

BOROUGH OF TENAFLY
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

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BOROUGH OF TENAFLY

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Tenafly as of December 31, 2023 and 2022, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Tenafly as of December 31, 2023 and 2022, or changes in financial position, for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of 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, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 13 percent and 11 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2023 and 2022, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of 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.

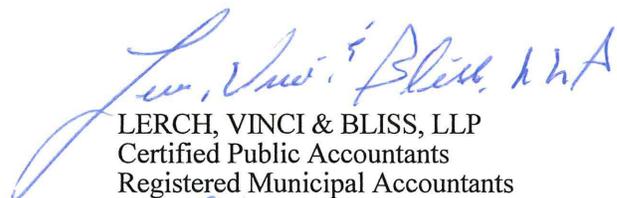
Other Information

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.

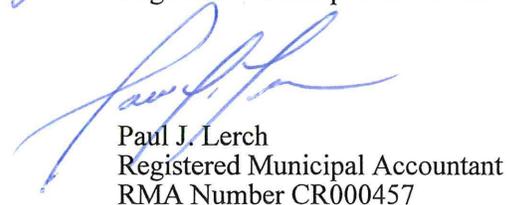
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based 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 July 31, 2024 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 CR000457

Fair Lawn, New Jersey
 July 31, 2024

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

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	A-4	\$ 10,042,465	\$ 9,619,555
Cash - Change Funds	A-5	375	375
Cash- Petty Cash	A-6	8,736	8,736
Grants Receivable	A-12	<u>39,537</u>	<u>12,209</u>
		<u>10,091,113</u>	<u>9,640,875</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	705,359	749,479
Tax Title Lien Receivable	A-10	3,815	1,362
Property Acquired for Taxes - Assessed Valuation	A-9	18,200	18,200
Due From General Capital Fund	C-10	462,611	92,364
Due From Other Trust Fund	B-17, B-18, B-20-24	6,078	11,203
Due From Recreation Trust Fund	B-19	2,479	4,850
Due From Animal Control Trust Fund	B-6	<u>120</u>	<u>2,318</u>
Sub Total		<u>1,198,662</u>	<u>879,776</u>
Deferred Charges			
COVID Special Emergency Authorization	A-25	<u>120,000</u>	<u>160,000</u>
Sub Total		<u>120,000</u>	<u>160,000</u>
Total Assets		<u>\$ 11,409,775</u>	<u>\$ 10,680,651</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, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 1,915,930	\$ 1,088,643
Encumbrances Payable	A-14	880,464	523,601
Accounts Payable	A-21	99,592	89,741
Due to Other Trust Fund- Other	B-8	69,580	155,825
Due to State - Senior Citizen and Veterans Deductions	A-7	2,144	3,394
Due to State - DCA Training Fees	A-26	8,270	879
Prepaid Taxes	A-15	587,953	605,763
Tax Overpayments	A-20	165,267	587,031
County Taxes Payable	A-18	81,624	49,287
Appropriated Reserve for Grants	A-22	126,350	130,423
Unappropriated Reserve for Grants	A-23	313,647	1,198,342
Miscellaneous Reserves	A-24	<u>498,139</u>	<u>472,234</u>
		4,748,960	4,905,163
Reserve for Receivables	A	1,198,662	879,776
Fund Balance	A-1	<u>5,462,153</u>	<u>4,895,712</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 11,409,775</u>	 <u>\$ 10,680,651</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,635,000	\$ 2,635,000
Miscellaneous Revenues Anticipated	A-2	4,835,495	3,359,355
Receipts from Delinquent Taxes	A-2	741,481	624,949
Receipts from Current Taxes	A-2	112,198,260	108,766,113
Non-Budget Revenues	A-2	130,442	185,946
Other Credits to Income			
Interfunds Returned	A	110,735	4,414
Unexpended Balance of Appropriation Reserves	A-13	409,562	605,291
		<hr/>	<hr/>
Total Revenues and Other Income		121,060,975	116,181,068
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	11,863,842	11,598,175
Other Expenses	A-3	13,342,783	12,189,412
Capital Improvements	A-3	250,000	152,000
Municipal Debt Service	A-3	2,795,964	3,498,749
Deferred Charges and Statutory Expenditures	A-3	3,398,796	3,082,374
Local District School Tax	A-16	73,231,494	71,141,836
County Taxes including Added Taxes	A-17, A-18	12,096,879	11,473,512
Municipal Open Space Taxes incl/Added Taxes	A-19	408,488	405,372
Interfunds Advanced	A	471,288	110,735
Refund of Prior Year Revenue	A-1	-	1,341
		<hr/>	<hr/>
Total Expenditures		117,859,534	113,653,506
Statutory Excess in Revenue		3,201,441	2,527,562
Fund Balance, January 1	A	4,895,712	5,003,150
		<hr/>	<hr/>
		8,097,153	7,530,712
Decreased by:			
Utilization as Anticipated Revenues	A-1	2,635,000	2,635,000
		<hr/>	<hr/>
Fund Balance, December 31,	A	\$ 5,462,153	\$ 4,895,712

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, 2023

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 2,635,000	-	\$ 2,635,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	25,000		27,430	\$ 2,430
Other	A-2	14,500		15,471	971
Fees and Permits					
Other	A-2	150,000		182,297	32,297
Fines and Costs					
Municipal Court	A-11	75,000		97,589	22,589
Interest and Costs on Taxes	A-11	215,000		264,364	49,364
Interest on Investments	A-2	190,000		1,211,663	1,021,663
Rental of Borough Owned Property	A-11	130,773		119,857	(10,916)
Use of Sewer System Agreements	A-11	50,000		44,299	(5,701)
Borough Operated Alarm Systems	A-11	35,000		37,275	2,275
Energy Receipts Taxes	A-11	1,127,541		1,127,541	-
Municipal Relief Fund	A-23	58,413		58,413	-
Uniform Construction Code Fees	A-11	500,000		651,715	151,715
State and Federal Grants Offset with Appropriations-					
Municipal Alliance on Alcoholism and Drug Abuse	A-12	6,090		6,090	-
Body Armor Fund - Reserve	A-23	2,326		2,326	-
Clean Communities- Reserve	A-23	29,985		29,985	-
JIF Safety Grant- Reserve	A-23	1,000		1,000	-
Firefighter Grant	A-12		\$ 29,000	29,000	-
Stigma Free Grant- Reserve	A-23	1,087		1,087	-
Opioid Grant- Reserve	A-23	9,262		9,262	-
Recycling Tonnage Grant	A-12	22,677		22,677	-
Uniform Fire Safety Act	A-11	15,000		16,884	1,884
Cable TV Franchise Fee	A-11	147,883		151,293	3,410
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	50,000		61,147	11,147
Sewer Charges - Tax Exempt Properties	A-11	15,000		16,399	1,399
Payment in Lieu of Taxes - Tenafly House	A-11	26,800		26,800	-
Cell Tower/Monopole Lease	A-11	170,000		198,631	28,631
Capital Fund Balance	C-2	425,000	-	425,000	-
Total Miscellaneous Revenues	A-1	<u>3,493,337</u>	<u>29,000</u>	<u>4,835,495</u>	<u>1,313,158</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>615,000</u>	-	<u>741,481</u>	<u>126,481</u>
AMOUNT TO BE RAISED BY TAXATION:					
Local Tax for Municipal Purposes		25,105,387		26,687,738	1,582,351
Minimum Library Tax		<u>1,673,661</u>	-	<u>1,673,661</u>	-
Total Amount to be Raised by Taxation	A-2	<u>26,779,048</u>	-	<u>28,361,399</u>	<u>1,582,351</u>
Total General Revenues		<u>\$ 33,522,385</u>	<u>\$ 29,000</u>	<u>36,573,375</u>	<u>\$ 3,021,990</u>
Non-Budget Revenues	A-1,A-2			<u>130,442</u>	
				<u>\$ 36,703,817</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, 2023

	<u>Reference</u>	
Analysis of Realized Revenue		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 112,415,333
Less: Transfer to Reserve for Tax Appeals	A-24	<u>217,073</u>
Current Taxes Realized in Cash		112,198,260
Less: Allocated to School, County Taxes and Open Space	A-16,A-17,A-18, A-19	<u>85,736,861</u>
Balance for Support of Municipal Budget Appropriations		26,461,399
Add: Reserve for Uncollected Taxes	A-3	<u>1,900,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 28,361,399</u>
Licenses		
Clerk	A-11	\$ 1,275
Board of Health	A-11	<u>14,196</u>
	A-2	<u>\$ 15,471</u>
Fees and Permits		
Clerk	A-11	\$ 24,555
Police	A-11	16,267
Board of Health	A-11	2,149
Finance-Admin	A-11	31,634
Fire Prevention	A-11	33,941
Construction Code- Miscellaneous	A-11	43,806
DPW	A-11	13,200
Board of Adjustment/Planning Board	A-11	<u>16,745</u>
	A-2	<u>\$ 182,297</u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 682,765
Due from General Capital	C-10	424,331
Due from Animal Control Fund	B-6	1,680
Due from Other Trust Fund - Miscellaneous Reserves	B-8	52,535
Due from Recreation Trust Fund	B-19	27,104
Due from Other Trust Fund- Police Outside Duty	B-17	730
Due from Other Trust Fund- Tax Title Lien	B-21	9,575
Due from Other Trust Fund- Events	B-22	860
Due from Other Trust Fund- Ice Rink	B-23	220
Due from Other Trust Fund- Teen Center	B-24	2,655
Due from Other Trust- Payroll	B-20	<u>9,208</u>
	A-2	<u>\$ 1,211,663</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, 2023

	<u>Reference</u>	
Non-Budget Revenue		
Recycling Cardboard/Miscellaneous	\$	14,956
Returned Check Fee		860
Seniors & Vets Admin Fee		725
Police Outside Duty		69,569
Cancellation of Trust Accounts		6,891
Other		<u>37,441</u>
	A-2,A-4	<u>\$ 130,442</u>

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

	<u>2023 Appropriated</u>		<u>2023 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	\$ 233,705	\$ 220,205	\$ 208,447	\$ 11,758	
Borough Clerk's Office	211,279	211,279	206,907	4,372	
Other Expenses					
Administrator's Office	187,750	214,750	195,385	19,365	
Borough Clerk's Office	51,800	51,800	29,751	22,049	
Postage	30,000	30,000	29,679	321	
Photocopy Expense	36,000	36,000	35,040	960	
Human Resources					
Salaries and Wages	80,666	67,166	51,110	16,056	
Other Expenses	9,300	9,300	3,690	5,610	
Mayor and Council					
Salaries and Wages	35,000	35,000	34,038	962	
Other Expenses	14,000	14,000	12,813	1,187	
Elections					
Salaries and Wages	7,500	7,500	2,546	4,954	
Other Expenses	19,400	19,400	13,255	6,145	
Financial Administration					
Salaries and Wages	321,342	314,842	298,352	16,490	
Audit/Other Expenses	72,750	72,750	68,395	4,355	
Revenue Administration					
Salaries and Wages	109,662	116,162	115,964	198	
Other Expenses	47,400	47,400	41,131	6,269	
Assessment of Taxes					
Salaries and Wages	140,552	140,552	140,552	-	
Other Expenses	28,850	28,850	4,851	23,999	
Legal Services and Costs					
Other Expenses	239,000	239,000	196,462	42,538	
Engineering Services and Costs					
Other Expenses	106,500	106,500	74,647	31,853	
Historic Preservation Commission					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	10,500	10,500	433	10,067	
Municipal Land Use Law:					
Planning Board					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	52,575	52,575	44,687	7,888	
Zoning Board of Adjustment					
Salaries and Wages	3,000	3,000	3,000	-	
Other Expenses	44,530	44,530	32,667	11,863	
Insurance					
Liability	467,250	466,875	462,592	4,283	

