

BOROUGH OF TENAFLY
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

**BOROUGH OF TENAFLY
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
	Independent Auditor’s Report	1-3
	Financial Statements	
A	Comparative Balance Sheets - Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6
A-2	Statement of Revenues - Regulatory Basis – Current Fund	7-9
A-3	Statement of Expenditures - Regulatory Basis – Current Fund	10-15
B	Comparative Balance Sheets - Regulatory Basis - Trust Funds	16-17
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund	18
B-2	Statement of Appropriations – Regulatory Basis – Open Space Preservation Trust Fund	18
C	Comparative Balance Sheets - Regulatory Basis - General Capital Fund	19
C-1	Comparative Statements of Changes in Fund Balance - Regulatory Basis – General Capital Fund	20
D	Comparative Schedules of General Fixed Assets – Regulatory Basis – General Fixed Assets Account Group	21
	Notes to Financial Statements	22-65
	Supplementary Schedules	
	<u>Current Fund</u>	
A-4	Statement of Current Cash – Collector-Treasurer	66
A-5	Statement of Change Funds	67
A-6	Statement of Petty Cash Fund	67
A-7	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions	67
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	68
A-9	Statement of Property Acquired for Taxes (Assessed Valuation)	69
A-10	Statement of Tax Title Liens Receivable	69
A-11	Statement of Revenue Accounts Receivable	70
A-12	Statement of Grants Receivable	70
A-13	Statement of 2023 Appropriation Reserves	71-72
A-14	Statement of Encumbrances Payable	73
A-15	Statement of Prepaid Taxes	73
A-16	Statement of Local District School Tax	74
A-17	Statement of County Taxes Payable	74
A-18	Statement of Due to County for Added and Omitted Taxes	74
A-19	Statement of Due to Municipal Open Space Trust Fund	75
A-20	Statement of Tax Overpayments	75
A-21	Statement of Accounts Payable	75

**BOROUGH OF TENAFLY
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Current Fund (Continued)</u>		
A-22	Schedule of Appropriated Reserves for Federal and State Grants	76
A-23	Schedule of Unappropriated Reserves for Federal and State Grants	76
A-24	Statement of Miscellaneous Reserves	77
A-25	Statement of Deferred Charges – Special Emergency Authorization	77
A-26	Statement of Due to State of New Jersey – DCA State Training Fees	77
<u>Trust Funds</u>		
B-3	Statement of Cash - Treasurer	78
B-4	Statement of Reserve for Animal License Expenditures – Animal Control Trust Fund	79
B-5	Statement of Amount Due from State of New Jersey - Animal Control Trust Fund	79
B-6	Statement of Due To Current Fund – Animal Control Trust Fund	80
B-7	Statement of Reserve for Unemployment Compensation Insurance Unemployment Insurance Trust Fund	80
B-8	Statement of Due to State – Other Trust Fund – Unemployment	80
B-9	Statement of Due from Current Fund – Other Trust Fund	81
B-10	Statement of Accrued Salary and Wages – Other Trust Fund	81
B-11	Statement of Payroll Deductions Payable – Other Trust Fund	82
B-12	Statement of Escrow Deposits – Construction Fees – Other Trust Fund	82
B-13	Statement of Miscellaneous Reserves – Other Trust Fund	83
B-14	Statement of Reserve for Municipal Open Space Trust – Open Space Preservation Trust Fund	84
B-15	Statement of Reserve for Affordable Housing Trust – Other Trust Fund	84
B-16	Statement of Reserve for Recreation Expenditures – Recreation Activities Trust Fund	85
B-17	Statement of Due to Other Trust Fund– Payroll – Recreation Activities Trust Fund	85
B-18	Statement of Due to Current Fund – Recreation Activities Trust Fund	85
B-19	Statement of Due to Current Fund – Other Trust Fund-Police Outside Duty	86
B-20	Statement of Due to Current Fund – Other Trust Fund – Escrow Deposits	86
B-21	Statement of Due to Current Fund – Other Trust Fund – Payroll	86
B-22	Statement of Due to Current Fund – Other Trust Fund - Tax Title Lien	87
B-23	Statement of Due to Current Fund – Other Trust Fund - Events	87
B-24	Statement of Due to Current Fund – Other Trust Fund - Ice Rink	88
B-25	Statement of Due to Current Fund – Other Trust Fund - Teen Center	88
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash - Treasurer	89
C-3	Analysis of General Capital Cash and Investments	90
C-4	Statement of Grant/Other Receivables – General Capital Fund	91
C-5	Statement of Deferred Charges to Future Taxation - Funded	92
C-6	Statement of Deferred Charges to Future Taxation - Unfunded	93
C-7	Statement of General Serial Bonds	94
C-8	Statement of Improvement Authorizations	95
C-9	Statement of Capital Improvement Fund	96
C-10	Statement of Due to Current Fund	96

**BOROUGH OF TENAFLY
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>General Capital Fund (Continued)</u>		
C-11	Statement of Due from Municipal Open Space	97
C-12	Statement of Contracts Payable	97
C-13	Statement of Reserve for Debt Service	98
C-14	Statement of Reserve for Insurance Proceeds	98
C-15	Statement of Bond Anticipation Notes	99
C-16	Schedule of Bonds and Notes Authorized But Not Issued	100
<u>Part II – Government Auditing Standards</u>		
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	101-102
	Report on Compliance for Each Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	103-105
	Schedule of Expenditures of Federal Awards, Schedule A	106
	Schedule of Expenditures of State Financial Assistance, Schedule B	107
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	108
	Schedule of Findings and Responses	109-112
<u>Part III – Supplementary Data and Letter of Comments and Recommendations</u>		
	Comparative Statement of Operations and Change in Fund Balance - Current Fund	113
	Comparative Schedule of Fund Balances	114
	Comparative Schedule of Tax Rate Information	114
	Comparison of Levies and Collection Currently	115
	Delinquent Taxes and Tax Title Liens	115
	Officials in Office and Surety Bonds	116
	General Comments	117-118
	Recommendations	119

BOROUGH OF TENAFLY

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2024



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

Qualified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Tenafly as of December 31, 2024 and 2023, or changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of 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, 2024 and 2023. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 15 percent and 13 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2024 and 2023, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of 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 as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

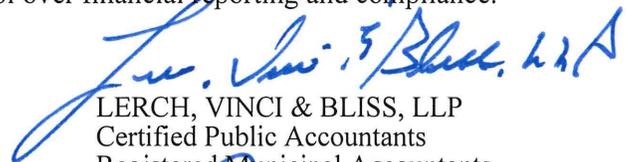
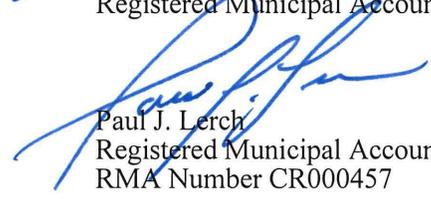
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2025 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
 June 24, 2025

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

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and Cash Equivalents	A-4	\$ 10,830,395	\$ 10,042,465
Cash - Change Funds	A-5	375	375
Cash- Petty Cash	A-6	8,736	8,736
Grants Receivable	A-12	<u>92,708</u>	<u>39,537</u>
		<u>10,932,214</u>	<u>10,091,113</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	850,078	705,359
Tax Title Lien Receivable	A-10	-	3,815
Property Acquired for Taxes - Assessed Valuation	A-9	18,200	18,200
Due From General Capital Fund	C-10		462,611
Due From Other Trust Fund	B19-B25	3,724	6,078
Due From Recreation Trust Fund	B-18	-	2,479
Due From Animal Control Trust Fund	B-6	<u>-</u>	<u>120</u>
Sub Total		<u>872,002</u>	<u>1,198,662</u>
Deferred Charges			
COVID Special Emergency Authorization	A-25	<u>80,000</u>	<u>120,000</u>
Sub Total		<u>80,000</u>	<u>120,000</u>
Total Assets		<u>\$ 11,884,216</u>	<u>\$ 11,409,775</u>

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

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-13	\$ 1,583,597	\$ 1,915,930
Encumbrances Payable	A-14	1,061,422	880,464
Accounts Payable	A-21	179,523	99,592
Due to Other Trust Fund- Other	B-9	100,000	69,580
Due to State - Senior Citizen and Veterans Deductions	A-7	1,394	2,144
Due to State - DCA Training Fees	A-26	8,262	8,270
Prepaid Taxes	A-15	685,805	587,953
Tax Overpayments	A-20	59,415	165,267
County Taxes Payable	A-18	60,810	81,624
Appropriated Reserve for Grants	A-22	55,458	126,350
Unappropriated Reserve for Grants	A-23	130,616	313,647
Miscellaneous Reserves	A-24	<u>673,504</u>	<u>498,139</u>
		4,599,806	4,748,960
Reserve for Receivables	A	872,002	1,198,662
Fund Balance	A-1	<u>6,412,408</u>	<u>5,462,153</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 11,884,216</u>	<u>\$ 11,409,775</u>

