21-03	Various Capital Improvements	2,307,000					2,307,000	2,307,000			
21-11	Various Capital Improvements	2,754,825				\$ 46,874	2,707,951	2,707,951			
21-19	Various Capital Improvements	47,600					47,600	46,000	\$ 1,600		
21-20	Tropical Storm Ida Road Improvement Project	3,333,000					3,333,000	3,333,000			
22-07	Various Capital Improvements		\$ 1,742,000			66,650	1,675,350		\$ 713,112	962,238	
22-10	Various Capital Improvements	-	1,732,000	-	-	-	1,732,000	-	813,355	918,645	
		<u>\$ 21,723,408</u>	<u>\$ 3,474,000</u>	<u>\$ 8,135,000</u>	<u>\$ 17,338</u>	<u>\$ 113,524</u>	<u>\$ 334,645</u>	<u>\$ 16,596,901</u>	<u>\$ 13,187,951</u>	<u>\$ 1,526,467</u>	<u>\$ 1,882,483</u>
									\$ 13,294,000		
									Less Excess Note Proceeds:		
									Ord. #21-11	\$ 106,049	
										106,049	
										<u>\$ 13,187,951</u>	
									Improvement Authorizations- Unfunded	\$ 5,832,905	
									Less: Unexpended Bond Anticipation Note Proceeds		
									Ord. #20-01	72,585	
									Ord. #20-07	1,020,020	
									Ord. #21-03	547,888	
									Ord. #21-11	800,430	
									Ord. #21-19	1,377	
									Ord. #21-20	1,508,122	
										<u>3,950,422</u>	
										<u>\$ 1,882,483</u>	

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

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
2012 General Improvement Bonds	10/1/2012	\$ 6,260,000	N/A	N/A	3.75%-2.00%	\$ 750,000		\$ 750,000	-
2015 General Improvement Refunding Bonds	12/2/2015	5,955,000	N/A	N/A	4.000%	1,240,000		1,240,000	-
2017 General Improvement Bonds	5/1/2017	8,526,000	5/1/2023-2025	\$ 1,125,000	2.000%	6,226,000	-	575,000	\$ 5,651,000
			5/1/2026	1,130,000	2.000%				
			5/1/2027	1,146,000	3.000%				
2022 General Improvement Bond	9/15/2022	8,135,000	9/15/2023-2024	900,000	3.000%	-	\$ 8,135,000	-	8,135,000
			9/15/2025-2027	1,000,000	3.000%				
			9/15/2028	1,100,000	4.000%				
			9/15/2029	1,110,000	4.000%				
			9/15/2030	1,125,000	4.000%				
						<u>-</u>		<u>-</u>	<u>8,135,000</u>
						<u>\$ 8,216,000</u>	<u>\$ 8,135,000</u>	<u>\$ 2,565,000</u>	<u>\$ 13,786,000</u>
								Budget Appropriation	<u>\$ 2,565,000</u>