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, 2023

	<u>2023 Appropriated</u>		<u>2023 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	\$ 359,850	\$ 359,850	\$ 359,850	-	
Group Insurance Plan for Employees	2,197,684	2,198,059	2,198,059	-	
Unemployment	40,000	40,000	40,000	-	
Deductible	1,500	1,500	1,000	\$ 500	
Public Safety					
Police					
Salaries and Wages	6,126,647	6,126,647	6,011,001	115,646	
Other Expenses	303,372	303,372	277,845	25,527	
Emergency Management Services					
Salaries and Wages	4,600	4,600	4,600	-	
Other Expenses	19,325	19,325	16,899	2,426	
Aid to Volunteer Fire Company					
Salaries and Wages	127,143	127,143	122,710	4,433	
Other Expenses	13,300	13,300	8,229	5,071	
Aid to Volunteer Ambulance Corps					
Other Expenses	214,500	214,500	197,044	17,456	
Fire Department					
Salaries and Wages	22,920	22,920	21,420	1,500	
Other Expenses	330,450	330,450	276,647	53,803	
Fire Hydrant Services	233,631	233,631	233,078	553	
Municipal Prosecutor					
Other Expenses	17,300	17,300	15,900	1,400	
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages	2,406,404	2,358,904	2,065,232	293,672	
Other Expenses	593,650	551,650	525,779	25,871	
Solid Waste Collections					
Contract-Collections	895,000	895,000	890,000	5,000	
Recycling Center					
Salaries and Wages	475,210	513,710	512,056	1,654	
Other Expenses	138,325	161,325	161,325	-	
Public Buildings and Grounds					
Salaries and Wages	196,799	199,299	197,853	1,446	
Other Expenses	310,725	272,725	264,471	8,254	

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, 2023

	<u>2023 Appropriated</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS WITHIN "CAPS" (Cont'd)					
Health and Welfare					
Board of Health					
Salaries and Wages	\$ 5,000	\$ 5,000	\$ 5,000	-	
Other Expenses	109,389	109,389	82,266	\$ 27,123	
Environmental Commission					
Other Expenses	5,000	5,000	3,423	1,577	
Animal Welfare					
Other Expenses	14,500	14,500	11,942	2,558	
Mental Health Center					
Other Expenses	7,000	7,000	7,000	-	
Recreation and Education:					
Recreation Commission R.S. 40:12-1					
Salaries and Wages	327,766	327,766	253,489	74,277	
Other Expenses	44,603	44,603	38,233	6,370	
Senior Citizens Center					
Salaries and Wages	105,225	105,225	99,166	6,059	
Other Expenses	7,700	7,700	6,391	1,309	
Stigma Free Events - Other Expenses	5,000	5,000	505	4,495	
Downtown Committee - Other Expenses	5,000	5,000	2,710	2,290	
Welcome Committee - Other Expenses	6,500	6,500	6,212	288	
Senior Services Coordinator					
Salaries and Wages	36,400	36,400	35,035	1,365	
Other Expenses	1,000	1,000	825	175	
Senior Services Transportation					
Salaries and Wages	94,787	94,787	76,789	17,998	
Other Expenses	6,750	6,750	5,738	1,012	
Parking Lot Rental					
Other Expenses	15,000	15,000	15,000	-	
Celebration of Public Events					
Other Expenses	69,500	69,500	69,028	472	
Payroll Adjustment	263,125	263,125	52,529	210,596	
PUBLIC SAFETY FUNCTION					
Municipal Court					
Salaries and Wages	129,073	135,073	132,584	2,489	
Other Expenses	16,430	16,430	11,997	4,433	
Public Defender					
Other Expenses	3,550	4,050	4,000	50	

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, 2023

	<u>2023 Appropriated</u>		<u>2023 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)					
APPROPRIATIONS OFFSET BY					
DEDICATED REVENUES					
(N.J.A.C. 5:23-4-17)					
State Uniform Construction Code					
Construction Code Officials					
Salaries and Wages	\$ 254,095	\$ 266,595	\$ 261,874	\$ 4,721	
Other Expenses	21,440	18,440	5,052	13,388	
Director of Building Department					
Salaries and Wages	134,688	125,188	120,022	5,166	
Other Expenses	6,230	6,230	5,220	1,010	
Unclassified					
Electricity	212,250	212,250	200,948	11,302	
Street Lighting	168,000	173,250	173,174	76	
Telephone	93,000	93,000	82,097	10,903	
Natural Gas	74,500	74,500	49,250	25,250	
Gasoline	236,497	231,247	182,527	48,720	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
BCUA Disposal Fees	<u>500,000</u>	<u>557,000</u>	<u>556,258</u>	<u>742</u>	<u>-</u>
Total Operations Within "CAPS"	<u>20,575,644</u>	<u>20,575,644</u>	<u>19,271,676</u>	<u>1,303,968</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>20,575,644</u>	<u>20,575,644</u>	<u>19,271,676</u>	<u>1,303,968</u>	<u>-</u>
Detail:					
Salaries and Wages	11,860,588	11,836,088	11,040,276	795,812	-
Other Expenses	<u>8,715,056</u>	<u>8,739,556</u>	<u>8,231,400</u>	<u>508,156</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	717,730	717,730	717,730	-	
Social Security System (O.A.S.I.)	600,000	600,000	547,130	52,870	
Police and Firemen's Retirement System of NJ	1,618,066	1,618,066	1,618,066	-	
Defined Contribution Retirement Program	<u>23,000</u>	<u>23,000</u>	<u>18,338</u>	<u>4,662</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>2,958,796</u>	<u>2,958,796</u>	<u>2,901,264</u>	<u>57,532</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>23,534,440</u>	<u>23,534,440</u>	<u>22,172,940</u>	<u>1,361,500</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, 2023

	<u>2023 Appropriated</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library (P.L. 1985, Ch. 82-541)	\$ 1,561,799	\$ 1,561,799	\$ 1,451,678	\$ 110,121	
Library Building Maintenance				-	
Salaries and Wages	27,754	27,754	18,183	9,571	
Other Expenses	84,108	84,108	69,056	15,052	
Bergen County Utilities Authority					
Operations and Maintenance	1,564,774	1,564,774	1,564,774	-	
Debt Service	385,483	385,483	385,483	-	
Reserve for Tax Appeals	200,000	200,000		200,000	
Emergency Services Volunteer Length of Service Award Program (P.L. 1997, C. 388)	77,000	77,000	1,955	75,045	-
Group Insurance Plan for Employees	367,316	367,316	258,289	109,027	
Public Employees Retirement System	58,196	58,196	58,196	-	
Police and Firemen's Retirement System of NJ	151,474	151,474	151,473	1	
Recycling Center - O/E	16,475	16,475	10,866	5,609	
Gasoline	3,503	3,503	-	3,503	
Worker's Compensation	30,150	30,150	29,695	455	-
Total Other Operations Excluded from "CAPS"	4,528,032	4,528,032	3,999,648	528,384	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Recycling Tonnage Grant	22,677	22,677	9,141	13,536	
Body Armor Fund	2,326	2,326	2,326	-	
OPIOID Grant	9,262	9,262	-	9,262	
Municipal Alliance	7,612	7,612	5,741	1,871	
Stigma Free Grant	1,087	1,087		1,087	
Firefighter Grant	-	29,000	28,710	290	
JIF Grant	1,000	1,000	1,000	-	
Clean Communities Program	29,985	29,985	29,985	-	-
Total Public and Private Programs Offset by Revenues	73,949	102,949	76,903	26,046	-
Total Operations Excluded from "CAPS"	4,601,981	4,630,981	4,076,551	554,430	-
Detail:					
Salaries and Wages	27,754	27,754	18,183	9,571	-
Other Expenses	4,574,227	4,603,227	4,058,368	544,859	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	250,000	250,000	250,000	-	-
Total Capital Improvement Fund - Excluded from "CAPS"	250,000	250,000	250,000	-	-
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,025,000	2,025,000	2,025,000	-	-
Interest on Bonds	391,142	391,142	391,142	-	-
Interest on Notes	379,822	379,822	379,822	-	-
Total Municipal Debt Service - Excluded from "CAPS"	2,795,964	2,795,964	2,795,964	-	-

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, 2023

	<u>2023 Appropriated</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
DEFERRED CHARGES EXCLUDED FROM "CAPS"					
Deferred Charges					
Deferred Charges - Unfunded	\$ 400,000	\$ 400,000	\$ 400,000		
Special Emergency Authorization (5 Years)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>440,000</u>	<u>440,000</u>	<u>440,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>8,087,945</u>	<u>8,116,945</u>	<u>7,562,515</u>	\$ 554,430	-
Subtotal General Appropriations	31,622,385	31,651,385	29,735,455	1,915,930	-
Reserve for Uncollected Taxes	<u>1,900,000</u>	<u>1,900,000</u>	<u>1,900,000</u>	-	-
Total General Appropriations	<u>\$ 33,522,385</u>	<u>\$ 33,551,385</u>	<u>\$ 31,635,455</u>	<u>\$ 1,915,930</u>	<u>\$ -</u>
<u>Reference</u>	A-2			A	
Budget as Adopted	A-2	\$ 33,522,385			
Appropriation by 40A:4-87	A-2	<u>29,000</u>			
		<u>\$ 33,551,385</u>			
Cash Disbursed	A-4		\$ 28,814,991		
Encumbrances Payable	A-14		880,464		
Reserve for Uncollected Taxes	A-3		1,900,000		
Deferred Charges - Special Emergency Authorization	A-25		<u>40,000</u>		
			<u>\$ 31,635,455</u>		

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

ASSETS	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Animal Control Trust Fund			
Cash	B-3	\$ 21,586	\$ 27,098
Other Trust Fund			
Cash	B-3	7,241,042	6,448,169
Due from Recreation Trust Fund- Payroll Agency	B-16	30	30
Due from Current Fund - Other Trust Fund	B-8	<u>69,580</u>	<u>155,825</u>
		<u>7,310,652</u>	<u>6,604,024</u>
Unemployment Insurance Trust Fund			
Cash	B-3	<u>116,087</u>	<u>65,038</u>
Recreation Activities Trust Fund			
Cash	B-3	<u>467,630</u>	<u>382,425</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	3,167,541	3,148,098
Due From General Capital Fund	C-11	<u>-</u>	<u>53,966</u>
		<u>3,167,541</u>	<u>3,202,064</u>
Length of Service Awards Program (Unaudited)			
Investments	B	1,557,118	1,216,276
Contributions Receivable	B	<u>78,897</u>	<u>72,335</u>
		<u>1,636,015</u>	<u>1,288,611</u>
Total Assets		<u>\$ 12,719,511</u>	<u>\$ 11,569,260</u>

BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund			
Reserve for Animal License Expenditures	B-4	\$ 21,466	\$ 24,780
Due to Current Fund	B-6	<u>120</u>	<u>2,318</u>
		<u>21,586</u>	<u>27,098</u>
Other Trust Fund			
Due to Current Fund - Payroll	B-20	834	2,071
Due to Current Fund - Ice Rink	B-23	22	44
Due to Current Fund - Events	B-22	59	142
Due to Current Fund - Teen Center	B-24	226	330
Due to Current Fund - Police Outside Duty	B-17	66	141
Due to Current Fund - Tax Title Lien	B-21	1,147	4,751
Due to Current Fund - Escrow Deposits	B-18	3,724	3,724
Reserve for:			
Miscellaneous Reserves	B-12	2,708,707	2,787,140
Escrow Deposits - Construction Fees	B-11	424,104	374,479
Affordable Housing Trust	B-14	4,153,725	3,410,596
Accrued Salary and Wages	B-9	4,155	6,723
Payroll Deductions Payable	B-10	<u>13,883</u>	<u>13,883</u>
		<u>7,310,652</u>	<u>6,604,024</u>
Unemployment Insurance Trust Fund			
Reserve for Unemployment Compensation Insurance	B-7	<u>116,087</u>	<u>65,038</u>
Recreation Activities Trust Fund			
Due to Current Fund	B-19	2,479	4,850
Due to Other Trust Fund- Payroll Agency	B-16	30	30
Reserve for Recreation Expenditures	B-15	<u>465,121</u>	<u>377,545</u>
		<u>467,630</u>	<u>382,425</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Municipal Open Space Expenditures	B-13	<u>3,167,541</u>	<u>3,202,064</u>
Length of Service Awards Program (Unaudited)			
Net Position Available for Benefits	B	<u>1,636,015</u>	<u>1,288,611</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,719,511</u>	<u>\$ 11,569,260</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, 2023