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

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,750,000	\$ 2,635,000
Miscellaneous Revenues Anticipated	A-2	5,021,776	4,835,495
Receipts from Delinquent Taxes	A-2	709,898	741,481
Receipts from Current Taxes	A-2	115,663,290	112,198,260
Non-Budget Revenues	A-2	165,460	130,442
Other Credits to Income			
Interfunds Returned	A	471,288	110,735
Cancel Prior Year Accounts Payable	A-21	28,610	-
Cancellation of Grant Reserves	A-22	65,867	-
Unexpended Balance of Appropriation Reserves	A-13	<u>825,315</u>	<u>409,562</u>
 Total Revenues and Other Income		 <u>125,701,504</u>	 <u>121,060,975</u>
 EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	11,994,574	11,863,842
Other Expenses	A-3	14,297,291	13,342,783
Capital Improvements	A-3	235,000	250,000
Municipal Debt Service	A-3	3,317,425	2,795,964
Deferred Charges and Statutory Expenditures	A-3	3,580,612	3,398,796
Local District School Tax	A-16	75,604,704	73,231,494
County Taxes including Added Taxes	A-17, A-18	12,557,356	12,096,879
Municipal Open Space Taxes incl/Added Taxes	A-19	410,563	408,488
Interfunds Advanced	A	<u>3,724</u>	<u>471,288</u>
 Total Expenditures		 <u>122,001,249</u>	 <u>117,859,534</u>
 Statutory Excess in Revenue		 3,700,255	 3,201,441
 Fund Balance, January 1	A	 <u>5,462,153</u>	 <u>4,895,712</u>
		9,162,408	8,097,153
Decreased by:			
Utilization as Anticipated Revenues	A-1	<u>2,750,000</u>	<u>2,635,000</u>
 Fund Balance, December 31,	A	 <u>\$ 6,412,408</u>	 <u>\$ 5,462,153</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, 2024

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	<u>\$ 2,750,000</u>	<u>\$ 2,750,000</u>	<u>-</u>
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	25,000	27,550	\$ 2,550
Other	A-2	14,775	14,850	75
Fees and Permits				
Other	A-2	175,000	208,972	33,972
Fines and Costs				
Municipal Court	A-11	90,000	111,865	21,865
Interest and Costs on Taxes	A-11	235,000	196,125	(38,875)
Interest on Investments	A-2	744,388	1,190,189	445,801
Rental of Borough Owned Property	A-11	135,228	146,072	10,844
Use of Sewer System Agreements	A-11	40,000	30,535	(9,465)
Borough Operated Alarm Systems	A-11	35,000	35,735	735
Energy Receipts Taxes	A-11	1,133,153	1,133,153	-
Municipal Relief Fund	A-23	116,801	116,801	-
Uniform Construction Code Fees	A-11	635,000	789,921	154,921
State and Federal Grants Offset with Appropriations-				
Municipal Alliance on Alcoholism and Drug Abuse	A-12	4,507	4,507	-
Body Armor Fund - Reserve	A-23	2,676	2,676	-
Clean Communities- Reserve	A-23	33,631	33,631	-
JIF Safety Grant- Reserve	A-23	1,750	1,750	-
Firefighter Grant - ARP	A-12	52,000	52,000	-
Mid-Bergen Regional Grant - Reserve	A-23	12,679	12,679	-
Opioid Grant- Reserve	A-23	15,194	15,194	-
Bullet Proof Vest Grant - Reserve	A-23	2,622	2,622	-
Recycling Tonnage Grant	A-12	22,058	22,058	-
Uniform Fire Safety Act	A-11	15,750	25,739	9,989
Cable TV Franchise Fee	A-11	146,807	146,807	-
Hotel Occupancy Fee (P.L. 2003, c.114)	A-11	50,000	45,827	(4,173)
Sewer Charges - Tax Exempt Properties	A-11	15,500	20,966	5,466
Payment in Lieu of Taxes - Tenafly House	A-11	26,800	26,800	-
Cell Tower/Monopole Lease	A-11	203,214	203,753	539
American Rescue Plan - Reserve	A-23	102,999	102,999	-
Capital Fund Balance	C-10	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Total Miscellaneous Revenues	A-1	<u>4,387,532</u>	<u>5,021,776</u>	<u>634,244</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8,A-10	<u>700,000</u>	<u>709,898</u>	<u>9,898</u>
AMOUNT TO BE RAISED BY TAXATION:				
Local Tax for Municipal Purposes		25,756,856	27,260,153	1,503,297
Minimum Library Tax		<u>1,780,514</u>	<u>1,780,514</u>	<u>-</u>
Total Amount to be Raised by Taxation	A-2	<u>27,537,370</u>	<u>29,040,667</u>	<u>1,503,297</u>
Total General Revenues		<u>\$ 35,374,902</u>	37,522,341	<u>\$ 2,147,439</u>
Non-Budget Revenues	A-1,A-2		<u>165,460</u>	
			<u>\$ 37,687,801</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, 2024

	<u>Reference</u>	
Analysis of Realized Revenue		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 115,663,290
Less: Allocated to School, County Taxes and Open Space	A-16,A-17,A-18, A-19	<u>88,572,623</u>
Balance for Support of Municipal Budget Appropriations		27,090,667
Add: Reserve for Uncollected Taxes	A-3	<u>1,950,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 29,040,667</u></u>
Licenses		
Clerk	A-11	\$ 870
Board of Health	A-11	<u>13,980</u>
	A-2	<u><u>\$ 14,850</u></u>
Fees and Permits		
Clerk	A-11	\$ 45,907
Police	A-11	18,227
Board of Health	A-11	1,802
Finance-Admin	A-11	38,363
Fire Prevention	A-11	36,669
Construction Code- Miscellaneous	A-11	34,729
DPW	A-11	16,100
Board of Adjustment/Planning Board	A-11	<u>17,175</u>
	A-2	<u><u>\$ 208,972</u></u>
Interest on Investments and Deposits		
Cash Receipts	A-11	\$ 662,422
Due from General Capital	C-10	418,243
Due from Animal Control Fund	B-6	1,151
Due from Other Trust Fund - Miscellaneous Reserves	B-9	54,875
Due from Recreation Trust Fund	B-18	30,401
Due from Other Trust Fund- Police Outside Duty	B-19	1,278
Due from Other Trust Fund- Tax Title Lien	B-22	9,214
Due from Other Trust Fund- Events	B-23	697
Due from Other Trust Fund- Ice Rink	B-24	227
Due from Other Trust Fund- Teen Center	B-25	3,571
Due from Other Trust- Payroll	B-21	<u>8,110</u>
	A-2	<u><u>\$ 1,190,189</u></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, 2024**

	<u>Reference</u>	
Non-Budget Revenue		
Recycling Cardboard/Miscellaneous	\$	11,998
Returned Check Fee		1,880
Seniors & Vets Admin Fee		690
Police Outside Duty		70,230
Sale of Borough Property		66,486
Other		<u>14,176</u>
	A-2,A-4	<u>\$ 165,460</u>

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

	<u>2024 Appropriated</u>		<u>2024 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS WITHIN "CAPS"					
General Government					
Administrative and Executive					
Salaries and Wages					
Administrator's Office	\$ 274,486	\$ 279,986	\$ 279,678	\$ 308	
Borough Clerk's Office	209,280	225,280	224,167	1,113	
Other Expenses					
Administrator's Office	236,850	236,850	234,301	2,549	
Borough Clerk's Office	39,950	40,950	40,113	837	
Postage	35,000	35,000	28,897	6,103	
Photocopy Expense	36,000	36,000	34,510	1,490	
Human Resources					
Salaries and Wages	5,250	5,250	5,250	-	
Other Expenses	-	-	-	-	
Mayor and Council					
Salaries and Wages	35,000	37,500	37,500	-	
Other Expenses	13,000	13,000	11,876	1,124	
Elections					
Salaries and Wages	9,000	9,000	6,308	2,692	
Other Expenses	19,550	19,550	18,911	639	
Financial Administration					
Salaries and Wages	322,566	361,066	344,495	16,571	
Audit/Other Expenses	72,050	78,650	78,573	77	
Revenue Administration					
Salaries and Wages	103,776	103,776	96,852	6,924	
Other Expenses	46,000	46,000	45,822	178	
Assessment of Taxes					
Salaries and Wages	140,552	147,152	147,072	80	
Other Expenses	26,055	16,055	11,384	4,671	
Legal Services and Costs					
Other Expenses	252,500	252,500	222,162	30,338	
Engineering Services and Costs					
Other Expenses	236,500	343,500	302,496	41,004	
Historic Preservation Commission					
Salaries and Wages	4,000	-	-	-	
Other Expenses	4,550	4,550	3,409	1,141	
Municipal Land Use Law:					
Planning Board					
Salaries and Wages	6,500	-	-	-	
Other Expenses	45,625	40,625	39,392	1,233	
Zoning Board of Adjustment					
Salaries and Wages	3,000	-	-	-	
Other Expenses	46,380	41,380	36,450	4,930	
Insurance					
Liability	483,216	483,216	476,490	6,726	