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**BOROUGH OF TENAFLY  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2021		2022 Authorization	Paid or Charged	Balance, December 31, 2022	
				Funded	Unfunded			Funded	Unfunded
15-08	Various Capital Improvements	4/28/2015	1,601,113	\$ 162,247			\$ 23,247	\$ 139,000	
16-07	Various Capital Improvements	4/12/2016	2,808,624	48,666			38,495	10,171	
17-09	Various Capital Improvements	4/20/2017	2,620,817		\$ 390,924		40,039	350,885	
17-19	Pfister's Pond Restoration	10/24/2017	661,000	166,338			8,072	158,266	
17-23	Tenakill/Tenafly Swim Club Parking Lot Paving Project	10/24/2017	400,000		53,240		5,275	47,965	
18-06	Various Capital Improvements	4/17/2018	2,674,615		453,346		45,228	408,118	
18-09	Supplemental #18-06 Various Capital Improvements	6/12/2018	475,000		309,365		13,581	295,784	
19-04	Various Road Improvements	3/12/2019	750,000		116,623			116,623	
19-11	Various Capital Improvements	5/7/2019	2,728,000		301,364		80,587	220,777	
19-16	Repair to Monument at Roosevelt Commons and Rebuild the Aviary Nature Center	6/25/2019	155,000	107,405			33,498	73,907	
19-20	Borough Hall ADA Restroom Improvements	12/10/2019	123,000		50,032			50,032	
20-01	Various Capital Improvements	2/25/2020	1,628,500		81,155		8,570		\$ 72,585
20-06	Upgrade of the Aviary Center	5/5/2020	256,218	102,519			14,504	88,015	
20-07	Various Capital Improvements	5/5/2020	3,406,307		1,218,805		198,785		1,020,020
21-03	Various Capital Improvements	2/23/2021	2,423,230		579,772		31,884		547,888
21-11	Various Capital Improvements	5/11/2021	2,955,476		1,286,505		486,075		800,430
21-19	Various Capital Improvements	10/5/2021	50,000		2,977				2,977
21-20	Tropical Storm Ida Road Improvement Project	10/5/2021	3,500,000	86,591	3,333,000		1,911,469	-	1,508,122
22-03	Various Capital Improvements	3/8/2022	290,000			\$ 290,000	60,400	229,600	
22-07	Various Capital Improvements	4/26/2022	1,830,150			1,830,150	867,912	-	962,238
22-10	Various Capital Improvements	5/24/2022	1,819,621			1,819,621	900,976	-	918,645
22-11	Walkway Path at Oresko Park	5/24/2022	90,000			90,000	33,765	56,235	
22-23	Various Capital Improvements	11/1/2022	150,000	86,591	3,333,000	150,000	145,540	4,460	-
				<u>\$ 760,357</u>	<u>\$ 11,510,108</u>	<u>\$ 4,179,771</u>	<u>\$ 4,947,902</u>	<u>\$ 2,249,838</u>	<u>\$ 5,832,905</u>
						Capital Improvement Fund	\$ 175,771		
						ARP - Current Fund Reserve	440,000		
						Municipal Open Space	56,897		
						Bergen Cty - O/S Grant	33,103		
						Deferred Charges Unfunded	<u>3,474,000</u>		
						<u>\$ 4,179,771</u>			
							Cash Disbursements	\$ 432,839	
							Contracts Payable	<u>4,515,063</u>	
							<u>\$ 4,947,902</u>		

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

Balance, December 31, 2021	\$	94,782
Increased by:		
Budget Appropriation		<u>152,000</u>
		246,782
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>175,771</u>
Balance, December 31, 2022	\$	<u><u>71,011</u></u>

**STATEMENT OF DUE TO CURRENT FUND**

Increased by:		
Interest Earnings	\$	75,526
Excess Budget Appropriation - Ord. 17-09, Refunded		<u>16,838</u>
	\$	<u>92,364</u>
Balance, December 31, 2022	\$	<u><u>92,364</u></u>

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE**

Increased by:		
Cash Receipt - Cty of Bergen Ord. 20-06, Excess Budget Appropriations	\$	<u>53,966</u>
Balance, December 31, 2022	\$	<u><u>53,966</u></u>

**BOROUGH OF TENAFLY  
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2021	\$ 2,746,524
Increased by:	
Contract Awards	<u>4,515,063</u>
	7,261,587
Decreased by:	
Cash Disbursements	<u>2,746,524</u>
Balance, December 31, 2022	<u>\$ 4,515,063</u>

**STATEMENT OF RESERVE FOR DEBT SERVICE**

Balance, December 31, 2021	\$ 55,520
Decreased by:	
Current Fund Revenue - Realized	<u>55,520</u>
Balance, December 31, 2022	<u>\$ -</u>