	<u>Budget</u> <u>(Memo)</u>	<u>Budget After</u> <u>Modification</u> <u>(Memo)</u>	<u>Realized</u>	<u>Variance</u>
Amount to be Raised by Taxation	\$ 405,690	\$ 405,690	\$ 408,488	\$ 2,798
Reserve Balance Anticipated	<u>-</u>	<u>351,747</u>	<u>351,747</u>	<u>-</u>
	<u>\$ 405,690</u>	<u>\$ 757,437</u>	<u>\$ 760,235</u>	<u>\$ 2,798</u>

Reference	B-2	B-2	B-13
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STATEMENT OF EXPENDITURES-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u> <u>(Memo)</u>	<u>Budget After</u> <u>Modification</u> <u>(Memo)</u>	<u>Paid or</u> <u>Charged</u>	<u>Variance</u>
Down Payments on Improvements		\$ 586,437	\$ 586,437	
Capital Outlay		171,000	171,000	
Reserve for Future Use	<u>\$ 405,690</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
	<u>\$ 405,690</u>	<u>\$ 757,437</u>	<u>\$ 757,437</u>	<u>\$ -</u>

Reference	B-1	B-1	B-13
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BOROUGH OF TENAFLY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	C-2,C-3	\$ 6,328,794	\$ 10,457,404
Grants / Other Receivable	C-4	609,177	781,182
Deferred Charges to Future Taxation			
Funded	C-5	11,761,000	13,786,000
Unfunded	C-6	<u>20,132,605</u>	<u>16,596,901</u>
 Total Assets		 <u>\$ 38,831,576</u>	 <u>\$ 41,621,487</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	\$ 11,761,000	\$ 13,786,000
Bond Anticipation Notes Payable	C-15	13,294,000	13,294,000
Contracts Payable	C-12	1,203,096	4,515,063
Due To - Current Fund	C-10	462,611	92,364
Due To - Municipal Open Space Trust Fund	C-11	-	53,966
Improvement Authorizations			
Funded	C-8	3,601,985	2,304,838
Unfunded	C-8	7,325,075	5,832,905
Reserve for:			
Grants Receivable	C-4	502,485	761,528
Insurance Proceeds	C-13	46,245	46,245
Capital Improvement Fund	C-9	100,795	71,011
Fund Balance	C-1	<u>534,284</u>	<u>863,567</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 38,831,576</u>	 <u>\$ 41,621,487</u>

There were bonds and notes authorized but not issued at December 31, 2023 and 2022 of \$7,208,450 and \$3,408,950, respectively (Exhibit C-15).

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

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, December 31	C	\$ 863,567	\$ 487,144
Increased by:			
Premium on Bond Sale	C-1		325,395
Premium on Sale of Notes	C-2	<u>95,717</u>	<u>156,028</u>
		959,284	968,567
Decreased by:			
Realized as Current Fund Revenue	C-2	425,000	50,000
Appropriate to Finance Improvement Authorizations	C-1	<u>-</u>	<u>55,000</u>
Balance, December 31	C	<u>\$ 534,284</u>	<u>\$ 863,567</u>

BOROUGH OF TENAFLY
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
General Fixed Assets		
Land	\$ 99,186,540	\$ 99,186,540
Land Improvements	2,646,700	2,646,700
Buildings and Building Improvements	16,782,433	16,467,250
Machinery and Equipment	21,431,496	19,098,169
Right-to-Use Machinery and Equipment	<u>128,274</u>	<u>-</u>
	<u>\$ 140,175,443</u>	<u>\$ 137,398,659</u>
Investment in General Fixed Assets	<u>\$ 140,175,443</u>	<u>\$ 137,398,659</u>

NOTES TO FINANCIAL STATEMENTS

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

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, 2023 AND 2022**

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

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

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

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

Financial Statements – Regulatory Basis

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Leases Receivable – Leases for the use of the Borough’s land, building, and equipment or property are recorded as revenue when repayment is received during the year. GAAP requires leases receivable to be recorded at year-end with an offsetting deferred outflow of resources in both the fund and government-wide financial statements.

Leases Payable – Leases payments for the use of another entity’s land, building and equipment or property are appropriated in the Borough’s annual budget and are recorded when paid in accordance with the terms of the lease agreement. GAAP requires leases to be reported as other financing sources in the governmental funds and intangible right-to-use assets and long-term liabilities in the proprietary funds and government-wide financial statements.

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

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 proprietary funds and 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 acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 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.

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

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

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

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 Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 and 2022 the Borough Council increased the original budget by \$29,000 and \$0. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2023 and 2022.

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$26,943,419 and \$29,727,750 and bank and brokerage firm balances of the Borough's deposits amounted to \$29,705,925 and \$30,862,479, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 27,358,299	\$ 28,151,171
Uninsured and Uncollateralized	<u>2,347,626</u>	<u>2,711,308</u>
	<u>\$ 29,705,925</u>	<u>\$ 30,862,479</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, 2023 and 2022, the Borough's bank balances of \$2,347,626 and \$2,711,308, were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 2,347,626</u>	<u>\$ 2,711,308</u>
	<u>\$ 2,347,626</u>	<u>\$ 2,711,308</u>

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

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 Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

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

<u>Investment Type</u>	<u>Valuation Basis</u>	<u>2023</u>	<u>2022</u>
Investment:			
N.J. Cash Management Fund	Book Value	\$ 450,837	\$ 429,148
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	1,557,118	1,216,276
		<u>\$ 2,007,955</u>	<u>\$ 1,645,424</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2023 and 2022, \$2,007,955 and \$1,654,424, of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 2,007,955</u>	<u>\$ 1,645,424</u>
	<u>\$ 2,007,955</u>	<u>\$ 1,645,424</u>

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough’s investment in Lincoln Financial Group, a subsidiary to Lincoln National Life Insurance Company was rated A2 and A1, respectively, 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 National Life Insurance Company, and N.J. Cash Management Fund. These investments are 100% of the Borough’s total investments.

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group and N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Property Taxes	\$ 705,359	\$ 749,479
Tax Title Liens	<u>3,815</u>	<u>1,362</u>
	<u>\$ 709,174</u>	<u>\$ 750,841</u>

In 2023 and 2022, the Borough collected \$741,481 and \$624,949 from delinquent taxes, which represented 99% and 97%, respectively of the prior year delinquent taxes receivable balance.

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2023</u>		<u>2022</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:	\$ 471,288	\$ 69,580	\$ 110,735	\$ 155,825
Trust Fund:				
Animal Control		120		2,318
Other Trust Fund - Escrow		3,724		3,724
Other Trust Fund - Misc. Reserves	69,580		155,825	
Other Trust Fund - Payroll Agency	30		30	
Other Trust Fund - Police Outside Duty		66		141
Other Trust Fund - Net Payroll		834		2,071
Other Trust Fund - Tax Title Lien		1,147		4,751
Other Trust Fund - Events		59		142
Other Trust Fund - Ice Rink		22		44
Other Trust Fund - Teen Center		226		330
Recreation Trust Fund		2,509		4,880
Municipal Open Space			53,966	
General Capital Fund	-	462,611	-	146,330
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 540,898</u>	<u>\$ 540,898</u>	<u>\$ 320,556</u>	<u>\$ 320,556</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.

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

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>2023</u>			
Current Fund			
COVID Special Emergency Authorization	\$ 120,000	\$ 40,000	\$ 80,000
<u>2022</u>			
Current Fund			
COVID Special Emergency Authorization	\$ 160,000	\$ 40,000	\$ 120,000

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2023</u>		<u>2022</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 5,302,616	\$ 2,750,000	\$ 4,723,503	\$ 2,635,000
Non-Cash Surplus	<u>159,537</u>	<u>-</u>	<u>172,209</u>	<u>-</u>
	<u>\$ 5,462,153</u>	<u>\$ 2,750,000</u>	<u>\$ 4,895,712</u>	<u>\$ 2,635,000</u>

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

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2023 and 2022.

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Land	\$ 99,186,540			\$ 99,186,540
Land Improvements	2,646,700			2,646,700
Buildings and Building Improvements	16,467,250	\$ 315,183		16,782,433
Machinery and Equipment	19,098,169	2,500,191	\$ 166,864	21,431,496
Right-to-Use Machinery and Equipment	<u>-</u>	<u>160,343</u>	<u>32,069</u>	<u>128,274</u>
	<u>\$ 137,398,659</u>	<u>\$ 2,975,717</u>	<u>\$ 198,933</u>	<u>\$ 140,175,443</u>
	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <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>	<u>\$ 24,536</u>	<u>19,098,169</u>
	<u>\$ 135,867,251</u>	<u>\$ 1,555,944</u>	<u>\$ 24,536</u>	<u>\$ 137,398,659</u>

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

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>2023</u>	<u>2022</u>
Issued		
General		
Bonds, Notes and Loans	\$ 25,055,000	\$ 27,080,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>369,845</u>	<u>106,049</u>
Net Debt Issued	24,685,155	26,973,951
Authorized But Not Issued		
General		
Bonds and Notes	<u>7,208,450</u>	<u>3,408,950</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 31,893,605</u>	<u>\$ 30,382,901</u>

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .649% and .634% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 32,263,450	\$ 369,845	\$ 31,893,605
School Debt	<u>18,570,000</u>	<u>18,570,000</u>	<u>-</u>
Total	<u>\$ 50,833,450</u>	<u>\$ 18,939,845</u>	<u>\$ 31,893,605</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt (Continued)

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
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>

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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 176,479,031	\$ 168,484,610
Less: Net Debt	<u>31,893,605</u>	<u>30,382,901</u>
Remaining Borrowing Power	<u>\$ 144,585,426</u>	<u>\$ 138,101,709</u>

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2023</u>	<u>2022</u>
\$8,526,000, 2017 General Improvement Refunding Bonds, due in annual installments of \$1,125,000 to \$1,146,000 through May 1, 2027, interest at 2% to 3%	\$ 4,526,000	\$ 5,651,000
\$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>7,235,000</u>	<u>8,135,000</u>
Total	<u>\$ 11,761,000</u>	<u>\$ 13,786,000</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

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

Calendar Year	General Bonds		Total
	Principal	Interest	
2024	\$ 2,025,000	\$ 352,430	\$ 2,377,430
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>\$ 11,761,000</u>	<u>\$ 1,348,480</u>	<u>\$ 13,109,480</u>

Changes in Long-Term Municipal Debt

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

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ <u>13,786,000</u>	\$ <u>-</u>	\$ <u>2,025,000</u>	\$ <u>11,761,000</u>	\$ <u>2,025,000</u>
General Capital Fund Long-Term Liabilities	\$ <u>13,786,000</u>	\$ <u>-</u>	\$ <u>2,025,000</u>	\$ <u>11,761,000</u>	\$ <u>2,025,000</u>
	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ <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>
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>

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

<u>2023</u>	<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2022</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2023</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	4.25%	5/24/2024	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
	Various Capital Improvements	4.25%	5/24/2024	3,244,000	3,244,000	3,244,000	3,244,000
	Various Capital Improvements	4.25%	5/24/2024	2,307,000	2,307,000	2,307,000	2,307,000
	Various Capital Improvements	4.25%	5/24/2024	2,814,000	2,814,000	2,814,000	2,814,000
	Various Capital Improvements	4.25%	5/24/2024	46,000	46,000	46,000	46,000
	Tropical Storm Ida Road Improvement Project	4.25%	5/24/2024	<u>3,333,000</u>	<u>3,333,000</u>	<u>3,333,000</u>	<u>3,333,000</u>
	Total			<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>
<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/Tenaflly 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	-		452,000	
	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>
	Total			<u>\$ 16,861,000</u>	<u>\$ 13,294,000</u>	<u>\$ 16,861,000</u>	<u>\$ 13,294,000</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>		
Acquisition of Emergency Generator System	\$ 162,623	2024
NJDOT 2022 Highwood Ave Project	547,926	2024
<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

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 \$1,635,259 and \$1,441,231 at December 31, 2023 and 2022, 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, 2023 and 2022, the Borough has reserved in the Other Trust Fund \$561,026 and \$604,961, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

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

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

B. Leases Payable

The Borough entered into non-cancellable leases for the use of another entity’s equipment. The initial lease liability is determined at the present value of payments expected to be made during the lease term.