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, 2024

	<u>2024 Appropriated</u>		<u>2024 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	\$ 403,650	\$ 403,650	\$ 403,369	\$ 281	
Group Insurance Plan for Employees	2,616,000	2,616,000	2,583,943	32,057	
Unemployment	40,000	40,000	40,000	-	
Deductible	1,500	1,500	1,000	500	
Public Safety					
Police					
Salaries and Wages	6,043,534	6,033,534	5,817,948	215,586	
Salaries and Wages - American Rescue Plan	102,999	102,999	102,999	-	
Other Expenses	297,645	307,645	303,970	3,675	
Emergency Management Services					
Salaries and Wages	8,000	8,000	8,000	-	
Other Expenses	18,825	18,825	14,479	4,346	
Aid to Volunteer Fire Company					
Salaries and Wages	127,143	127,143	126,022	1,121	
Other Expenses	12,150	12,150	7,870	4,280	
Aid to Volunteer Ambulance Corps					
Other Expenses	225,750	225,750	191,829	33,921	
Fire Department					
Salaries and Wages	21,420	21,720	21,688	32	
Other Expenses	325,450	315,450	303,436	12,014	
Fire Hydrant Services	235,000	250,000	249,276	724	
Municipal Prosecutor					
Other Expenses	16,300	16,300	15,825	475	
Streets and Roads					
Road Repairs and Maintenance					
Salaries and Wages	2,351,417	2,297,417	2,184,232	113,185	
Other Expenses	553,150	553,150	549,703	3,447	
Solid Waste Collections					
Contract-Collections	932,820	882,820	880,153	2,667	
Recycling Center					
Salaries and Wages	508,631	511,631	509,069	2,562	
Other Expenses	386,300	386,300	360,414	25,886	
Public Buildings and Grounds					
Salaries and Wages	188,665	143,665	142,934	731	
Other Expenses	335,725	320,725	306,458	14,267	

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, 2024

	<u>2024 Appropriated</u>		<u>2024 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				
Other Expenses	89,957	\$ 89,957	\$ 79,733	\$ 10,224	
Environmental Commission					
Other Expenses	10,000	10,000	6,228	3,772	
Animal Welfare					
Other Expenses	14,500	14,500	12,173	2,327	
Mental Health Center					
Other Expenses	7,000	7,000	7,000	-	
Recreation and Education:					
Recreation Commission R.S. 40:12-1					
Salaries and Wages	330,346	290,346	283,279	7,067	
Other Expenses	35,103	35,103	22,685	12,418	
Senior Citizens Center					
Salaries and Wages	110,740	110,740	109,341	1,399	
Other Expenses	7,700	7,700	4,170	3,530	
Stigma Free Events - Other Expenses	250	250	-	250	
Downtown Committee - Other Expenses	5,000	5,000	2,694	2,306	
Welcome Committee - Other Expenses	7,000	7,000	6,488	512	
Senior Services Coordinator					
Salaries and Wages	36,400	36,400	35,872	528	
Other Expenses	1,570	1,570	1,168	402	
Senior Services Transportation					
Salaries and Wages	94,787	88,787	85,205	3,582	
Other Expenses	7,250	7,250	3,737	3,513	
Parking Lot Rental					
Other Expenses	30,000	30,000	30,000	-	
Celebration of Public Events					
Other Expenses	82,000	82,000	77,061	4,939	
Payroll Adjustment	575,000	575,000	349,156	225,844	
Terminal Leave	150,000	150,000	16,662	133,338	
PUBLIC SAFETY FUNCTION					
Municipal Court					
Salaries and Wages	129,664	129,664	126,576	3,088	
Other Expenses	16,430	16,430	11,527	4,903	
Public Defender					
Other Expenses	3,200	3,200	2,400	800	

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, 2024

	<u>2024 Appropriated</u>		<u>2024 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	\$ 263,770	\$ 297,270	\$ 290,041	\$ 7,229	
Other Expenses	15,045	12,545	10,880	1,665	
Director of Building Department					
Salaries and Wages	132,435	126,435	121,714	4,721	
Other Expenses	11,825	11,825	11,416	409	
Unclassified					
Electricity	212,250	205,250	193,373	11,877	
Street Lighting	190,000	200,000	197,805	2,195	
Telephone	88,000	88,000	83,854	4,146	
Natural Gas	67,000	67,000	50,450	16,550	
Gasoline	234,500	209,500	189,655	19,845	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
BCUA Disposal Fees	<u>570,000</u>	<u>620,000</u>	<u>618,042</u>	<u>1,958</u>	<u>-</u>
Total Operations Within "CAPS"	<u>21,992,432</u>	<u>21,988,932</u>	<u>20,891,110</u>	<u>1,097,822</u>	<u>-</u>
Total Operations Including Contingent Within "CAPS"	<u>21,992,432</u>	<u>21,988,932</u>	<u>20,891,110</u>	<u>1,097,822</u>	<u>-</u>
Detail:					
Salaries and Wages	12,040,362	11,966,762	11,352,399	614,363	-
Other Expenses	<u>9,952,070</u>	<u>10,022,170</u>	<u>9,538,711</u>	<u>483,459</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY					
EXPENDITURES - MUNICIPAL WITHIN					
"CAPS"					
Statutory Expenditures					
Contribution to:					
Public Employees Retirement System	784,405	784,405	784,405	-	
Social Security System (O.A.S.I.)	600,000	600,000	577,757	22,243	
Police and Firemen's Retirement System of NJ	1,829,707	1,829,707	1,829,707	-	
Defined Contribution Retirement Program	<u>23,000</u>	<u>26,500</u>	<u>24,584</u>	<u>1,916</u>	<u>-</u>
Total Deferred Charges and Statutory					
Expenditures - Municipal					
Within "CAPS"	<u>3,237,112</u>	<u>3,240,612</u>	<u>3,216,453</u>	<u>24,159</u>	<u>-</u>
Total General Appropriations for					
Municipal Purposes Within "CAPS"	<u>25,229,544</u>	<u>25,229,544</u>	<u>24,107,563</u>	<u>1,121,981</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, 2024

	<u>2024 Appropriated</u>		<u>2024 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)	\$ 1,665,483	\$ 1,665,483	\$ 1,510,144	\$ 155,339	
Library Building Maintenance				-	
Salaries and Wages	27,812	27,812	12,651	15,161	
Other Expenses	87,219	87,219	66,944	20,275	
Bergen County Utilities Authority					
Operations and Maintenance	1,533,798	1,533,798	1,533,798	-	
Debt Service	417,713	417,713	417,713	-	
Reserve for Tax Appeals	150,000	150,000	-	150,000	
Emergency Services Volunteer Length of Service					
Award Program (P.L. 1997, C. 388)	87,000	87,000	-	87,000	-
Liability	53,390	53,390	53,390	-	
Worker's Compensation	42,094	42,094	42,094	-	
Contract-Collections	90,180	90,180	90,180	-	-
Total Other Operations Excluded from "CAPS"	4,154,689	4,154,689	3,726,914	427,775	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Recycling Tonnage Grant	22,058	22,058	22,058	-	
Mid-Bergen Regional Grant	12,679	12,679		12,679	
Body Armor Fund	2,676	2,676	2,675	1	
DOJ Bullet Proof Vests	2,622	2,622	2,622	-	
OPIOID Grant	15,194	15,194		15,194	
Municipal Alliance	5,634	5,634	2,338	3,296	
Firefighter Grant - ARP	52,000	52,000	51,792	208	
JIF Grant	1,750	1,750	150	1,600	
Clean Communities Program	33,631	33,631	32,768	863	-
Total Public and Private Programs					
Offset by Revenues	148,244	148,244	114,403	33,841	-
Total Operations Excluded from "CAPS"	4,302,933	4,302,933	3,841,317	461,616	-
Detail:					
Salaries and Wages	27,812	27,812	12,651	15,161	-
Other Expenses	4,275,121	4,275,121	3,828,666	446,455	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	235,000	235,000	235,000	-	-
Total Capital Improvement Fund - Excluded from "CAPS"	235,000	235,000	235,000	-	-
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,025,000	2,025,000	2,025,000	-	
Note Principal	375,000	375,000	375,000	-	
Interest on Bonds	352,430	352,430	352,430	-	
Interest on Notes	564,995	564,995	564,995	-	-
Total Municipal Debt Service - Excluded from "CAPS"	3,317,425	3,317,425	3,317,425	-	-

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, 2024

	<u>2024 Appropriated</u>		<u>2024 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	\$ 300,000	\$ 300,000	\$ 300,000		
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>340,000</u>	<u>340,000</u>	<u>340,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>8,195,358</u>	<u>8,195,358</u>	<u>7,733,742</u>	\$ 461,616	-
Subtotal General Appropriations	33,424,902	33,424,902	31,841,305	1,583,597	-
Reserve for Uncollected Taxes	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,950,000</u>	-	-
Total General Appropriations	<u>\$ 35,374,902</u>	<u>\$ 35,374,902</u>	<u>\$ 33,791,305</u>	<u>\$ 1,583,597</u>	<u>\$ -</u>
<u>Reference</u>	A-2			A	
Budget as Adopted	A-2	<u>\$ 35,574,902</u>			
Cash Disbursed	A-4		\$ 30,739,883		
Encumbrances Payable	A-14		1,061,422		
Reserve for Uncollected Taxes	A-3		1,950,000		
Deferred Charges - Special Emergency Authorization	A-25		<u>40,000</u>		
			<u>\$ 33,791,305</u>		