**STATEMENT OF RESERVE FOR INSURANCE PROCEEDS**

Balance, December 31, 2021	\$ 21,182
Increased by:	
Receipt from Insurance Proceeds	<u>25,063</u>
Balance, December 31, 2022	<u>\$ 46,245</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, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
17-09	Various Capital Improvements	5/31/2018	\$ 2,496,013	5/27/2021	5/27/2022	2.00 %	\$ 1,895,315		\$ 1,895,315	\$ -
17-23	Teakill/Tenafly Swim Club Parking Lot Paving Project	5/31/2018	380,000	5/27/2021	5/27/2022	2.00	342,662		342,662	-
18-06	Various Capital Improvements	5/29/2019	2,547,000	5/27/2021	5/27/2022	2.00	2,481,991		2,481,991	-
18-09	Supplemental Ord. #18-06- Various Capital Improvements	5/29/2019	452,000	5/27/2021	5/27/2022	2.00	452,000		452,000	-
18-21	Acquisition of Roll-Off Truck	5/29/2019	127,543	5/27/2021	5/27/2022	2.00	127,543		127,543	-
18-30	Senior Center Parking Lot Improvements	5/29/2019	25,183	5/27/2021	5/27/2022	2.00	6,572		6,572	-
19-04	Various Road Improvements	5/28/2020	714,000	5/27/2021	5/27/2022	2.00	714,000		714,000	-
19-11	Various Capital Improvements	5/28/2020	2,597,417	5/27/2021	5/27/2022	2.00	2,597,417		2,597,417	-
19-20	Borough Hall ADA Improvements	5/28/2020	117,000	5/27/2021	5/27/2022	2.00	117,000		117,000	-
20-01	Various Capital Improvements	5/27/2021	1,550,000	5/27/2021 5/26/2022	5/27/2022 5/26/2023	2.00 4.00	1,550,000	\$ 1,550,000	1,550,000	\$ 1,550,000
20-07	Various Capital Improvements	5/27/2021	3,243,500	5/27/2021 5/26/2022	5/27/2022 5/26/2023	2.00 4.00	3,243,500	3,244,000	3,243,500	3,244,000
21-03	Various Capital Improvements	11/29/2022	2,307,000	11/29/2022	5/26/2023	4.50		2,307,000		2,307,000
21-11	Various Capital Improvements	11/29/2022	2,814,000	11/29/2022	5/26/2023	4.50		2,814,000		2,814,000
21-19	Various Capital Improvements	11/29/2022	46,000	11/29/2022	5/26/2023	4.50		46,000		46,000
21-20	Tropical Storm Ida Road Improvement Project	5/27/2021	3,333,000	5/27/2021 11/29/2022	5/27/2022 5/26/2023	2.00 4.50	3,333,000 -	3,333,000	3,333,000 -	3,333,000
							<u>\$ 16,861,000</u>	<u>\$ 13,294,000</u>	<u>\$ 16,861,000</u>	<u>\$ 13,294,000</u>
								\$ 8,126,500	\$ 8,126,500	
								5,167,500		
									8,135,000	
									264,855	
									334,645	
								<u>\$ 13,294,000</u>	<u>\$ 16,861,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Other <u>Proceeds</u>	Balance, December 31, <u>2022</u>
	<u>General Improvements</u>					
20-07	Various Capital Improvements	\$ 500		\$ 500		-
21-03	Various Capital Improvements	2,307,000		2,307,000		-
21-11	Various Capital Improvements	2,754,825		2,754,825		-
21-19	Various Capital Improvements	47,600		46,000		\$ 1,600
22-07	Various Capital Improvements		\$ 1,742,000		\$ 66,650	1,675,350
22-10	Various Capital Improvements	-	1,732,000	-	-	1,732,000
		<u>\$ 5,109,925</u>	<u>\$ 3,474,000</u>	<u>\$ 5,108,325</u>	<u>\$ 66,650</u>	<u>\$ 3,408,950</u>

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

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**PART II**

**GOVERNMENT AUDITING STANDARDS**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## 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, 2022, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2023. 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 as 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 28, 2023