Leases payable at December 31 are comprised of the following:

On September 13, 2022, the Borough entered into a 5 year lease agreement as lessee for the use of communication equipment. An initial lease liability was reported in the amount of \$160,343. The lease has an interest rate of 2.80%. The Borough is required to make monthly payments of \$2,901. As of December 31, 2023 and 2022 the value of the lease liability was \$130,021 and \$160,343, respectively. The equipment has a five year estimated useful life. The value of the right -to-use asset as of December 31, 2023 and 2022 is \$128,274 and \$160,343, respectively.

The right-to-use leased assets at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Right-to-use Equipment	<u>\$ 128,274</u>	<u>\$ 160,343</u>

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

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 31,171	\$ 3,641	\$ 34,812
2025	32,044	2,768	34,812
2026	32,942	1,871	34,813
2027	<u>33,864</u>	<u>948</u>	<u>34,812</u>
Total	<u>\$ 130,021</u>	<u>\$ 9,228</u>	<u>\$ 139,249</u>

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

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 1,441,231	\$ 194,028		\$ 1,635,259	\$ 41,390
Leases Payable	160,343		\$ 30,322	130,021	31,171
Net Pension Liability - PERS (1)	10,936,009			10,936,009	
Net Pension Liability - PFRS (1)	15,573,975			15,573,975	
Net OPEB Liability (1)	<u>22,646,416</u>	<u>-</u>	<u>-</u>	<u>22,646,416</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 50,757,974</u>	<u>\$ 194,028</u>	<u>\$ 30,322</u>	<u>\$ 50,921,680</u>	<u>\$ 72,561</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.

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 1,461,232	\$ 156,103	\$ 176,104	\$ 1,441,231	\$ 41,390
Leases Payable		160,343		160,343	30,322
Net Pension Liability - PERS	8,127,893	2,808,116		10,936,009	
Net Pension Liability - PFRS	9,804,466	5,769,509		15,573,975	
Net OPEB Liability	<u>25,580,389</u>	<u>-</u>	<u>2,933,973</u>	<u>22,646,416</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 44,973,980</u>	<u>\$ 8,894,071</u>	<u>\$ 3,110,077</u>	<u>\$ 50,757,974</u>	<u>\$ 71,712</u>

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

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.

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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 PERS 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 PERS 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.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2023 and 2022 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

For the years ended December 31, 2023 and 2022 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2023, 2022 and 2021 were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2023	\$ 1,769,540	\$ 913,822	\$ 18,338
2022	1,563,349	812,401	17,190
2021	1,465,713	815,485	14,459

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

In addition for the years ended December 31, 2023, 2022 and 2021 the Borough did not contribute to long-term disability insurance premiums (LTDI) for PERS and 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, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of \$10,936,009 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .07247 percent, which was an increase of .00310 percent from its proportionate share measured as of June 30, 2021 of .06937 percent.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the Borough's pension (benefit) to be (\$1,199,283) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$812,401. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 78,931	\$ 69,606
Changes of Assumptions	33,883	1,637,553
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	452,632	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>486,157</u>	<u>1,201,334</u>
Total	<u>\$ 1,051,603</u>	<u>\$ 2,908,493</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (1,355,613)
2024	(706,024)
2025	(343,631)
2026	546,393
2027	1,985
Thereafter	<u>-</u>
	<u>\$ (1,856,890)</u>

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 14,049,568</u>	<u>\$ 10,936,009</u>	<u>\$ 8,286,245</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2022, the Borough reported a liability of \$15,573,975 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough’s proportionate share was .13606 percent, which was an increase of .00192 percent from its proportionate share measured as of June 30, 2021 of .13414 percent.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense to be \$113,779 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,563,349. At December 31, 2022, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 704,920	\$ 954,118
Changes of Assumptions	42,682	1,960,456
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,426,118	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>763,203</u>	<u>332,315</u>
Total	<u>\$ 2,936,923</u>	<u>\$ 3,246,889</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (673,745)
2024	(372,742)
2025	(428,402)
2026	1,085,820
2027	60,378
Thereafter	<u>18,725</u>
	<u>\$ (309,966)</u>

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

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

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 21,369,176</u>	<u>\$ 15,573,975</u>	<u>\$ 10,749,442</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,771,711. For the year ended December 31, 2022, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$319,782, which is less than the actual contribution the State made on behalf of the Borough of \$345,065. At December 31, 2022 (measurement date June 30, 2022) the State’s share of the PFRS net pension liability attributable to the Borough was .13606 percent, which was an increase of .00192 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .13414 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

Pension Plan Fiduciary Net Position

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

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

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.

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

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

Actuarial Methods and Assumptions

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021 were \$538,855, \$444,985 and \$343,883, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2023, 2022 and 2021 were \$61,430, \$62,613 and \$49,111, 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, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the Borough reported a liability of \$22,646,416, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was .14023 percent, which was a decrease of .00189 percent from its proportionate share measured as of June 30, 2021 of .14212 percent.

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

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, 2022, the Plan has determined the Borough's OPEB expense to be \$591,909 based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$444,985. At December 31, 2022, 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>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,169,485	\$ 4,197,683
Changes of Assumptions	3,022,258	7,728,785
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	5,962	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	5,947,183	2,153,850
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 10,144,888</u>	<u>\$ 14,080,318</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending December 31,	<u>Total</u>
2023	\$ (1,241,056)
2024	(1,244,221)
2025	(1,245,322)
2026	27,544
2027	504,432
Thereafter	<u>(736,807)</u>
	<u>\$ (3,935,430)</u>

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

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

	<u>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

Mortality Rates

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

Health Care Trends

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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 3.54% 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 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 26,251,755</u>	<u>\$ 22,646,416</u>	<u>\$ 19,745,583</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. 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, 2022 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>2022</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>\$ 19,211,636</u>	<u>\$ 22,646,416</u>	<u>\$ 27,045,401</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. 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, 2023 AND 2022**

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 of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

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

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$615,653. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB benefit attributable to the Borough for the OPEB special funding situation is \$100,980. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .01825 percent, which was a decrease of .00021 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .01846 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.

NOTE 14 RISK MANAGEMENT

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

The Borough of 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, 2023 AND 2022**

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</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 80,000	\$ 16,584	\$ 48,974	\$ 116,087
2022		16,399	24,044	65,038
2021	40,000	15,189	57,854	71,715

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2023 and 2022, the Borough reserved \$489,656 and \$464,299, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

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

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2023 and 2022, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

The Borough of 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 \$2,023 and \$1,955 for 2023 and 2022, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$78,897 and \$72,335 for 2023 and 2022, 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.

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 LEASES RECEIVABLE

The Borough entered into non-cancellable leases for the use of Borough owned land, building and equipment. The initial lease receivable is determined at the present value of payments expected to be received during the lease term.

Leases receivable at December 31 are comprised of the following:

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 five optional five-year renewal terms. The Borough received monthly payments with annual increases of 3%. The Borough recognized \$171,281 and \$167,840 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$3,441 and \$6,712, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$167,840, respectively.

On August 8, 2022 the Borough began leasing land to a third party. The lease is for 6 years and the Borough will receive annual payments of \$15,000 to \$62,242. The Borough recognized \$15,000 and \$0 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$10,829 and \$0, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$221,908 and \$226,079, respectively.

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

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 19,371	\$ 10,629	\$ 30,000
2025	35,298	9,702	45,000
2026	51,989	8,011	60,000
2027	55,679	5,520	61,199
2028	<u>59,571</u>	<u>2,853</u>	<u>62,424</u>
Total	<u>\$ 221,908</u>	<u>\$ 36,715</u>	<u>\$ 258,623</u>

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

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, the Borough provided property tax abatements through certain programs authorized under State statutes. 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, 2023 and 2022 the Borough abated property taxes totaling \$47,892 and \$45,109, 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, 2023 and 2022, 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, 2023 and 2022 the Borough abated property taxes totaling \$80,984 and 79,027, respectively under the FYEA program. The Borough received \$24,800 in PILOT payments under this program for the years ended December 31, 2023 and 2022.

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

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

The Borough of 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, 2023 AND 2022**

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 \$1,512,774 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 \$969,775 and \$440,000 of the funds in the 2023 and 2022 budgets, respectively to fund various capital improvements. The Borough utilized the remaining funds in the amount of \$102,999 in the 2024 budget to replace lost public sector revenue. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 21 SUBSEQUENT EVENTS

Debt Authorized

On May 7, 2024 the Borough adopted a bond ordinance authorizing the issuance \$3,725,500 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

Bond Anticipation Notes

On May 14, 2024 the Borough issued bond anticipation notes in the amount of \$16,900,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Jefferies, LLC at an interest rate of 4.5%. These notes dated May 23, 2024 will mature on May 22, 2025.

CURRENT FUND

BOROUGH OF TENAFLY
STATEMENT OF CURRENT CASH - COLLECTOR-TREASURER

		<u>Current Fund</u>
Balance, December 31, 2022	\$	9,619,555
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$	130,442
Taxes Receivable		112,513,551
Revenue Accounts Receivable		3,721,757
Grants Receivable		30,439
Prepaid Taxes		587,953
Due To State - Senior Citizen and Veteran Deductions		36,250
Due To State - DCA Training Fees		45,249
Unappropriated Reserve- State and Federal Grants		187,153
Due from General Capital Fund		479,084
Due from Animal Control Fund		3,878
Due from Other Trust Fund		82,379
Due from Other Trust Fund- Recreation		29,475
Miscellaneous Reserves		<u>8,578</u>
		<u>117,856,188</u>
		127,475,743
Decreased by Disbursements:		
2023 Budget Appropriations	28,814,991	
Appropriation Reserves	531,475	
Encumbrances Payable	521,975	
Accounts Payable	64,381	
Local District School Taxes	73,231,494	
County Taxes Payable	12,013,915	
County Added and Omitted Taxes	50,627	
Tax Overpayments	421,764	
Appropriated Reserve for State and Federal Grants	4,073	
Miscellaneous Reserves	199,746	
Payments to Other Trust Fund	162,716	
Payments to General Capital Fund	969,775	
Payments to Municipal Open Space Trust Fund	408,488	
Payments to State - DCA Training Fees	<u>37,858</u>	
		<u>117,433,278</u>
Balance, December 31, 2023	\$	<u>10,042,465</u>

**BOROUGH OF TENAFLY
STATEMENT OF CHANGE FUNDS**

	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</u>
<u>Office</u>		
Tax Collector	\$ 200	\$ 200
Court Clerk	50	50
Librarian	75	75
Secretary to Board of Health	25	25
Dog/Registrar	<u>25</u>	<u>25</u>
	<u>\$ 375</u>	<u>\$ 375</u>

EXHIBIT A-6

STATEMENT OF PETTY CASH FUND

Balance, December 31, 2022	<u>\$ 8,736</u>
Balance, December 31, 2023	<u>\$ 8,736</u>

EXHIBIT A-7

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

Balance, December 31, 2022	\$ 3,394
Increased by:	
Received in Cash	<u>36,250</u>
	39,644
Decreased by:	
Senior Citizen Deductions per Tax Billing	\$ 3,500
Veterans Deductions per Tax Billing	<u>34,000</u>
	<u>37,500</u>
Balance, December 31, 2023	<u>\$ 2,144</u>

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

Year	Balance December 31, 2022	2023 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collected in 2022 2023		Overpayments Applied	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2023
2021	\$ 2,700				\$ 2,604					\$ 96	-
2022	746,779				738,877				\$ 7,347	555	-
2023	-	\$ 112,457,420	\$ 774,915	-	\$ 605,763	111,772,070	-	\$ 37,500	109,841	1,802	\$ 705,359
	<u>\$ 749,479</u>	<u>\$ 112,457,420</u>	<u>\$ 774,915</u>	<u>\$ -</u>	<u>\$ 605,763</u>	<u>\$ 112,513,551</u>	<u>\$ -</u>	<u>\$ 37,500</u>	<u>\$ 117,188</u>	<u>\$ 2,453</u>	<u>\$ 705,359</u>