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

ASSETS	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Animal Control Trust Fund			
Cash	B-3	\$ 17,691	\$ 21,586
Other Trust Fund			
Cash	B-3	8,142,729	7,241,042
Due from Recreation Trust Fund- Payroll Agency	B-17	30	30
Due from Current Fund - Other Trust Fund	B-9	<u>100,000</u>	<u>69,580</u>
		<u>8,242,759</u>	<u>7,310,652</u>
Unemployment Insurance Trust Fund			
Cash	B-3	<u>83,630</u>	<u>116,087</u>
Recreation Activities Trust Fund			
Cash	B-3	<u>519,498</u>	<u>467,630</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	<u>2,785,413</u>	<u>3,167,541</u>
Length of Service Awards Program (Unaudited)			
Investments	B	1,930,033	1,557,118
Contributions Receivable	B	<u>75,276</u>	<u>78,897</u>
		<u>2,005,309</u>	<u>1,636,015</u>
 Total Assets		 <u>\$ 13,654,300</u>	 <u>\$ 12,719,511</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, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund			
Reserve for Animal License Expenditures	B-4	\$ 17,691	\$ 21,466
Due to Current Fund	B-6	-	120
		<u>17,691</u>	<u>21,586</u>
Other Trust Fund			
Due to Current Fund - Payroll	B-21		834
Due to Current Fund - Ice Rink	B-24		22
Due to Current Fund - Events	B-23		59
Due to Current Fund - Teen Center	B-25		226
Due to Current Fund - Police Outside Duty	B-19		66
Due to Current Fund - Tax Title Lien	B-22		1,147
Due to Current Fund - Escrow Deposits	B-20	3,724	3,724
Reserve for:			
Miscellaneous Reserves	B-13	3,006,563	2,708,707
Escrow Deposits - Construction Fees	B-12	459,262	424,104
Affordable Housing Trust	B-15	4,754,656	4,153,725
Accrued Salary and Wages	B-10	4,155	4,155
Payroll Deductions Payable	B-11	14,399	13,883
		<u>8,242,759</u>	<u>7,310,652</u>
Unemployment Insurance Trust Fund			
Due to State of New Jersey	B-8	79,835	
Reserve for Unemployment Compensation Insurance	B-7	3,795	116,087
		<u>83,630</u>	<u>116,087</u>
Recreation Activities Trust Fund			
Due to Current Fund	B-18	-	2,479
Due to Other Trust Fund- Payroll Agency	B-17	30	30
Reserve for Recreation Expenditures	B-16	519,468	465,121
		<u>519,498</u>	<u>467,630</u>
Municipal Open Space Preservation Trust Fund			
Due to General Capital	C-11	26,352	
Reserve for Municipal Open Space Expenditures	B-14	2,759,061	3,167,541
		<u>2,785,413</u>	<u>3,167,541</u>
Length of Service Awards Program (Unaudited)			
Net Position Available for Benefits	B	2,005,309	1,636,015
Total Liabilities, Reserves and Fund Balance		<u>\$ 13,654,300</u>	<u>\$ 12,719,511</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, 2024

	Budget (Memo)	Budget After Modification (Memo)	Realized	Variance
Amount to be Raised by Taxation	\$ 408,537	\$ 408,537	\$ 410,563	\$ 2,026
Reserve Balance Anticipated	<u>-</u>	<u>672,963</u>	<u>672,963</u>	<u>-</u>
	<u>\$ 408,537</u>	<u>\$ 1,081,500</u>	<u>\$ 1,083,526</u>	<u>\$ 2,026</u>
Reference	B-2	B-2	B-14	

EXHIBIT B-2

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

	Budget (Memo)	Budget After Modification (Memo)	Paid or Charged	Variance
Down Payments on Improvements		\$ 1,066,500	\$ 1,066,500	
Capital Outlay		15,000	15,000	
Reserve for Future Use	<u>\$ 408,537</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
	<u>\$ 408,537</u>	<u>\$ 1,081,500</u>	<u>\$ 1,081,500</u>	<u>\$ -</u>
Reference	B-1	B-1	B-14	

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

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and Cash Equivalents	C-2,C-3	\$ 7,810,242	\$ 6,328,794
Grants / Other Receivable	C-4	857,417	609,177
Due From - Municipal Open Space Trust Fund	C-11	26,352	
Deferred Charges to Future Taxation			
Funded	C-5	9,736,000	11,761,000
Unfunded	C-6	<u>23,463,267</u>	<u>20,132,605</u>
 Total Assets		 <u>\$ 41,893,278</u>	 <u>\$ 38,831,576</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	\$ 9,736,000	\$ 11,761,000
Bond Anticipation Notes Payable	C-15	16,900,000	13,294,000
Contracts Payable	C-12	5,412,793	1,203,096
Due To - Current Fund	C-10		462,611
Improvement Authorizations			
Funded	C-8	1,305,527	3,601,985
Unfunded	C-8	6,831,258	7,325,075
Reserve for:			
Debt Service	C-13	383,627	-
Grants Receivable	C-4	750,725	502,485
Insurance Proceeds	C-14	46,245	46,245
Capital Improvement Fund	C-9	133,295	100,795
Fund Balance	C-1	<u>393,808</u>	<u>534,284</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 41,893,278</u>	 <u>\$ 38,831,576</u>

There were bonds and notes authorized but not issued at December 31, 2024 and 2023 of \$6,580,605 and \$7,208,450, respectively (Exhibit C-16).

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

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Balance, December 31	C	\$ 534,284	\$ 863,567
Increased by:			
Cancellations	C-8	26,352	-
Premium on Sale of Notes	C-2	<u>133,172</u>	<u>95,717</u>
		693,808	959,284
Decreased by:			
Realized as Current Fund Revenue	C-10	<u>300,000</u>	<u>425,000</u>
Balance, December 31	C	<u>\$ 393,808</u>	<u>\$ 534,284</u>

BOROUGH OF TENAFLY
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
General Fixed Assets		
Land	\$ 99,186,540	\$ 99,186,540
Land Improvements	2,751,423	2,646,700
Buildings and Building Improvements	16,795,361	16,782,433
Machinery and Equipment	21,686,817	21,431,496
Right-to-Use Machinery and Equipment	<u>96,206</u>	<u>128,274</u>
	<u>\$ 140,516,347</u>	<u>\$ 140,175,443</u>
 Investment in General Fixed Assets	 <u>\$ 140,516,347</u>	 <u>\$ 140,175,443</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Tenaflly (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 Tenaflly have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

Animal Control 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.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Leases 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 non-cancellable 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.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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.

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. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024 and 2023 the Borough Council increased the original budget by \$0 and \$29,000. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2024 and 2023.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Borough's deposits were \$29,724,123 and \$26,943,419 and bank and brokerage firm balances of the Borough's deposits amounted to \$30,705,518 and \$29,255,088 respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured	\$ 28,383,740	\$ 27,358,299
Uninsured and Uncollateralized	<u>2,321,778</u>	<u>1,896,789</u>
	<u>\$ 30,705,518</u>	<u>\$ 29,255,088</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023, the Borough's bank balances of \$2,321,778 and \$1,896,789 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized department but not in the Borough's name	\$ <u>2,321,778</u>	\$ <u>1,896,789</u>
	<u>\$ 2,321,778</u>	<u>\$ 1,896,789</u>

B. Investments

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

<u>Investment Type</u>	<u>Valuation Basis</u>	<u>2024</u>	<u>2023</u>
Investment:			
N.J. Cash Management Fund	Book Value	\$ 474,586	\$ 450,837
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	<u>1,930,033</u>	<u>1,557,118</u>
		<u>\$ 2,404,619</u>	<u>\$ 2,007,955</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2024 and 2023, \$2,404,619 and \$2,007,955 of the Borough’s investments were exposed to custodial credit risk as follows:

	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name		
Uninsured and Uncollateralized	<u>\$ 2,404,619</u>	<u>\$ 2,007,955</u>
	<u>\$ 2,404,619</u>	<u>\$ 2,007,955</u>

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2024 and 2023, the Borough’s investment in Lincoln Financial Group, a subsidiary to Lincoln National Life Insurance Company was rated A2 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 in Lincoln National Life Insurance Company, and N.J. Cash Management Fund. These investments are 100% of the Borough’s total investments.

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group 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, 2024 and 2023 are categorized as Level 2.

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

NOTE 4 TAXES RECEIVABLE

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

<u>Current</u>	<u>2024</u>	<u>2023</u>
Property Taxes	\$ 850,078	\$ 705,359
Tax Title Liens	<u> -</u>	<u> 3,815</u>
	<u>\$ 850,078</u>	<u>\$ 709,174</u>

In 2024 and 2023, the Borough collected \$709,898 and \$741,481 from delinquent taxes, which represented 100% and 99%, respectively of the prior year delinquent taxes receivable balance.

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2024</u>		<u>2023</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund		\$ 96,276	\$ 471,288	\$ 69,580
Trust Fund:				
Animal Control				120
Other Trust Fund - Escrow		3,724		3,724
Other Trust Fund - Misc. Reserves	\$ 100,000		69,580	
Other Trust Fund - Payroll Agency	30		30	
Other Trust Fund - Police Outside Duty				66
Other Trust Fund - Net Payroll				834
Other Trust Fund - Tax Title Lien				1,147
Other Trust Fund - Events				59
Other Trust Fund - Ice Rink				22
Other Trust Fund - Teen Center				226
Recreation Trust Fund		30		2,509
Municipal Open Space		26,352		
General Capital Fund	<u>26,352</u>	<u>-</u>	<u>-</u>	<u>462,611</u>
Total	<u>\$ 126,382</u>	<u>\$ 126,382</u>	<u>\$ 540,898</u>	<u>\$ 540,898</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

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

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</u> <u>December 31,</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u>
<u>2024</u>			
Current Fund			
COVID Special Emergency Authorization	\$ 80,000	\$ 40,000	\$ 40,000
	<u> </u>	<u> </u>	<u> </u>
<u>2023</u>			
Current Fund			
COVID Special Emergency Authorization	\$ 120,000	\$ 40,000	\$ 80,000
	<u> </u>	<u> </u>	<u> </u>

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2024</u>		<u>2023</u>	
	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 6,239,700	\$ 3,569,000	\$ 5,302,616	\$ 2,750,000
Non-Cash Surplus	172,708	-	159,537	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ 6,412,408	\$ 3,569,000	\$ 5,462,153	\$ 2,750,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

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, 2024 and 2023.