**BOROUGH OF TENAFLY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Grant Program</u>	<u>State Grant Program</u>	<u>Grant Year</u>	<u>Federal AL Number</u>	<u>Award Amount</u>	<u>2022 Grant Receipts</u>	<u>Balance December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2022</u>	<u>(Memo) Cumulative Expenditures</u>
<b><u>US Department of Justice</u></b>										
Bulletproof Vest Partnership Program	N/A	2021	N/A	\$ 2,981		\$ 1,670		\$ 1,670	-	\$ 2,981
<b><u>Department of Law and Public Safety</u></b>										
Public Assistance Grants										
Coronavirus Pandemic - Other Trust	066-1200-100-xxx	2021	97.036	81,312	\$ 81,312		\$ 81,312	81,312	-	81,312
Tropical Storm Isaias - Other Trust		2021	97.036	223,985	223,985		223,985	223,985	-	223,985
Hurricane Ida Relief - Other Trust		2022	97.036	109,571	109,571		109,571	109,571	-	109,571
Coronavirus Relief Fund - FEMA Reject - Other Trust		2022	21.019	4,100	4,100		4,100	4,100	-	4,100
<b><u>Division of Highway Safety- Occupant Protection Incentive</u></b>										
Click-it or Ticket	066-1160-100-155		20.616							
		2014		3,955		48			\$ 48	3,907
		2016		5,000		5,000			5,000	-
		2019		5,500		5,500	-	-	5,500	-
<b><u>U.S. Dept. of Treasury</u></b>										
COVID American Rescue Plan - State and Local										
Fiscal Recovery Funding - Non-Entitlement Units (Passed through State Division of Local Government Services)	N/A	2021	21.027	1,512,775	\$ 756,387					
General Capital Ordinance 22-03							290,000	60,400	229,600	60,400
General Capital Ordinance 22-23							-	145,540	4,460	145,540
						<u>\$ 12,218</u>	<u>\$ 858,968</u>	<u>\$ 626,578</u>	<u>\$ 244,608</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, 2022**

	<u>State Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment/ Cancellations</u>	<u>Balance, December 31, 2022</u>	<u>(Memo) Cumulative Expended</u>
<b>State Grant Program</b>										
<b><u>Division of Criminal Justice</u></b>										
Body Armor Grant	066-1020-718-001	2020	\$ 3,354		\$ 1,474		-		\$ 1,474	\$ 1,880
		2021	2,587		1,276		\$ 1,276		-	2,587
		2022	1,735				995		740	995
Body Worn Camera Program (Ord. 21-11)	Not Available	2022	46,874	\$ 46,874		\$ 1,735.00	-			46,874
<b><u>Department of Environmental Protection</u></b>										
Clean Communities Program	042-4900-765-004	2018	28,504		3,191				3,191	25,313
		2021	29,197		4,311		4,311		-	29,197
		2022	29,985	29,985		\$ 29,197	23,443		5,754	24,231
Recycling Tonnage Grant	042-4900-752-001	2020	20,442		8,750		8,750		-	20,442
		2021	24,603		24,603		8,965		15,638	8,965
		2022	22,063	22,063		22,063	465		21,598	465
Green Communities	Not Available	2012	3,000		3,000				3,000	-
		2017	2,000		2,000				2,000	-
<b><u>Pass Thru - Bergen County</u></b>										
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	2017	4,938		4,188				4,188	750
		2020	4,938		792			\$ (792)	-	4,938
		2021	4,938		4,188		4,188		-	4,938
		2022	6,090			6,090	2,741		3,349	2,741
<b><u>Division of Highway-Traffic Safety</u></b>										
Drunk Driving Enforcement Fund	1110-448-031020-22	2018	3,799		821				821	2,978
		2020	4,946		3,761				3,761	1,185
		2021	2,270		1,738		598		1,140	1,130
<b><u>Department of Transportation</u></b>										
Ordinance #19-11	078-6320-480-xxx	2019	212,000		53,000				53,000	159,000
Ordinance #21-03		2021	225,000		225,000				225,000	-
Ordinance #21-11		2021	219,000		219,000		46,874	-	172,126	46,874
Ordinance #22-07		2022	206,000		-	206,000	66,650	-	139,350	66,650
					<u>\$ 561,093</u>	<u>\$ 265,085</u>	<u>\$ 169,256</u>	<u>\$ (792)</u>	<u>\$ 656,130</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, 2022**

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 418,968	\$ 59,085	\$ 478,053
General Capital Fund	<u>440,000</u>	<u>206,000</u>	<u>646,000</u>
Total Financial Awards	<u>\$ 858,968</u>	<u>\$ 265,085</u>	<u>\$ 1,124,053</u>

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 INDIRECT COST RATE**

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



**BOROUGH OF TENAFLY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

*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, 2022**

*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, 2022**

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**

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF TENAFLY  
SUPPLEMENTARY DATA**