Analysis of 2023 Property Tax Levy

Tax Yield	
General Property Tax	\$ 112,457,420
Added Tax (R.S. 54:4-63.1 et seq.)	<u>774,915</u>
	<u>\$ 113,232,335</u>
Tax Levy	
Local District School Tax	\$ 73,231,494
County Tax - General	11,508,523
County Tax - Open Space	505,392
County Added and Omitted	82,964
Municipal Open Space and Added	<u>408,488</u>
	85,736,861
Local Tax for Municipal and Library	26,779,048
Additional Taxes	<u>716,426</u>
	<u>27,495,474</u>
	<u>\$ 113,232,335</u>

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

Balance, December 31, 2022		\$ <u>18,200</u>
Balance, December 31, 2023		\$ <u><u>18,200</u></u>

EXHIBIT A-10

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2022		\$ 1,362
Increased by:		
Transfer to Tax Title Liens - Current Year	\$ 1,802	
Transfer to Tax Title Liens - Prior Year	<u>651</u>	
		<u>2,453</u>
Balance, December 31, 2023		\$ <u><u>3,815</u></u>

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

	Balance, December 31, <u>2022</u>	Accrued <u>in 2023</u>	<u>Realized</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Liquor Licenses		\$ 27,430	\$ 27,430	
Licenses - Other		1,275	1,275	
Fees and Permits - Other		24,555	24,555	
Board of Health				
Fees and Permits		2,149	2,149	
Licenses - Other		14,196	14,196	
Police Department				
Fees and Permits		16,267	16,267	
Alarm System Fees		37,275	37,275	
Planning Board/Board of Adjustment				
Fees and Permits		16,745	16,745	
Finance/Admin				
Fees and Permits		31,634	31,634	
Fire Prevention				
Fees and Permits		33,941	33,941	
DPW				
Fees and Permits		13,200	13,200	
Municipal Court				
Fines and Costs		97,589	97,589	
Uniform Construction Code				
Fees and Permits		651,715	651,715	
Fees and Permits- Other		43,806	43,806	
Interest and Costs on Taxes		264,364	264,364	
Energy Receipts Taxes		1,127,541	1,127,541	
Rental of Borough Owned Property		119,857	119,857	
Uniform Fire Safety Act (Life Hazard Use)		16,884	16,884	
Interest on Investments and Deposits		682,765	682,765	
Tax Exempt Sewer Fees		16,399	16,399	
Cable TV Franchise Fee		151,293	151,293	
Cell Tower/Monopole Lease		198,631	198,631	
Hotel Occupancy Fee (P.L. 2003, c. 114)		61,147	61,147	
Payment in Lieu of Taxes - Tenafly House		26,800	26,800	
Use of Sewer System Agreements	-	44,299	44,299	-
	<u>\$ -</u>	<u>\$ 3,721,757</u>	<u>\$ 3,721,757</u>	<u>\$ -</u>

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2022</u>	<u>Accrued</u>	<u>Cash Receipts</u>	Balance, December 31, <u>2023</u>
Drunk Driving Enforcement Fund	\$ 1,270			\$ 1,270
Firefighter Grant		\$ 29,000		29,000
Recycling Tonnage Grant		22,677	\$ 22,677	-
Municipal Alliance	10,939	6,090	7,762	9,267
	<u>\$ 12,209</u>	<u>\$ 57,767</u>	<u>\$ 30,439</u>	<u>\$ 39,537</u>

BOROUGH OF TENAFLY
STATEMENT OF 2022 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	\$ 4,308	\$ 4,308			\$ 4,308
Municipal Clerk	6,445	1,945	\$ 1,105		840
Elections	351	351			351
Financial Administration	3,908	2,908	194		2,714
Revenue Administration	16	1,016	422		594
Planning Board	2,500	500			500
Police Department	31,955	61,955	60,134		1,821
Volunteer Fire Company - (Fire Prevention)	6,960	4,960	4,356		604
Fire Department	1,500	1,500			1,500
Streets & Roads	122,553	88,603	4,784	\$ 75,000	8,819
Recycling	3,347	3,347	1,182		2,165
Buildings & Grounds	41	91	-		91
Recreation	37,189	17,189	1,555		15,634
Senior Citizens Center	7,392	2,392			2,392
Senior Services Coordinator	1,518	1,518	1,489		29
Senior Services Transportation	11,799	6,799	2,826		3,973
Construction Code Official	202	202	137		65
Director of Building Department	11,419	11,419	1,832		9,587
Municipal Court	8,113	8,113	2,472		5,641
Municipal Library-Building Maintenance	6,733	6,733	6,733		-
Payroll Adjustment/Terminal Leave	112,583	112,583	112,583		-
Other Expenses					
General Administration	26,205	25,205	5,452		19,753
Municipal Clerk	12,054	11,054	1,473		9,581
Postage	1,055	1,344			1,344
Photocopy Expense	388	1,090			1,090
Human Resources	213	213	-		213
Mayor & Council	1,841	91	-		91
Elections	3,263	2,263			2,263
Financial Administration/Audit	6,269	6,269	600		5,669
Revenue Administration	2,862	2,862	6		2,856
Tax Assessment Administration	14,272	13,274			13,274
Legal Services & Costs	32,153	32,153	9,800		22,353
Engineering	322	5,322	4,557		765
Historic Preservation	11,365	11,365			11,365
Planning Board	4,798	6,748	5,358		1,390
Zoning Board of Adjustment	1,593	4,593	2,370		2,223
Insurance - Group Insurance for Employees	1,670	3,920	3,359		561
Unemployment	40,000	40,000	40,000		-
Deductible	1,500	750			750
Liability Insurance	3,138	2,138	-		2,138
Municipal Court	2,892	2,892	700		2,192
Public Defender	2,250	2,250			2,250
Municipal Prosecutor	400	400	300		100
Emergency Management Services	1,956	1,456			1,456
Aid to Volunteer Fire Company - (Fire Prevention)	3,298	2,969			2,969
Aid to Volunteer Ambulance Corp	4,566	4,566	4,306		260
Police	50,628	42,628	5,484		37,144

**BOROUGH OF TENAFLY
STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Total Modified <u>Budget</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Fire Department	\$ 46,933	\$ 31,933	\$ 16,572		\$ 15,361
Fire Hydrant Service	433	433			433
Streets & Roads	23,963	23,991	-		23,991
Recycling	1,195	9,694	7,007		2,687
Solid Waste Contract Collections	10,000	10,000	-		10,000
Solid Waste Disposal - Tipping Fees	766	43,226	33,747		9,479
Building & Grounds	48,069	44,070	18,472		25,598
Public Health	10,250	6,750	-		6,750
Environmental Commission	1,425	1,425			1,425
Animal Control	989	989			989
Recreation	11,882	11,882			11,882
Senior Citizens Center	2,651	2,751			2,751
Senior Services Coordinator	434	434			434
Downtown Committee	5,000	5,000			5,000
Welcome Committee	1,462	1,462	289		1,173
Senior Citizens Transportation	3	3			3
Stigma Free Events	4,171	4,171			4,171
Parking Lot Rental	11,917	11,917			11,917
Celebration of Public Events	92	342			342
Construction Code Official	945	1,006			1,006
Director of Building Department	1,340	1,340			1,340
Electricity	19,657	19,658	6,536		13,122
Street Lighting	13,066	15,265	15,208		57
Telephone	3,827	3,889			3,889
Natural Gas	15,134	15,134	5,881		9,253
Gasoline	860	16,361	14,270		2,091
Social Security System (O.A.S.I.)	34,377	34,377	674		33,703
Defined Contribution Retirement Program	5,788	5,788	916		4,872
Municipal Library	86,944	86,944	86,944		-
Library Building Maintenance	8,324	8,324	8,324		-
LOSAP	72,000	72,500	72,335		165
Recycling Tonnage Grant	21,598	21,598	21,598		-
Body Armor Fund	740	740	740		-
Municipal Alliance on Alcoholism and Drug Abuse	3,349	3,349	3,349		-
Municipal Alliance - Matching Funds	1,522	1,522	1,522		-
Clean Communities	5,754	5,754	5,754	-	-
	<u>\$ 1,088,643</u>	<u>\$ 1,090,269</u>	<u>\$ 605,707</u>	<u>\$ 75,000</u>	<u>\$ 409,562</u>
Appropriation Reserves		\$ 1,088,643			
Prior Year Encumbrances		<u>1,626</u>			
		<u>1,090,269</u>			
Cash Disbursed			\$ 531,475		
Accounts Payable			<u>74,232</u>		
			<u>\$ 605,707</u>		

Analysis

Transfer to Terminal Leave- Due to Other Trust Fund	<u>75,000</u>
	<u>\$ 75,000</u>

**BOROUGH OF TENAFLY
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022		\$ 523,601
Increased by:		
Charged to 2023 Budget Appropriations		<u>880,464</u>
		1,404,065
Decreased by:		
Transferred to Appropriation Reserves	\$ 1,626	
Payments	<u>521,975</u>	
		<u>523,601</u>
Balance, December 31, 2023		<u><u>\$ 880,464</u></u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES

Balance, December 31, 2022		\$ 605,763
Increased by:		
Collection of 2024 Taxes		<u>587,953</u>
		1,193,716
Decreased by:		
Applied to 2023 Taxes		<u>605,763</u>
Balance, December 31, 2023		<u><u>\$ 587,953</u></u>

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

Increased by:		
Levy - Calendar Year 2023		\$ <u>73,231,494</u>
Decreased by:		
Payments		\$ <u><u>73,231,494</u></u>

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
Levy- General County - 2023	\$ 11,508,523	
Levy- Open Space Preservation - 2023	<u>505,392</u>	
		\$ <u>12,013,915</u>
Decreased by:		
Payments		\$ <u><u>12,013,915</u></u>

EXHIBIT A-18

STATEMENT OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES

Balance, December 31, 2022		\$ 49,287
Increased by:		
County Share of Added and Omitted Taxes - 2023		<u>82,964</u>
		132,251
Decreased by:		
Payments		<u>50,627</u>
Balance, December 31, 2023		\$ <u><u>81,624</u></u>

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

Increased by:			
Tax Levy- 2023		\$ 405,690	
Added and Omitted Taxes - 2023		<u>2,798</u>	
			<u>\$ 408,488</u>
Decreased by:			
Cash Disbursed			<u>\$ 408,488</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2022		\$ 587,031
Decreased by:		
Cash Disbursements		<u>421,764</u>
Balance, December 31, 2023		<u>\$ 165,267</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2022		\$ 89,741
Increased by:		
Transfer from Appropriation Reserves		<u>74,232</u>
		163,973
Decreased by:		
Cash Disbursements		<u>64,381</u>
Balance, December 31, 2023		<u>\$ 99,592</u>

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

	Balance, December 31, <u>2022</u>	Transfer From Appropriation <u>Reserves</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2023</u>
Body Armor Replacement Grant	\$ 1,474		\$ 1,263	\$ 211
Recycling Tonnage Grant	15,638			15,638
Clean Communities Grant	3,191		1,523	1,668
Green Communities	5,000			5,000
Click It or Ticket	10,548			10,548
JIF Grant	3,789			3,789
Police DWI	5,722		1,287	4,435
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>\$ 130,423</u>	<u>\$ -</u>	<u>\$ 4,073</u>	<u>\$ 126,350</u>

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance, December 31, <u>2022</u>	Cash <u>Receipts</u>	Decreased <u>By:</u>	Balance, December 31, <u>2023</u>
Clean Communities	\$ 29,985	\$ 33,631	\$ 29,985	\$ 33,631
Insurance Reimb. - Acq. Of Police Car	23,495	1,800		25,295
Municipal Relief - State Aid	58,413	116,801	58,413	116,801
Stigma Free Grant	1,087		1,087	-
JIF Safety Grant	1,000	1,750	1,000	1,750
DOJ Bullet Proof Vest		2,622		2,622
Body Armor	2,326	2,676	2,326	2,676
American Rescue Plan	1,072,774		969,775	102,999
Mid-Bergen Regional Grant (Animal Control)		12,679		12,679
Opioid Grant	9,262	15,194	9,262	15,194
	<u>\$ 1,198,342</u>	<u>\$ 187,153</u>	<u>\$ 1,071,848</u>	<u>\$ 313,647</u>

Current Fund Anticipated Revenue	\$ 102,073
Transfer to General Capital- Funded Ordinances	<u>969,775</u>
	<u>\$ 1,071,848</u>