	Balance December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Land	\$ 99,186,540			\$ 99,186,540
Land Improvements	2,646,700	\$ 104,723		2,751,423
Buildings and Building Improvements	16,782,433	12,928		16,795,361
Machinery and Equipment	21,431,496	952,858	\$ 697,537	21,686,817
Right-to-Use Machinery and Equipment	128,274	-	32,068	96,206
	<u>\$ 140,175,443</u>	<u>\$ 1,070,509</u>	<u>\$ 729,605</u>	<u>\$ 140,516,347</u>
	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	-	160,343	32,069	128,274
	<u>\$ 137,398,659</u>	<u>\$ 2,975,717</u>	<u>\$ 198,933</u>	<u>\$ 140,175,443</u>

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

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>2024</u>	<u>2023</u>
Issued		
General		
Bonds and Notes	\$ 26,636,000	\$ 25,055,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>400,965</u>	<u>369,845</u>
Net Debt Issued	26,235,035	24,685,155.00
Authorized But Not Issued		
General		
Bonds and Notes	<u>6,580,605</u>	<u>7,208,450</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 32,815,640</u>	<u>\$ 31,893,605</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .609% and .633% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 33,216,605	\$ 400,965	\$ 32,815,640
School Debt	<u>92,657,000</u>	<u>92,657,000</u>	<u>-</u>
Total	<u>\$ 125,873,605</u>	<u>\$ 93,057,965</u>	<u>\$ 32,815,640</u>

	<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>

Statutory Borrowing Power

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

	<u>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 188,724,132	\$ 176,479,031
Less: Net Debt	<u>32,815,640</u>	<u>31,893,605</u>
Remaining Borrowing Power	<u>\$ 155,908,492</u>	<u>\$ 144,585,426</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2024</u>	<u>2023</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%	\$ 3,401,000	\$ 4,526,000
\$8,135,000, 2022 General Improvement Bonds, due in annual installments of \$1,000,000 to \$1,135,000 through September 15, 2030, interest at 3% to 4%	<u>6,335,000</u>	<u>7,235,000</u>
Total	<u>\$ 9,736,000</u>	<u>\$ 11,761,000</u>

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

Calendar Year	General		Total
	Principal	Interest	
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	1,100,000	133,400	1,233,400
2029	1,100,000	89,400	1,189,400
2030	<u>1,135,000</u>	<u>45,000</u>	<u>1,180,000</u>
Total	<u>\$ 9,736,000</u>	<u>\$ 996,050</u>	<u>\$ 10,732,050</u>

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

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

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

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 11,761,000	\$ -	\$ 2,025,000	\$ 9,736,000	\$ 2,125,000
General Capital Fund Long-Term Liabilities	<u>\$ 11,761,000</u>	<u>\$ -</u>	<u>\$ 2,025,000</u>	<u>\$ 9,736,000</u>	<u>\$ 2,125,000</u>
	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	\$ 13,786,000	\$ -	\$ 2,025,000	\$ 11,761,000	\$ 2,025,000
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>

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2023</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2024</u>
2024						
<u>General Capital Fund</u>						
Various Capital Improvements	4.50%	5/22/2025	\$ 1,550,000	\$ 1,464,956	\$ 1,550,000	\$ 1,464,956
Various Capital Improvements	4.50%	5/22/2025	3,244,000	2,970,213	3,244,000	2,970,213
Various Capital Improvements	4.50%	5/22/2025	2,307,000	2,307,000	2,307,000	2,307,000
Various Capital Improvements	4.50%	5/22/2025	2,814,000	2,603,408	2,814,000	2,603,408
Various Capital Improvements Tropical Storm Ida Road Improvement Project	4.50%	5/22/2025	46,000	46,000	46,000	46,000
Various Capital Improvements	4.50%	5/22/2025	3,333,000	3,157,578	3,333,000	3,157,578
Various Capital Improvements	4.50%	5/22/2025	-	1,576,000	-	1,576,000
Various Capital Improvements	4.50%	5/22/2025	-	2,122,000	-	2,122,000
Various Capital Improvements	4.50%	5/22/2025	-	200,845	-	200,845
Various Capital Improvements	4.50%	5/22/2025	-	452,000	-	452,000
Total General Capital Fund			<u>\$ 13,294,000</u>	<u>\$ 16,900,000</u>	<u>\$ 13,294,000</u>	<u>\$ 16,900,000</u>

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

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

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

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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>2024</u>		
2024 Road Program	\$323,469	2025
New Traffic Signal	772,909	2025
<u>2023</u>		
Acquisition of Emergency Generator System	162,621	2024
NJDOT 2022 Highwood Ave. Project	547,926	2024

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 \$1,549,354 and \$1,635,259 at December 31, 2024 and 2023, 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, 2024 and 2023, the Borough has reserved in the Other Trust Fund \$551,218 and \$561,026, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

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

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, 2024 and 2023 the value of the lease liability was \$98,849 and \$130,021, respectively. The equipment has a five year estimated useful life. The value of the right -to-use asset as of December 31, 2024 and 2023 is \$96,206 and \$128,274, respectively.

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

	<u>2024</u>	<u>2023</u>
Right-to-use Equipment	\$ 96,206	\$ 128,274
	<u>\$ 96,206</u>	<u>\$ 128,274</u>

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

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 32,044	\$ 2,768	\$ 34,812
2026	32,941	1,871	34,812
2027	<u>33,864</u>	<u>948</u>	<u>34,812</u>
Total	<u>\$ 98,849</u>	<u>\$ 5,587</u>	<u>\$ 104,436</u>

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.

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

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

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

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences	\$ 1,635,259			\$ 1,635,259	
Leases Payable	130,021		\$ 31,172	98,849	\$ 32,044
Net Pension Liability - PERS (1)	10,202,804			10,202,804	
Net Pension Liability - PFRS (1)	15,186,312			15,186,312	
Net OPEB Liability (1)	<u>24,346,610</u>	<u>-</u>	<u>-</u>	<u>24,346,610</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 51,501,006</u>	<u>\$ -</u>	<u>\$ 31,172</u>	<u>\$ 51,469,834</u>	<u>\$ 32,044</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>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	31,172
Net Pension Liability - PERS	10,936,009	180,617	913,822	10,202,804	
Net Pension Liability - PFRS	15,573,975	1,381,877	1,769,540	15,186,312	
Net OPEB Liability	<u>22,646,416</u>	<u>2,239,049</u>	<u>538,855</u>	<u>24,346,610</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 50,757,974</u>	<u>\$ 3,995,571</u>	<u>\$ 3,252,539</u>	<u>\$ 51,501,006</u>	<u>\$ 72,562</u>

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.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Other Pension Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

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

Year Ended December 31	<u>PFRS</u>	<u>PERS (1)</u>	<u>DCRP</u>
2024	\$ 1,829,707	\$ 924,658	\$ 24,584
2023	1,769,540	913,822	18,338
2022	1,563,349	812,401	17,190

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

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, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough reported a liability of \$10,202,804, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough’s proportionate share was .06945 percent, which was a decrease of .00302 percent from its proportionate share measured as of June 30, 2022 of .07247 percent.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2023, the pension system has determined the Borough’s pension (benefit) to be (\$572,305) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$913,822. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 95,812	\$ 40,962
Changes of Assumptions	22,014	607,304
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	46,147	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>357,606</u>	<u>1,126,335</u>
Total	<u>\$ 521,579</u>	<u>\$ 1,774,601</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (892,136)
2025	(529,743)
2026	360,279
2027	(184,125)
2028	(7,297)
Thereafter	<u>-</u>
	<u>\$ (1,253,022)</u>

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

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, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

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

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

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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

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

Discount Rate

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

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

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, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,281,880</u>	<u>\$ 10,202,804</u>	<u>\$ 7,582,103</u>

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

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2023, the Borough reported a liability of \$15,186,312, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough’s proportionate share was .13745 percent, which was an increase of .00139 percent from its proportionate share measured as of June 30, 2022 of .13606 percent.