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

	<u>Year 2022</u>			<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 2,635,000	2.27 %	\$	2,565,000	2.25 %
Miscellaneous - From Other Than Local					
Property Tax Levies	3,359,355	2.89		2,964,861	2.60
Collection of Delinquent Taxes and Tax Title Liens	624,949	0.54		637,156	0.56
Collection of Current Tax Levy	108,766,113	93.56		106,593,129	93.59
Other Credits	<u>860,851</u>	<u>0.74</u>		<u>1,128,954</u>	<u>0.99</u>
Total Income	<u>116,246,268</u>	<u>100.00</u> %		<u>113,889,100</u>	<u>100.00</u> %
<b>EXPENDITURES</b>					
Budget Expenditures					
Municipal Purposes	30,520,710	26.84		29,566,853	26.53 %
County Taxes	11,473,512	10.10		11,747,545	10.54
Local District School Taxes	71,141,836	62.60		69,639,197	62.48
Municipal Open Space Taxes	405,372	0.36		405,173	0.36
Other Expenditures	<u>112,076</u>	<u>0.10</u>		<u>101,339</u>	<u>0.09</u>
Total Expenditures	<u>113,653,506</u>	<u>100.00</u> %		<u>111,460,107</u>	<u>100.00</u> %
Excess in Revenue	2,592,762			2,428,993	
Adjustments to income before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>-</u>			<u>167,000</u>	
Statutory Excess in Revenue	2,592,762			2,595,993	
Fund Balance, January 1	<u>5,003,150</u>			<u>4,972,157</u>	
	7,595,912			7,568,150	
Less Utilization as Anticipated Revenue	<u>2,635,000</u>			<u>2,565,000</u>	
Fund Balance, December 31	<u>\$ 4,960,912</u>			<u>\$ 5,003,150</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>	2022	\$ 4,960,912	\$ 2,635,000
	2021	5,003,150	2,635,000
	2020	4,972,157	2,565,000

**Comparative Schedule Of Tax Rate Information**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$ 2.705</u>	<u>\$ 2.657</u>	<u>\$ 2.618</u>
<u>Apportionment of Tax Rate</u>			
Municipal (Including Municipal Library)	\$ 0.648	\$ 0.628	\$ 0.611
Municipal Open Space	0.010	0.010	0.010
County (Including Open Space)	0.284	0.291	0.293
Local School	1.763	1.728	1.704

Assessed Valuation

2022	<u>\$ 4,036,371,900</u>	
2021		<u>\$ 4,030,546,000</u>
2020		<u>\$ 4,009,550,000</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>
2022	\$ 109,653,034	\$ 108,766,113	99.19%
2021	107,654,203	106,593,129	99.01%
2020	105,871,968	104,537,153	98.74%

**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>
2022	\$ 749,479	\$ 1,362	\$ 750,841	0.68%
2021	643,450	1,362	644,812	0.60%
2020	650,962	887	651,849	0.62%

**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 1/1/22-3/31/22	None
Angela McCain	Deputy Treasurer 4/11/22-12/31/22	None

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

**GENERAL COMMENTS**

**Prior Year Comment Unresolved**

There are none.

**Current Year Comments**

Our audit of unrecorded liabilities revealed that a contract awarded in the amount of \$130,000 for the 2022 road program was not encumbered at year end. It is recommended that all contracts be encumbered after the contract is approved by the governing body.

**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 no bids were requested by public advertising.

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, 2022.

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>
2022	1
2021	1
2020	1

**Management Suggestions**

- Non-contractual salaries be identified and approved by governing body resolutions.
- Continued efforts be made to review and collect grant receivable balances and uncollectible balances be cancelled accordingly.
- Old, inactive Other Trust reserve accounts should be reviewed and used for allowable expenditures, or cancelled to the Current Fund.

**BOROUGH OF TENAFLY  
SUPPLEMENTARY DATA**

**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.

**RECOMMENDATIONS**

It is recommended that:

1. All contracts be encumbered after the contract is approved by the governing body.

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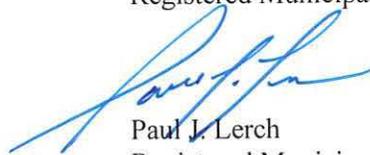
A review was performed on all prior year's recommendations and corrective action has been taken on all.

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  
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