**BOROUGH OF TENAFLY
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2022</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2023</u>
Reserve for:				
State Library Aid	\$ 7,935	\$ 8,578	\$ 8,030	\$ 8,483
Tax Appeals	<u>464,299</u>	<u>217,073</u>	<u>191,716</u>	<u>489,656</u>
	<u>\$ 472,234</u>	<u>\$ 225,651</u>	<u>\$ 199,746</u>	<u>\$ 498,139</u>
Current Year Taxes		\$ 217,073		
Cash Receipts		<u>8,578</u>		
		<u>\$ 225,651</u>		

STATEMENT OF DEFERRED CHARGES -SPECIAL EMERGENCY AUTHORIZATION

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	Balance December 31, <u>2022</u>	Budget 1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2023</u>
12/21/2020	Covid 19 Related Revenue Deficit	<u>\$ 200,000</u>	<u>\$ 160,000</u>	<u>\$ 40,000</u>	<u>\$ 120,000</u>
		<u>\$ 200,000</u>	<u>\$ 160,000</u>	<u>\$ 40,000</u>	<u>\$ 120,000</u>

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

Balance, December 31, 2022	\$ 879
Increased by:	
Cash Receipts	<u>45,249</u>
	46,128
Decreased by:	
Cash Disbursements	<u>37,858</u>
Balance, December 31, 2023	<u>\$ 8,270</u>

TRUST FUNDS

BOROUGH OF TENAFLY
STATEMENT OF CASH - TREASURER

	Animal Control Fund	Other Trust Fund	Unemployment Compensation Trust Fund	Recreation Activities Trust Fund	Municipal Open Space Preservation Trust Fund
Balance, December 31, 2022	\$ 27,098	\$ 6,448,169	\$ 65,038	\$ 382,425	\$ 3,148,098
Increased by Receipts:					
Animal License Fees - Borough Share	\$ 10,916				
Dog License Fees - State Share	788				
Miscellaneous Reserves		\$ 955,504			
Employee Contributions			\$ 16,584		
Budget Appropriation			80,000		
Municipal Open Space Tax Levy					\$ 408,488
Affordable Housing Trust		793,128			
Escrow Deposits- Construction Fees		196,071			
Payroll Deductions Payable		5,411,697			
Net Payroll		8,496,354			
Recreation Activities				\$ 530,254	
Receipts from Current Fund		155,825			
Receipts from General Capital					212,232
Receipts from Bergen County					19,090
Interest on Deposits	<u>1,680</u>	<u>75,783</u>	<u>3,439</u>	<u>27,104</u>	<u>137,070</u>
	<u>40,482</u>	<u>22,532,531</u>	<u>165,061</u>	<u>939,783</u>	<u>776,880</u>
	40,482	22,532,531	165,061	939,783	3,924,978
Decreased by:					
Reserve for Animal Expenditures	14,230				
State Share - Dog Licenses	788				
Miscellaneous Reserves		1,102,046			
Payroll Deductions Payable		5,411,697			
Net Payroll		8,498,922			
Affordable Housing Trust		49,999			
Reserve for Unemployment Claims			48,974		
Recreation Activities				442,678	
Reserve for Municipal Open Space Trust					171,000
Escrow Deposits- Construction Fees		146,446			
Payments to Current Fund	3,878	82,379		29,475	
Payments to General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,437</u>
	<u>18,896</u>	<u>15,291,489</u>	<u>48,974</u>	<u>472,153</u>	<u>757,437</u>
Balance, December 31, 2023	<u>\$ 21,586</u>	<u>\$ 7,241,042</u>	<u>\$ 116,087</u>	<u>\$ 467,630</u>	<u>\$ 3,167,541</u>

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

Balance, December 31, 2022		\$	24,780
Increased by:			
Animal License Fees		\$	9,759
Cat License Fees			711
Miscellaneous Fees			446
			10,916
			35,696
Decreased by:			
Cash Disbursements			14,230
			14,230
Balance, December 31, 2023		\$	21,466

Animal License Fees Collected

<u>Year</u>	
2021	11,498
2022	10,903
	22,401
	\$ 22,401

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

Increased by:			
Payments		\$	788
Decreased by:			
State Fees Collected		\$	788
			788

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

Balance, December 31, 2022	\$	2,318
Increased by:		
Interest on Deposits		1,680
		3,998
Decreased by:		
Payments to Current Fund		3,878
Balance, December 31, 2023	\$	120

EXHIBIT B-7

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

Balance, December 31, 2022	\$	65,038
Increased by:		
Employee Deductions	\$	16,584
Interest on Deposits		3,439
Budget Appropriation		80,000
		100,023
		165,061
Decreased by:		
Unemployment Claims		48,974
Balance, December 31, 2023	\$	116,087

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

Balance, December 31, 2022		\$	155,825
Increased by:			
Transfer from Appropriation Reserves- Terminal Leave		\$ 75,000	
Payments to Current Fund		<u>47,115</u>	
			<u>122,115</u>
			277,940
Decreased by:			
Interest Earned on Deposits		52,535	
Receipts from Current Fund		<u>155,825</u>	
			<u>208,360</u>
Balance, December 31, 2023		\$	<u>69,580</u>

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

Balance, December 31, 2022		\$	6,723
Increased by:			
Cash Receipts			<u>8,496,354</u>
			8,503,077
Decreased by:			
Cash Disbursements			<u>8,498,922</u>
Balance, December 31, 2023		\$	<u>4,155</u>

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

Balance, December 31, 2022	\$	13,883
Increased by:		
Cash Receipts		<u>5,411,697</u>
		5,425,580
Decreased by:		
Cash Disbursements		<u>5,411,697</u>
Balance, December 31, 2023	\$	<u><u>13,883</u></u>

EXHIBIT B-11

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

Balance, December 31, 2022	\$	374,479
Increased by:		
Cash Receipts		<u>196,071</u>
		570,550
Decreased by:		
Cash Disbursements		<u>146,446</u>
Balance, December 31, 2023	\$	<u><u>424,104</u></u>

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

	Balance, <u>December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2023</u>
Shade Tree Trust Fund	\$ 118,373	\$ 109,470	\$ 46,260	\$ 181,583
Hazmat Recovery	422		422	-
Planning Board / Board of Adjustment Developer - Escrow	206,903	143,110	125,738	224,275
Tree Escrow Bonds	779,591	351,132	277,608	853,115
Street Opening Escrow Bonds	7,433			7,433
Tenafly Presents	25		25	-
Security Deposits/Refundable Deposits	27,080			27,080
Davis Johnson Park	13,421	6,087	9,840	9,668
Marriage License/Domestic Partners Trust	1,190	742	375	1,557
Burial Permits	3,340	180		3,520
Police Donations	15,065	9,471	16,968	7,568
State Training Fees	120			120
Home Rehabilitation Inspection Fee	50		50	-
Teen Center/Teen Camp	27,408	57,148	39,586	44,970
Public Defender Fees	2,500		2,500	-
Alcohol Education and Rehabilitation	20,139		900	19,239
Lost Money - Found	3,619	446	600	3,465
Tenafly Welcome	44		44	-
HPC	941	298	521	718
Donations Huyler Park Gazebo	3,018		3,018	-
Fire Penalty Fund	6,758	108		6,866
Uniform Construction Code Penalties	21,195	3,000		24,195
Donations All Abilities Playground	342		342	-
Storm Trust	436,810		5,691	431,119
Parking Permit Trust	4,325			4,325
POAA	3,549	196		3,745
Premium on Tax Sale	381,108	213,300	364,200	230,208
Tax Title Lien Redemptions	47,284		39,709	7,575
Reserve for Terminal Leave	604,961	75,000	118,935	561,026
Confiscated Funds	4,025	3,916	1,394	6,547
Covid-19 Donations Trust	3,946			3,946
Mayor's Wellness Campaign	490		490	-
Tenafly Community Night	4,719	9,275	8,050	5,944
Police Outside Duty	11,961	25,085	23,524	13,522
Police Video Cameras	2,100	50		2,150
Environmental Trust	671	225	184	712
Dog Park Trust	560			560
L.E.A.D. Donations Trust	3,655	1,125	536	4,244
Ice Rink	4,478	890	869	4,499
Borough "Events"	11,949	20,250	20,558	11,641
Fire Dedicated Penalty Trust	1,572	-	-	1,572
	<u>\$ 2,787,140</u>	<u>\$ 1,030,504</u>	<u>\$ 1,108,937</u>	<u>\$ 2,708,707</u>
Cash Receipts		\$ 955,504		
Due from/to Current Fund		75,000	\$ 6,891	
Cash Disbursements		-	<u>1,102,046</u>	
		<u>\$ 1,030,504</u>	<u>\$ 1,108,937</u>	

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

Balance, December 31, 2022		\$ 3,202,064
Increased by:		
Tax Levy - 2023	\$ 405,690	
Added and Omitted Taxes	2,798	
Cash Receipt - From County	19,090	
Cancellation of Capital Ordinance	158,266	
Interest Earned on Deposits	<u>137,070</u>	
		<u>722,914</u>
		3,924,978
Decreased by:		
Appropriated to Finance Improvement Authorization	586,437	
Cash Disbursement	<u>171,000</u>	
		<u>757,437</u>
Balance, December 31, 2023		<u>\$ 3,167,541</u>

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

Balance, December 31, 2022		\$ 3,410,596
Increased by:		
Cash Receipts		<u>793,128</u>
		4,203,724
Decreased by:		
Cash Disbursement		<u>49,999</u>
Balance, December 31, 2023		<u>\$ 4,153,725</u>

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

Balance, December 31, 2022	\$	377,545
Increased by:		
Cash Receipts		530,254
		907,799
Decreased by:		
Cash Disbursements		442,678
Balance, December 31, 2023	\$	465,121

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

Balance, December 31, 2022	\$	30
Balance, December 31, 2023	\$	30

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

Balance, December 31, 2022	\$	141
Increased by:		
Interest Earnings		730
		871
Decreased by:		
Payments to Current Fund		805
Balance, December 31, 2023	\$	66

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

Balance, December 31, 2022	\$	<u>3,724</u>
Balance, December 31, 2023	\$	<u><u>3,724</u></u>

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

Balance, December 31, 2022	\$	4,850
Increased by:		
Interest Earnings		<u>27,104</u>
		31,954
Decreased by:		
Payments to Current Fund		<u>29,475</u>
Balance, December 31, 2023	\$	<u><u>2,479</u></u>

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

Balance, December 31, 2022	\$	2,071
Increased by:		
Interest Earnings		<u>9,208</u>
		11,279
Decreased by:		
Payments to Current Fund		<u>10,445</u>
Balance, December 31, 2023	\$	<u><u>834</u></u>

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

Balance, December 31, 2022	\$	4,751
Increased by:		
Interest Earnings		9,575
		14,326
Decreased by:		
Payments to Current Fund		13,179
Balance, December 31, 2023	\$	1,147

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

Balance, December 31, 2022	\$	142
Increased by:		
Interest Earnings		860
		1,002
Decreased by:		
Payments to Current Fund		943
Balance, December 31, 2023	\$	59

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

Balance, December 31, 2022	\$	44
Increased by:		
Interest Earnings		220
		264
Decreased by:		
Payments to Current Fund		242
Balance, December 31, 2023	\$	22

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

Balance, December 31, 2022	\$	330
Increased by:		
Interest Earnings		2,655
		2,985
Decreased by:		
Payments to Current Fund		2,759
Balance, December 31, 2023	\$	226

GENERAL CAPITAL FUND

BOROUGH OF TENAFLY
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2022		\$ 10,457,404
Increased by Receipts:		
Interest Earnings	\$ 424,331	
Capital Improvement Fund	250,000	
Grant Receipts	400,958	
Current Fund - Ordinance Authorization	969,775	
Current Fund - Budget Appropriation	400,000	
Municipal Open Space - Ordinance Authorization	586,437	
Premium on the Sale of Notes	95,717	
Board of Education Reimbursement	<u>17,338</u>	
		<u>3,144,556</u>
		13,601,960
Decreased by Disbursements:		
Improvement Authorizations	2,066,787	
Contracts Payable	4,515,063	
Payments to Municipal Open Space	212,232	
Payments to Current Fund	<u>479,084</u>	
		<u>7,273,166</u>
Balance, December 31, 2023		<u>\$ 6,328,794</u>