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2023, the pension system has determined the Borough pension expense to be \$1,031,353, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$1,769,540. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 650,247	\$ 724,252
Changes of Assumptions	32,777	1,025,440
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	773,410	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>654,184</u>	<u>217,723</u>
Total	<u>\$ 2,110,618</u>	<u>\$ 1,967,415</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2024	(440,691)
2025	(496,351)
2026	1,017,871
2027	(7,572)
2028	62,882
Thereafter	<u>7,064</u>
	<u>\$ 143,203</u>

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

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, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

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

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

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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

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

Discount Rate

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

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

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, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 21,159,467</u>	<u>\$ 15,186,312</u>	<u>\$ 10,212,101</u>

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

Special Funding Situation – PFRS

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

At December 31, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,798,255. For the year ended December 31, 2023, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$318,296, which is less than the actual contribution the State made on behalf of the Borough of \$320,013. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .13745 percent, which was an increase of .00139 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .13606 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 in 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, 2024 AND 2023**

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, 2024 AND 2023**

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, 2023:

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

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

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

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

Actuarial Methods and Assumptions

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

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

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 can be a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

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

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024, 2023 and 2022 were \$572,186, \$538,855 and \$444,985, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2024, 2023 and 2022 were \$56,760, \$61,430 and \$62,613, 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, 2024 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

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, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2023, the Borough reported a liability of \$24,346,610, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023 the Borough's proportionate share was .16224 percent, which was an increase of .02201 percent from its proportionate share measured as of June 30, 2022 of .14023 percent.

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

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, 2023, the Plan has determined the Borough’s OPEB expense to be \$199,452, based on the actuarial valuation which is less than the actual contributions reported in the Borough’s financial statements of \$538,855. At December 31, 2023, 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>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,122,740	\$ 6,611,744
Changes of Assumptions	3,153,799	6,882,007
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		4,017
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	9,053,135	1,476,485
Contributions made Subsequent to the Measurement Date	<u>-</u>	<u>-</u>
Total	<u>\$ 13,329,674</u>	<u>\$ 14,974,253</u>

At December 31, 2023 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>
2024	\$ (1,092,417)
2025	(1,093,518)
2026	179,348
2027	656,236
2028	(52,314)
Thereafter	<u>(241,914)</u>
	<u>\$ (1,644,579)</u>

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

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Mortality Rates

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

Health Care Trends

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

Discount Rate

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

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

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, 2023 calculated using the discount rate of 3.65% 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 2.65% or 1-percentage-point higher 4.65% than the current rate:

<u>2023</u>	<u>1% Decrease 2.65%</u>	<u>Current Discount Rate 3.65%</u>	<u>1% Increase 4.65%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>28,201,135</u>	\$ <u>24,346,610</u>	\$ <u>21,246,239</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2023. 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, 2023 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>2023</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>20,691,754</u>	\$ <u>24,346,610</u>	\$ <u>29,025,943</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2023. 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, 2024 AND 2023**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

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

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

At December 31, 2023, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$354,422. For the year ended December 31, 2023 the plan has determined the State's proportionate share of the OPEB revenue attributable to the Borough for the OPEB special funding situation is \$64,264. At December 31, 2023, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the Borough was .01016 percent, which was a decrease of .00809 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .01825 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits. These on-behalf contributions have not been reported in the Borough's financial statements.

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, 2024 AND 2023**

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>
2024	\$ 40,000	\$ 16,567	\$ 173,651	\$ 3,795
2023	80,000	16,584	48,974	116,087
2022		16,399	24,044	65,038

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, 2024 and 2023. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2024 and 2023, the Borough reserved \$665,189 and \$489,656, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

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

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

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, 2024 and 2023, 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 \$2,091 and \$2,023 for 2024 and 2023, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$75,276 and \$78,897 for 2024 and 2023, respectively.

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

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

Vesting and Benefits

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

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

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

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

Reporting Requirements

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

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2024 and 2023, 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, 2024 and 2023 the Borough abated property taxes totaling \$49,084 and \$47,892, respectively under the LTTE program. The Borough received \$2,000 in PILOT payments under this program for the years ended December 31, 2024 and 2023.
- 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, 2024 and 2023 the Borough abated property taxes totaling \$83,000 and \$80,984, respectively under the FYEA program. The Borough received \$24,800 in PILOT payments under this program for the years ended December 31, 2024 and 2023.

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

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On May 21, 2025 Borough issued bond anticipation notes in the amount of \$20,000,000 to temporarily finance expenditures related to various capital projects. The Borough has awarded the sale of said notes to Piper Sandler at an interest rate of 3.50%. These notes dated May 22, 2025 will mature on May 21, 2025.

Debt Authorized

On April 8, 2025 the Borough adopted a bond ordinance authorizing the issuance \$4,160,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

CURRENT FUND

BOROUGH OF TENAFLY
STATEMENT OF CURRENT CASH - COLLECTOR-TREASURER

	<u>Current Fund</u>	
Balance, December 31, 2023	\$	10,042,465
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	\$	165,460
Taxes Liens Receivable		115,750,735
Revenue Accounts Receivable		3,827,092
Grants Receivable		25,394
Prepaid Taxes		685,805
Due To State - Senior Citizen and Veteran Deductions		33,750
Due To State - DCA Training Fees		35,937
Tax Overpayments		115,575
Unappropriated Reserve- State and Federal Grants		105,321
Due from General Capital Fund		1,180,854
Due from Animal Control Fund		1,271
Due from Other Trust Fund		80,326
Due from Other Trust Fund- Recreation		32,880
Miscellaneous Reserves		<u>8,315</u>
		<u>122,048,715</u>
		132,091,180
Decreased by Disbursements:		
2024 Budget Appropriations	30,739,883	
Appropriation Reserves	689,978	
Encumbrances Payable	837,414	
Accounts Payable	30,007	
Local District School Taxes	75,604,704	
County Taxes Payable	12,495,206	
County Added and Omitted Taxes	82,964	
Tax Overpayments	221,427	
Appropriated Reserve for State and Federal Grants	10,164	
Miscellaneous Reserves	32,950	
Payments to Other Trust Fund	69,580	
Payments to Municipal Open Space Trust Fund	410,563	
Payments to State - DCA Training Fees	<u>35,945</u>	
		<u>121,260,785</u>
Balance, December 31, 2024	\$	<u><u>10,830,395</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF CHANGE FUNDS**

	Balance, December 31, <u>2023</u>	Balance, December 31, <u>2024</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, 2023	\$ <u>8,736</u>
Balance, December 31, 2024	\$ <u><u>8,736</u></u>

EXHIBIT A-7

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

Balance, December 31, 2023		\$ 2,144
Increased by:		
Cash Receipts	\$ 33,750	
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>250</u>	
		<u>34,000</u>
		36,144
Decreased by:		
Senior Citizen Deductions per Tax Billing	\$ 2,750	
Veterans Deductions per Tax Billing	31,250	
Deductions Allowed by Tax Collector	<u>750</u>	
		<u>34,750</u>
Balance, December 31, 2024		<u><u>\$ 1,394</u></u>

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

<u>Year</u>	<u>Balance December 31, 2023</u>	<u>2024 Levy</u>	<u>Added Taxes</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collected in</u>		<u>Overpayments Applied</u>	<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance, December 31, 2024</u>
					<u>2023</u>	<u>2024</u>					
2023	\$ 705,359					\$ 705,321			\$ 38		-
2024	<u>-</u>	<u>\$ 116,065,378</u>	<u>\$ 575,239</u>	<u>\$ 250</u>	<u>\$ 587,953</u>	<u>115,040,837</u>	<u>-</u>	<u>\$ 34,750</u>	<u>126,487</u>	<u>\$ 762</u>	<u>\$ 850,078</u>
	<u>\$ 705,359</u>	<u>\$ 116,065,378</u>	<u>\$ 575,239</u>	<u>\$ 250</u>	<u>\$ 587,953</u>	<u>\$ 115,746,158</u>	<u>\$ -</u>	<u>\$ 34,750</u>	<u>\$ 126,525</u>	<u>\$ 762</u>	<u>\$ 850,078</u>

Analysis of 2024 Property Tax Levy

Tax Yield	
General Property Tax	\$ 116,065,378
Added Tax (R.S. 54:4-63.1 et seq.)	<u>575,239</u>
	<u>\$ 116,640,617</u>
Tax Levy	
Local District School Tax	\$ 75,604,704
County Tax - General	11,956,550
County Tax - Open Space	538,656
County Added and Omitted	62,150
Municipal Open Space and Added	<u>410,563</u>
	88,572,623
Local Tax for Municipal and Library	27,537,370
Additional Taxes	<u>530,624</u>
	<u>28,067,994</u>
	<u>\$ 116,640,617</u>

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

Balance, December 31, 2023	\$	<u>18,200</u>
Balance, December 31, 2024	\$	<u><u>18,200</u></u>

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2023	\$	3,815
Increased by:		
Transfer to Tax Title Liens - Current Year		<u>762</u>
		4,577
Decreased by:		
Cash Receipts		<u>4,577</u>
Balance, December 31, 2024	\$	<u><u>-</u></u>

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

	Balance, December 31, <u>2023</u>	Accrued in <u>2024</u>	<u>Realized</u>	Balance, December 31, <u>2024</u>
Borough Clerk				
Liquor Licenses		\$ 27,550	\$ 27,550	
Licenses - Other		870	870	
Fees and Permits - Other		45,907	45,907	
Board of Health				
Fees and Permits		1,802	1,802	
Licenses - Other		13,980	13,980	
Police Department				
Fees and Permits		18,227	18,227	
Alarm System Fees		35,735	35,735	
Planning Board/Board of Adjustment				
Fees and Permits		17,175	17,175	
Finance/Admin				
Fees and Permits		38,363	38,363	
Fire Prevention				
Fees and Permits		36,669	36,669	
DPW				
Fees and Permits		16,100	16,100	
Municipal Court				
Fines and Costs		111,865	111,865	
Uniform Construction Code				
Fees and Permits		789,921	789,921	
Fees and Permits- Other		34,729	34,729	
Interest and Costs on Taxes		196,125	196,125	
Energy Receipts Taxes		1,133,153	1,133,153	
Rental of Borough Owned Property		146,072	146,072	
Uniform Fire Safety Act (Life Hazard Use)		25,739	25,739	
Interest on Investments and Deposits		662,422	662,422	
Tax Exempt Sewer Fees		20,966	20,966	
Cable TV Franchise Fee		146,807	146,807	
Cell Tower/Monopole Lease		203,753	203,753	
Hotel Occupancy Fee (P.L. 2003, c. 114)		45,827	45,827	
Payment in Lieu of Taxes - Tenafly House		26,800	26,800	
Use of Sewer System Agreements	-	30,535	30,535	-
	<u>-</u>	<u>\$ 3,827,092</u>	<u>\$ 3,827,092</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 3,827,092</u>	<u>\$ 3,827,092</u>	<u>\$ -</u>

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2023</u>	Accrued	Cash <u>Receipts</u>	Balance, December 31, <u>2024</u>
Drunk Driving Enforcement Fund	\$ 1,270			\$ 1,270
Firefighter Grant	29,000	\$ 52,000		81,000
Recycling Tonnage Grant		22,058	\$ 22,058	-
Municipal Alliance	9,267	4,507	3,336	10,438
	<u>\$ 39,537</u>	<u>\$ 78,565</u>	<u>\$ 25,394</u>	<u>\$ 92,708</u>

**BOROUGH OF TENAFLY
STATEMENT OF 2023 APPROPRIATION RESERVES**

	Balance, December 31, <u>2023</u>	Budget After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 11,758	\$ 11,758	\$ 6,000		\$ 5,758
Mayor and Council	962	962			962
Municipal Clerk	4,372	4,372	850		3,522
Elections	16,056	12,204	6,000		6,204
Financial Administration	4,954	4,954			4,954
Revenue Administration	16,490	29,615			29,615
Planning Board	198	198			198
Police Department	115,646	85,646	84,709		937
Volunteer Fire Company - (Fire Prevention)	4,433	4,433	4,212		221
Fire Department	1,500	1,500			1,500
Streets & Roads	293,672	224,580		\$ 100,000	124,580
Recycling	1,654	2,554	2,536		18
Buildings & Grounds	1,446	1,446	491		955
Recreation	74,277	74,277	1,313		72,964
Senior Citizens Center	6,059	6,059			6,059
Senior Services Coordinator	1,365	1,415	1,400		15
Senior Services Transportation	17,998	16,348	2,668		13,680
Construction Code Official	4,721	4,721			4,721
Director of Building Department	5,166	5,166	808		4,358
Municipal Court	2,489	2,489	2,352		137
Municipal Library-Building Maintenance	9,571	9,571	9,571		-
Payroll Adjustment/Terminal Leave	210,596	310,596	212,786	97,810	-
Other Expenses					
General Administration	19,365	19,365	8,848		10,517
Municipal Clerk	22,049	22,049	2,186		19,863
Postage	321	321			321
Photocopy Expense	960	960	182		778
Human Resources	5,610	5,611			5,611
Mayor & Council	1,187	2,954			2,954
Elections	6,145	6,146			6,146
Financial Administration/Audit	4,355	4,355	2,750		1,605
Revenue Administration	6,269	6,269	3,255		3,014
Tax Assessment Administration	23,999	23,999	98		23,901
Legal Services & Costs	42,538	42,538	12,992		29,546
Engineering	31,853	31,853	12,452		19,401
Historic Preservation	10,067	10,067	-		10,067
Planning Board	7,888	7,888	2,599		5,289
Zoning Board of Adjustment	11,863	11,863	2,869		8,994
Insurance - Group Insurance for Employees	75,045	78,897	78,897		-
Unemployment	109,027	109,027	630		108,397
Deductible	500	1,193	1,193		-
Liability Insurance	4,283	3,839			3,839
Worker Compensation Insurance	455	455			455
Municipal Court	4,433	4,433			4,433
Public Defender	50	50			50
Municipal Prosecutor	1,400	1,400			1,400
Emergency Management Services	2,426	2,446			2,446
Aid to Volunteer Fire Company - (Fire Prevention)	5,071	5,705			5,705
Aid to Volunteer Ambulance Corp	17,456	17,456	2,902		14,554
Police	25,527	25,527	6,762		18,765

BOROUGH OF TENAFLY
STATEMENT OF 2023 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</u>	Total Modified <u>Budget</u>	<u>Expended</u>	Transfer to <u>Reserves</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Fire Department	\$ 53,803	\$ 53,803	\$ 11,487		\$ 42,316
Fire Hydrant Service	553	553	138		415
Streets & Roads	25,871	25,871	20,144		5,727
Recycling	5,609	6,309	6,162		147
Solid Waste Contract Collections	5,000	5,000	3,600		1,400
Building & Grounds	8,254	8,254	5,901		2,353
Public Health	27,123	31,473			31,473
Environmental Commission	1,577	1,577	679		898
Animal Control	2,558	2,558			2,558
Recreation	6,370	6,370			6,370
Senior Citizens Center	1,309	1,369			1,369
Senior Services Coordinator	175	175			175
Downtown Committee	2,290	2,290	189		2,101
Welcome Committee	288	288	31		257
Senior Citizens Transportation	1,012	1,012			1,012
Stigma Free Events	4,495	4,495	473		4,022
Celebration of Public Events	472	472			472
Construction Code Official	13,388	13,388	4,320		9,068
Director of Building Department	1,010	1,196			1,196
Electricity	11,302	11,302	9,854		1,448
Street Lighting	76	76			76
Telephone	10,903	11,343			11,343
Natural Gas	25,250	26,377			26,377
Gasoline	52,223	52,223	7,456		44,767
BCUA Disposal Fees	742	20,924			20,924
Social Security System (O.A.S.I.)	52,870	52,870		\$ 38,978	13,892
Defined Contribution Retirement Program	4,662	4,662	913		3,749
Police & Firemen's Retirement System	1	1			1
Library Building Maintenance	15,052	15,052	15,052		-
Maintenance of Free Public Library	110,121	110,121	110,121		-
Recycling Tonnage Grant	13,536	13,536	13,536		-
OPIOID Grant	9,262	9,262	5,500	3,762	-
Stigma Free Grant	1,087	1,087		1,087	-
Firefighter Grant	290	290		290	-
Municipal Alliance on Alcoholism and Reserve for Tax Appeals	1,871	1,871	1,871		-
	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
	<u>\$ 1,915,930</u>	<u>\$ 1,958,980</u>	<u>\$ 691,738</u>	<u>\$ 441,927</u>	<u>\$ 825,315</u>

Appropriation Reserves
Prior Year Encumbrances

\$ 1,915,930
43,050
1,958,980

Cash Disbursed \$ 689,978
Accounts Payable 1,760
\$ 691,738

Analysis

Transfer to Appropriated Reserve-Grants	\$ 5,139
Transfer to Terminal Leave- Due to Other Trust Fund	100,000
Transfer to Accounts Payable	136,788
Transfer to Reserve for Tax Appeals	<u>200,000</u>
	<u>\$ 441,927</u>

**BOROUGH OF TENAFLY
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2023		\$ 880,464
Increased by:		
Charged to 2024 Budget Appropriations		<u>1,061,422</u>
		1,941,886
Decreased by:		
Transferred to Appropriation Reserves	\$ 43,050	
Cash Disbursements	<u>837,414</u>	
		<u>880,464</u>
Balance, December 31, 2024		<u><u>\$ 1,061,422</u></u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES

Balance, December 31, 2023		\$ 587,953
Increased by:		
Collection of 2025 Taxes		<u>685,805</u>
		1,273,758
Decreased by:		
Applied to 2024 Taxes		<u>587,953</u>
Balance, December 31, 2024		<u><u>\$ 685,805</u></u>

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

Increased by:		
Levy - Calendar Year 2024		\$ <u>75,604,704</u>
Decreased by:		
Payments		\$ <u><u>75,604,704</u></u>

EXHIBIT A-17

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
Levy- General County - 2024	\$ 11,956,550	
Levy- Open Space Preservation - 2024	<u>538,656</u>	
		\$ <u>12,495,206</u>
Decreased by:		
Payments		\$ <u><u>12,495,206</u></u>

EXHIBIT A-18

STATEMENT OF DUE TO COUNTY FOR ADDED AND OMITTED TAXES

Balance, December 31, 2023		\$ 81,624
Increased by:		
County Share of Added and Omitted Taxes - 2024		<u>62,150</u>
		143,774
Decreased by:		
Payments		<u>82,964</u>
Balance, December 31, 2024		\$ <u><u>60,810</u></u>

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

Increased by:			
Tax Levy- 2024	\$	408,537	
Added and Omitted Taxes - 2024		<u>2,026</u>	
			\$ <u>410,563</u>
Decreased by:			
Cash Disbursed			<u>\$ 410,563</u>

EXHIBIT A-20

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2023			\$ 165,267
Increased by:			
Cash Receipts			<u>115,575</u>
			280,842
Decreased by:			
Cash Disbursements			<u>221,427</u>
Balance, December 31, 2024			<u>\$ 59,415</u>