BOROUGH OF TENAFLY
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 534,284
Grant / Other Receivables		(106,692)
Due to Current		462,611
Contracts Payable		1,203,096
Capital Improvement Fund		100,795
Excess Note Proceeds		369,845
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	334,922
17-23	Tenakill/Tenafly Swim Club Parking Lot Paving Project	47,965
18-06	Various Capital Improvements	385,612
18-09	Supplemental Ord. #18-06 Various Capital Improvements	277,772
19-04	Various Road Improvements	116,623
19-11	Various Capital Improvements	220,386
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	69,224
20-06	Upgrade of the Aviary Center	88,015
20-07	Various Capital Improvements	1,011,634
21-03	Various Capital Improvements	381,114
21-11	Various Capital Improvements	481,839
21-19	Various Capital Improvements	1,252
21-20	Tropical Storm Ida Road Improvement Project	1,035,100
22-03	Various Capital Improvements	179,600
22-07	Various Capital Improvements	(366,400)
22-10	Various Capital Improvements	(955,904)
22-11	Walkway Path at Oresko Park	56,235
22-23	Various Capital Improvements	4,460
22-25	Oresko Park Approach Slab & Railing Replacement	55,000
23-02	Various Capital Improvements	69,967
23-03	Froggy Park Sign Spinner	3,168
23-04	Swim Club Improvements	363,475
23-05	Various Capital Improvements	(939,200)
23-10/23-15	Various Capital Improvements	(602,034)
23-12	Recreation Area at the Old Skate Park and Tiger Cage Turf	245,000
23-13	Supplemental of 22-07 - Purchase of Equipment	10,400
23-21	Supplemental of 22-10 - Various Capital Improvements	15,500
23-27	Various Capital Improvements	854,775
		<u>\$ 6,328,794</u>

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

	<u>Pledged</u>	Balance, December 31, 2022	Grants Awards	<u>Collected</u>	Balance, December 31, 2023
<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.	16,221			16,221
Ord. 23-04 Swim Club Improvements	Ord.	-	\$ 87,038	-	87,038
		<u>78,182</u>	<u>87,038</u>	<u>-</u>	<u>165,220</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		\$ 104,543	114,457
Ord. 22-07 - 2022 Road Improvement Project	Reserve	206,000	-	154,500	51,500
		<u>703,000</u>	<u>-</u>	<u>259,043</u>	<u>443,957</u>
		<u>\$ 781,182</u>	<u>\$ 87,038</u>	<u>\$ 259,043</u>	<u>\$ 609,177</u>
				<u>\$ 259,043</u>	
				<u>Analysis of Balance</u>	
			Offset by Reserve		\$ 502,485
			Unfunded		<u>106,692</u>
					<u>\$ 609,177</u>

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

Balance, December 31, 2022	\$ 13,786,000
Decreased by:	
Budget Appropriations to Pay Bonds	<u>2,025,000</u>
Balance, December 31, 2023	<u>\$ 11,761,000</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2022	2023 Authorizations	Board of Education Reimbursement	Grant Proceeds	Funded by Budget Appropriation	Analysis of Balance December 31, 2023			
							Balance, December 31, 2023	Funded by Bond Anticipation Notes	Unexpended Improvement Expended	
20-01	Various Capital Improvements	\$ 1,550,000		\$ 17,338			\$ 1,532,662	\$ 1,532,662		
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	2,707,951			\$ 104,543		2,603,408	2,603,408		
21-19	Various Capital Improvements	47,600					47,600	46,000	\$ 1,600	
21-20	Tropical Storm Ida Road Improvement Project	3,333,000			141,915		3,191,085	3,191,085		
22-07	Various Capital Improvements	1,675,350			154,500	\$ 400,000	1,120,850		\$ 366,400	
22-10	Various Capital Improvements	1,732,000					1,732,000	955,904	776,096	
23-05	Various Capital Improvements		\$ 1,576,000				1,576,000	939,200	636,800	
23-10	Various Capital Improvements		2,122,000				2,122,000	602,034	1,519,966	
23-13	Purchase of Equipment		204,000				204,000	-	204,000	
23-21	Various Capital Improvements	-	452,000	-	-	-	452,000	-	452,000	
		<u>\$ 16,596,901</u>	<u>\$ 4,354,000</u>	<u>\$ 17,338</u>	<u>\$ 400,958</u>	<u>\$ 400,000</u>	<u>\$ 20,132,605</u>	<u>\$ 12,924,155</u>	<u>\$ 2,863,538</u>	<u>\$ 4,344,912</u>
								\$ 13,294,000		
								Less Excess Note Proceeds:		
								Ord. #20-01	\$ 17,338	
								Ord. #21-11	210,592	
								Ord. #21-20	141,915	
									<u>369,845</u>	
									<u>\$ 12,924,155</u>	
								Improvement Authorizations- Unfunded	\$ 7,325,075	
								Less: Unexpended Bond Anticipation Note Proceeds		
								Ord. #20-01	69,224	
								Ord. #20-07	1,011,634	
								Ord. #21-03	381,114	
								Ord. #21-11	481,839	
								Ord. #21-19	1,252	
								Ord. #21-20	1,035,100	
									<u>2,980,163</u>	
									<u>\$ 4,344,912</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, 2023</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
2017 General Improvement Bonds	5/1/2017	\$ 8,526,000	5/1/2024-2025	\$ 1,125,000	2.000%			
			5/1/2026	1,130,000	2.000%			
			5/1/2027	1,146,000	3.000%	\$ 5,651,000	\$ 1,125,000	\$ 4,526,000
2022 General Improvement Bond	9/15/2022	8,135,000	9/15/2024	900,000	3.000%			
			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>8,135,000</u>	<u>900,000</u>	<u>7,235,000</u>
						<u>\$ 13,786,000</u>	<u>\$ 2,025,000</u>	<u>\$ 11,761,000</u>
					Budget Appropriation		<u>\$ 2,025,000</u>	

**BOROUGH OF TENAFLY
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Ordinance Date	Balance, December 31, 2022		2023 Authorization	Cancellation	Paid or Charged	Balance, December 31, 2023		
			Amount	Funded				Funded	Unfunded	
15-08	Various Capital Improvements	4/28/2015	\$ 1,601,113	\$ 139,000				\$ 139,000		
16-07	Various Capital Improvements	4/12/2016	2,808,624	10,171				10,171		
17-09	Various Capital Improvements	4/20/2017	2,620,817	350,885			\$ 15,963	334,922		
17-19	Pfister's Pond Restoration	10/24/2017	661,000	158,266		\$ 158,266		-		
17-23	Tenakill/Tenafly Swim Club Parking Lot Paving Project	10/24/2017	400,000	47,965				47,965		
18-06	Various Capital Improvements	4/17/2018	2,674,615	408,118			22,506	385,612		
18-09	Supplemental #18-06 Various Capital Improvements	6/12/2018	475,000	295,784			18,012	277,772		
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	220,777			391	220,386		
19-16	Repair to Monument at Roosevelt Commons and Rebuild the Aviary Nature Center	6/25/2019	155,000	73,907				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		\$ 72,585		3,361		\$ 69,224	
20-06	Upgrade of the Aviary Center	5/5/2020	256,218	88,015				88,015		
20-07	Various Capital Improvements	5/5/2020	3,406,307		1,020,020		8,386		1,011,634	
21-03	Various Capital Improvements	2/23/2021	2,423,230		547,888		166,774		381,114	
21-11	Various Capital Improvements	5/11/2021	2,955,476		800,430		318,591		481,839	
21-19	Various Capital Improvements	10/5/2021	50,000		2,977		125		2,852	
21-20	Tropical Storm Ida Road Improvement Project	10/5/2021	3,500,000		1,508,122		473,022		1,035,100	
22-03	Various Capital Improvements	3/8/2022	290,000	229,600			50,000	179,600		
22-07	Various Capital Improvements	4/26/2022	1,830,150		962,238		207,788		754,450	
22-10	Various Capital Improvements	5/24/2022	1,819,621		918,645		142,549		776,096	
22-11	Walkway Path at Oresko Park	5/24/2022	90,000	56,235				56,235		
22-23	Various Capital Improvements	11/1/2022	150,000	4,460				4,460		
22-25	Oresko Park Approach Slab & Railing Replacement	12/20/2022	55,000	55,000				55,000		
23-02	Various Capital Improvements	4/18/2023	115,000		\$ 115,000		45,033		69,967	
23-03	Froggy Park Sign Spinner	4/18/2023	10,000		10,000		6,832		3,168	
23-04	Swim Club Improvements	4/18/2023	398,475		398,475		35,000		363,475	
23-05	Various Capital Improvements	4/18/2023	1,655,736		1,655,736		1,018,936		636,800	
23-10/23-15	Various Capital Improvements	5/23/2023	2,228,480		2,228,480		708,514		1,519,966	
23-11	Development of Preservation Plan for Railroad Station	5/23/2023	20,000		20,000		20,000		-	
23-12	Recreation Area at the Old Skate Park and Tiger Cage Turf	5/23/2023	245,000		245,000			245,000		
23-13	Supplemental of 22-07 - Purchase of Equipment	5/23/2023	215,000		215,000		600		204,000	
23-21	Supplemental of 22-10 - Various Capital Improvements	8/7/2023	475,000		475,000		7,500		452,000	
23-27	Various Capital Improvements	11/20/2023	854,775		854,775				-	
			<u>\$ 2,304,838</u>	<u>\$ 5,832,905</u>	<u>\$ 6,217,466</u>	<u>\$ 158,266</u>	<u>\$ 3,269,883</u>	<u>\$ 3,601,985</u>	<u>\$ 7,325,075</u>	
					Capital Improvement Fund	\$ 220,216				
					ARP - Current Fund Reserve	969,775				
					Municipal Open Space	586,437				
					Bergen Cty - O/S Grant	87,038				
					Deferred Charges Unfunded	<u>4,354,000</u>				
						<u>\$ 6,217,466</u>				
							Cash Disbursements	\$ 2,066,787		
							Contracts Payable	<u>1,203,096</u>		
								<u>\$ 3,269,883</u>		

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

Balance, December 31, 2022		\$ 71,011
Increased by:		
Budget Appropriation		<u>250,000</u>
		321,011
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>220,216</u>
Balance, December 31, 2023		<u><u>\$ 100,795</u></u>

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2022		\$ 92,364
Increased by:		
Interest Earnings	\$ 424,331	
Fund Balance Realized as Budget Revenue	425,000	
Cash Receipts	<u>969,775</u>	
		<u>1,819,106</u>
Decreased by:		
Cash Disbursements	479,084	
Appropriation to Finance Improvement Authorizations	<u>969,775</u>	
		<u>1,448,859</u>
Balance, December 31, 2023		<u><u>\$ 462,611</u></u>

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

Balance, December 31, 2022		\$ 53,966
Increased by:		
Cash Receipts	\$ 586,437	
Cancellation - Ord. 17-19	<u>158,266</u>	
		<u>744,703</u>
		798,669
Decreased by:		
Appropriation to Finance Improvement Authorizations	586,437	
Cash Disbursements	<u>212,232</u>	
		<u>798,669</u>
Balance, December 31, 2023		<u><u>\$ -</u></u>

EXHIBIT C-12

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2022		\$ 4,515,063
Increased by:		
Contract Awards		<u>1,203,096</u>
		5,718,159
Decreased by:		
Cash Disbursements		<u>4,515,063</u>
Balance, December 31, 2023		<u><u>\$ 1,203,096</u></u>

EXHIBIT C-13

STATEMENT OF RESERVE FOR INSURANCE PROCEEDS

Balance, December 31, 2022		<u>\$ 46,245</u>
Balance, December 31, 2023		<u><u>\$ 46,245</u></u>

BOROUGH OF TENAFLY
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Amount of Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
20-01	Various Capital Improvements	5/27/2021	1,550,000	5/26/2022 5/24/2023	5/26/2023 5/24/2024	4.00 % 4.25	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000	\$ 1,550,000
20-07	Various Capital Improvements	5/27/2021	3,243,500	5/26/2022 5/24/2023	5/26/2023 5/24/2024	4.00 % 4.25	3,244,000	3,244,000	3,244,000	3,244,000
21-03	Various Capital Improvements	11/29/2022	2,307,000	11/29/2022 5/24/2023	5/26/2023 5/24/2024	4.50 % 4.25	2,307,000	2,307,000	2,307,000	2,307,000
21-11	Various Capital Improvements	11/29/2022	2,814,000	11/29/2022 5/24/2023	5/26/2023 5/24/2024	4.50 % 4.25	2,814,000	2,814,000	2,814,000	2,814,000
21-19	Various Capital Improvements	11/29/2022	46,000	11/29/2022 5/24/2023	5/26/2023 5/24/2024	4.50 % 4.25	46,000	46,000	46,000	46,000
21-20	Tropical Storm Ida Road Improvement Project	5/27/2021	3,333,000	11/29/2022 5/24/2023	5/26/2023 5/24/2024	4.50 % 4.25	3,333,000	3,333,000	3,333,000	3,333,000
							<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>
								<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	
								<u>\$ 13,294,000</u>	<u>\$ 13,294,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Grant <u>Proceeds</u>	Budget <u>Appropriation</u>	Balance, December 31, <u>2023</u>
	<u>General Improvements</u>					
21-19	Various Capital Improvements	\$ 1,600				\$ 1,600
22-07	Various Capital Improvements	1,675,350		\$ 154,500	\$ 400,000	1,120,850
22-10	Various Capital Improvements	1,732,000				1,732,000
23-05	Various Capital Improvements		\$ 1,576,000			1,576,000
23-10	Various Capital Improvements		2,122,000			2,122,000
23-13	Purchase of Equipment		204,000			204,000
23-21	Various Capital Improvements	-	452,000	-	-	452,000
		<u>\$ 3,408,950</u>	<u>\$ 4,354,000</u>	<u>\$ 154,500</u>	<u>\$ 400,000</u>	<u>\$ 7,208,450</u>

BOROUGH OF TENAFLY
COUNTY OF BERGEN, NEW JERSEY



PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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ROBERT W. HAAG, CPA, RMA, PSA

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of 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, 2023, and the related notes to the financial statements, and have issued our report thereon dated July 31, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

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

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

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

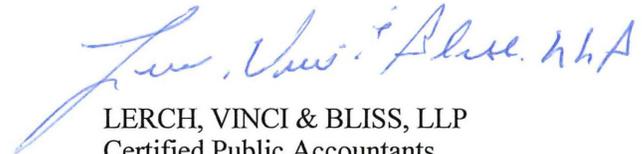
Report on Compliance and Other Matters

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

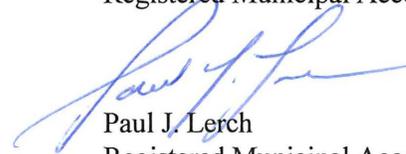
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Tenafly in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Tenafly's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Tenafly's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
July 31, 2024

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

Federal Grant Program	State Grant Program	Grant Year	Federal AL Number	Award Amount	2023 Grant Receipts	Balance December 31, 2022	Revenue Realized	Expended	Balance December 31, 2023	(Memo) Cumulative Expenditures
<u>US Department of Justice</u>										
Bulletproof Vest	N/A	2023	N/A	\$ 2,622	\$ 2,622					
<u>Department of Law and Criminal Justice</u>										
Public Assistance Grants	066-1200-100-xxx									
Hurricane IDA - Ord#21-20		2023	N/A	141,915	141,915		\$ 141,915	\$ 141,915		\$ 141,915
<u>Division of Highway Safety- Occupant Protection Incentive</u>										
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	-
<u>U.S. Dept. of Treasury</u>										
COVID American Rescue Plan - State and Local										
ARPPFG Firefighter Grant	N/A	2023	N/A	52,000			29,000	28,710	290	28,710
Fiscal Recovery Funding - Non-Entitlement Units (Passed through State Division of Local Government Services)	N/A	2021	21.027	1,512,775						
General Capital Ordinance 22-03						229,600		50,000	179,600	50,000
General Capital Ordinance 22-23						4,460			4,460	
General Capital Ordinance 23-02							115,000	45,033	69,967	45,033
General Capital Ordinance 23-27						-	854,775	-	854,775	
						<u>\$ 244,608</u>	<u>\$ 1,140,690</u>	<u>\$ 265,658</u>	<u>\$ 1,119,640</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, 2023**

	<u>State Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment/ Cancellations</u>	<u>Balance, December 31, 2023</u>	<u>(Memo) Cumulative Expended</u>
<u>State Grant Program</u>										
<u>Division of Criminal Justice</u>										
Body Armor Grant	066-1020-718-001	2020	\$ 3,354		\$ 1,474		\$ 1,263		\$ 211	\$ 3,143
		2021	1,735		740		740		-	1,735
		2022	2,326			\$ 2,326	2,326		-	
		2023	2,676	\$ 2,676					-	
<u>Department of Environmental Protection</u>										
Clean Communities Program	042-4900-765-004	2018	28,504		3,191		1,523		1,668	26,836
		2021	29,197		5,754		5,754		-	29,197
		2022	29,985			29,985	29,985		-	29,985
		2023	33,631	33,631					-	
Recycling Tonnage Grant	042-4900-752-001	2021	24,603		15,638				15,638	8,965
		2022	22,063		21,598		21,598		-	22,063
		2023	22,677	22,677		22,677	9,141		13,536	9,141
Green Communities	Not Available	2012	3,000		3,000				3,000	-
		2017	2,000		2,000				2,000	-
<u>Pass Thru - Bergen County</u>										
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	2017	4,938		4,188				4,188	750
		2022	6,090		3,349		3,349		-	6,090
		2023	7,612	7,612		7,612	5,741		1,871	5,741
<u>Division of Highway-Traffic Safety</u>										
Drunk Driving Enforcement Fund	1110-448-031020-22	2018	3,799		821		821		-	3,799
		2020	4,946		3,761		466		3,295	1,651
		2021	2,270		1,140				1,140	1,130
<u>Department of Transportation</u>										
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	104,453	219,000		104,453	-	114,547	104,453
Ordinance #22-07		2022	206,000	154,500	206,000	-	154,500	-	51,500	154,500
					<u>\$ 769,654</u>	<u>\$ 62,600</u>	<u>\$ 341,660</u>	<u>\$ -</u>	<u>\$ 490,594</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, 2023**

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	\$ 29,000	\$ 62,600	\$ 62,600
General Capital Fund	<u>1,111,690</u>	<u>-</u>	<u>1,111,690</u>
Total Financial Awards	<u>\$ 1,140,690</u>	<u>\$ 62,600</u>	<u>\$ 1,174,290</u>

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

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 INDIRECT COST RATE

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

**BOROUGH OF TENAFLY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**BOROUGH OF TENAFLY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF TENAFLY
BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,635,000	2.18 %	\$ 2,635,000	2.27 %
Miscellaneous - From Other Than Local				
Property Tax Levies	4,965,937	4.10	3,545,301	3.05
Collection of Delinquent Taxes and Tax Title Liens	741,481	0.61	624,949	0.54
Collection of Current Tax Levy	112,198,260	92.68	108,766,113	93.62
Other Credits	<u>520,297</u>	<u>0.43</u>	<u>609,705</u>	<u>0.52</u>
Total Income	<u>121,060,975</u>	<u>100.00 %</u>	<u>116,181,068</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	31,651,385	26.86	30,520,710	26.85 %
County Taxes	12,096,879	10.26	11,473,512	10.10
Local District School Taxes	73,231,494	62.13	71,141,836	62.60
Municipal Open Space Taxes	408,488	0.35	405,372	0.35
Other Expenditures	<u>471,288</u>	<u>0.40</u>	<u>112,076</u>	<u>0.10</u>
Total Expenditures	<u>117,859,534</u>	<u>100.00 %</u>	<u>113,653,506</u>	<u>100.00 %</u>
Excess in Revenue	3,201,441		2,527,562	
Fund Balance, January 1	<u>4,895,712</u>		<u>5,003,150</u>	
	8,097,153		7,530,712	
Less Utilization as Anticipated Revenue	<u>2,635,000</u>		<u>2,635,000</u>	
Fund Balance, December 31	<u>\$ 5,462,153</u>		<u>\$ 4,895,712</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>	2023	\$ 5,462,153	\$ 2,750,000
	2022	4,895,712	2,635,000
	2021	5,003,150	2,635,000

Comparative Schedule Of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	\$ <u>2.772</u>	\$ <u>2.705</u>	\$ <u>2.657</u>

Apportionment of Tax Rate

Municipal (Including Municipal Library)	\$ 0.659	\$ 0.648	\$ 0.628
Municipal Open Space	0.010	0.010	0.010
County (Including Open Space)	0.297	0.284	0.291
Local School	1.806	1.763	1.728

Assessed Valuation

2023	\$ <u>4,056,905,500</u>	
2022		\$ <u>4,036,371,900</u>
2021		\$ <u>4,030,546,000</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>
2023	\$ 113,232,335	\$ 112,415,333	99.28%
2022	109,653,034	108,766,113	99.19%
2021	107,654,203	106,593,129	99.01%

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>
2023	\$ 705,359	\$ 3,815	\$ 709,174	0.63%
2022	749,479	1,362	750,841	0.68%
2021	643,450	1,362	644,812	0.59%

**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/Council President (10/21/23-12/31/23)	None
Lauren Dayton	Council Member	None
Jeffrey Grossman	Council President (1/1/23-10/21/23)	None
Adam Michaels	Council Member	None
Julie O'Connor	Council Member	None
Omar Stovall	Borough Clerk	None
Jimmy Homs	Borough Administrator (1/1/23-10/19/23)	None
Kevin Galland	Borough Administrator (10/19/23-12/31/23)	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
Angela McCain	Deputy Treasurer (1/1/23-2/3/23)	None
Stefanie Williams	Deputy Treasurer (5/16/23-12/31/23)	None

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

GENERAL COMMENTS

Prior Year Comment Unresolved

There are none.

Current Year Comments

Our audit of contracts payable at year end revealed that contract balance in the amount of \$216,000 for road programs were invalid. It is recommended that all contracts be reviewed at year end to determine validity and be accurately reflected in the financial records.

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 not reveal any exceptions 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 Tenaflly 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 November 30, 2023.

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>
2023	1
2022	1
2021	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 general capital improvement ordinance with balances should be reviewed for validity and cancelled.

**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:

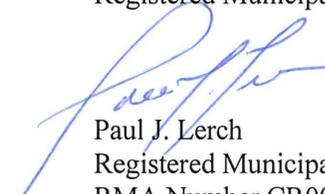
1. All contracts be reviewed at year end to determine validity and accurately reflected in the financial records.

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
RMA Number CR000457

Borough of Tenafly

MAYOR AND COUNCIL

RESOLUTION #R24-410

OFFERED BY: _____ C. Roglieri _____

SECONDED BY: _____ C. Menon _____

At a Meeting of the Mayor and Council of the Borough of Tenafly, County of Bergen, State of New Jersey, held on September 19, 2024.

BE IT RESOLVED, herein listed is the Corrective Action Plan for the Borough of Tenafly for the year ended December 31, 2023.

CORRECTIVE ACTION PLAN
BOROUGH OF TENAFLY
BERGEN COUNTY, NJ
Audit Year Ended December 31, 2023

1. *All contracts be reviewed at year end to determine validity and accurately reflected in the financial records.*

Analysis: It was found that a resolution for a change order where the contract amount was reduced was not prepared and submitted for adoption by the Governing Body.

Corrective Action: All change orders must be memorialized by resolution and adopted by the Governing Body whether it's an increase or decrease in the contract amount.

	AYE	NAY	ABSTAIN	ABSENT		AYE	NAY	ABSTAIN	ABSENT
CORSAIR	✓				O'CONNOR	✓			
MENON	✓				PARK	✓			
MICHAELS	✓				ROGLIERI	✓			

THIS IS TO CERTIFY THAT THE ABOVE RESOLUTION WAS ADOPTED BY THE MAYOR AND COUNCIL ON SEPTEMBER 19, 2024.


Omar Stovall, MPA, RMC, CMR
Borough Clerk