EXHIBIT A-21

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2023			\$ 99,592
Increased by:			
Transfer from Appropriation Reserves			<u>138,548</u>
			238,140
Decreased by:			
Cancelled	\$	28,610	
Cash Disbursements		<u>30,007</u>	
			<u>58,617</u>
Balance, December 31, 2024			<u>\$ 179,523</u>

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

	Balance, December 31, 2023	Transfer From Appropriation Reserves	Cash Disbursed	Cancelled	Balance, December 31, 2024
Body Armor Replacement Grant	\$ 211		\$ 211		
Recycling Tonnage Grant	15,638		8,699		\$ 6,939
Clean Communities Grant	1,668		820		848
Green Communities	5,000			\$ 5,000	-
Click It or Ticket	10,548		-		10,548
JIF Grant	3,789		-		3,789
Police DWI	4,435		434		4,001
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
OPIOID Grant		\$ 3,762			3,762
Stigma Free Grant		1,087			1,087
Firefighter Grant		290			290
County Share	2		-	2	-
NJLM Sustainable Jersey Small Cities Grant	5,000	-	-	5,000	-
	<u>\$ 126,350</u>	<u>\$ 5,139</u>	<u>\$ 10,164</u>	<u>\$ 65,867</u>	<u>\$ 55,458</u>

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance, December 31, 2023	Cash Receipts	Decreased By:	Balance, December 31, 2024
Clean Communities	\$ 33,631	\$ 38,199	\$ 33,631	\$ 38,199
Insurance Reimb. - Acq. Of Police Car	25,295	-	-	25,295
Municipal Relief - State Aid	116,801	-	116,801	-
JIF Safety Grant	1,750	1,750	1,750	1,750
DOJ Bullet Proof Vest	2,622	-	2,622	-
Body Armor	2,676	2,849	2,676	2,849
American Rescue Plan	102,999	-	102,999	-
Mid-Bergen Regional Grant	12,679	-	12,679	-
Stormwater Assistance Grant	-	15,000	-	15,000
Opioid Grant	15,194	47,523	15,194	47,523
	<u>\$ 313,647</u>	<u>\$ 105,321</u>	<u>\$ 288,352</u>	<u>\$ 130,616</u>
Current Fund Anticipated Revenue			<u>\$ 288,352</u>	

**BOROUGH OF TENAFLY
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2023</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Balance, December 31, <u>2024</u>
Reserve for:				
State Library Aid	\$ 8,483	\$ 8,315	\$ 8,483	\$ 8,315
Tax Appeals	<u>489,656</u>	<u>200,000</u>	<u>24,467</u>	<u>665,189</u>
	<u>\$ 498,139</u>	<u>\$ 208,315</u>	<u>\$ 32,950</u>	<u>\$ 673,504</u>
Appropriation Reserves		\$ 200,000		
Cash Receipts		<u>8,315</u>		
		<u>\$ 208,315</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>2023</u>	Budget 1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2024</u>
12/21/2020	Covid 19 Related Revenue Deficit	<u>\$ 200,000</u>	<u>\$ 120,000</u>	<u>\$ 40,000</u>	<u>\$ 80,000</u>
		<u>\$ 200,000</u>	<u>\$ 120,000</u>	<u>\$ 40,000</u>	<u>\$ 80,000</u>

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

Balance, December 31, 2023	\$ 8,270
Increased by:	
Cash Receipts	<u>35,937</u>
	44,207
Decreased by:	
Cash Disbursements	<u>35,945</u>
Balance, December 31, 2024	<u>\$ 8,262</u>

TRUST FUNDS

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

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Recreation Activities Trust Fund</u>	<u>Municipal Open Space Preservation Trust Fund</u>
Balance, December 31, 2023	\$ 21,586	\$ 7,241,042	\$ 116,087	\$ 467,630	\$ 3,167,541
Increased by Receipts:					
Animal License Fees - Borough Share	\$ 9,946				
Dog License Fees - State Share	796				
Miscellaneous Reserves		\$ 1,019,551			
Employee Contributions			\$ 16,567		
Budget Appropriation			40,000		
Municipal Open Space Tax Levy					\$ 410,563
Affordable Housing Trust		821,417			
Escrow Deposits- Construction Fees		227,675			
Payroll Deductions Payable		5,841,096			
Net Payroll		9,122,622			
Recreation Activities				\$ 466,877	
Receipts from Current Fund		69,580			
Receipts from General Capital					156,494
Interest on Deposits	<u>1,151</u>	<u>77,972</u>	<u>4,792</u>	<u>30,401</u>	<u>132,315</u>
	<u>33,479</u>	<u>24,420,955</u>	<u>177,446</u>	<u>964,908</u>	<u>699,372</u>
	33,479	24,420,955	177,446	964,908	3,866,913
Decreased by:					
Reserve for Animal Expenditures	13,721				
State Share - Dog Licenses	796				
Miscellaneous Reserves		821,695			
Payroll Deductions Payable		5,840,580			
Net Payroll		9,122,622			
Affordable Housing Trust		220,486			
Reserve for Unemployment Claims			93,816		
Recreation Activities				412,530	
Reserve for Municipal Open Space Trust					15,000
Escrow Deposits- Construction Fees		192,517			
Payments to Current Fund	1,271	80,326		32,880	
Payments to General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066,500</u>
	<u>15,788</u>	<u>16,278,226</u>	<u>93,816</u>	<u>445,410</u>	<u>1,081,500</u>
Balance, December 31, 2024	<u>\$ 17,691</u>	<u>\$ 8,142,729</u>	<u>\$ 83,630</u>	<u>\$ 519,498</u>	<u>\$ 2,785,413</u>

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

Balance, December 31, 2023		\$	21,466
Increased by:			
Animal License Fees		\$ 8,837	
Cat License Fees		717	
Miscellaneous Fees		<u>392</u>	
			<u>9,946</u>
			31,412
Decreased by:			
Cash Disbursements		<u>13,721</u>	
			<u>13,721</u>
Balance, December 31, 2024		\$	<u><u>17,691</u></u>

Animal License Fees Collected

<u>Year</u>	
2022	10,613
2023	<u>9,682</u>
	<u>\$ 20,295</u>

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

Increased by:			
Payments		\$	<u>796</u>
Decreased by:			
State Fees Collected		\$	<u><u>796</u></u>

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

Balance, December 31, 2023	\$	120
Increased by:		
Interest on Deposits		1,151
		1,271
Decreased by:		
Payments to Current Fund		1,271
Balance, December 31, 2024	\$	-

EXHIBIT B-7

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

Balance, December 31, 2023	\$	116,087
Increased by:		
Employee Deductions	\$ 16,567	
Interest on Deposits	4,792	
Budget Appropriation	40,000	
		61,359
		177,446
Decreased by:		
Unemployment Claims		173,651
Balance, December 31, 2024	\$	3,795

EXHIBIT B-8

**STATEMENT OF DUE TO STATE
OTHER TRUST FUND - UNEMPLOYMENT**

Balance, December 31, 2023	\$	-
Increased by:		
Unemployment Claims		173,651
		173,651
Decreased by:		
Cash Disbursements		93,816
Balance, December 31, 2024	\$	79,835

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

Balance, December 31, 2023	\$	69,580
Increased by:		
Transfer from Appropriation Reserves- Terminal Leave	\$ 100,000	
Payments to Current Fund	<u>54,875</u>	
		<u>154,875</u>
		224,455
Decreased by:		
Interest Earned on Deposits	54,875	
Receipts from Current Fund	<u>69,580</u>	
		<u>124,455</u>
Balance, December 31, 2024	\$	<u><u>100,000</u></u>

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

Balance, December 31, 2023	\$	4,155
Increased by:		
Cash Receipts		<u>9,122,622</u>
		9,126,777
Decreased by:		
Cash Disbursements		<u>9,122,622</u>
Balance, December 31, 2024	\$	<u><u>4,155</u></u>

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

Balance, December 31, 2023	\$	13,883
Increased by:		
Cash Receipts		5,841,096
		5,854,979
Decreased by:		
Cash Disbursements		5,840,580
Balance, December 31, 2024	\$	14,399

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

Balance, December 31, 2023	\$	424,104
Increased by:		
Cash Receipts		227,675
		651,779
Decreased by:		
Cash Disbursements		192,517
Balance, December 31, 2024	\$	459,262

BOROUGH OF TENAFLY
STATEMENT OF MISCELLANOUS RESERVES
OTHER TRUST FUND

	Balance, <u>December 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	Balance, <u>December 31, 2024</u>
Alcohol Education and Rehabilitation	\$ 19,239	-	\$ 800	\$ 18,439
Benches	-	\$ 2,500		2,500
Borough "Events"	11,641	13,750	15,674	9,717
Burial Permits	3,520	-	-	3,520
Confiscated Funds	6,547	-	10	6,537
Covid-19 Donations Trust	3,946	-	-	3,946
Davis Johnson Park	9,668	8,217	11,231	6,654
Dog Park Trust	560			560
Environmental Trust	712	760		1,472
Fire Dedicated Penalty Trust	1,572	-	-	1,572
Fire Penalty Fund	6,866	654		7,520
HPC	718	-	-	718
Ice Rink	4,499	295	30	4,764
L.E.A.D. Donations Trust	4,244	1,245		5,489
Lost Money - Found	3,465	15	-	3,480
Marriage License/Domestic Partners Trust	1,557	850	950	1,457
Parking Permit Trust	4,325	-	-	4,325
Planning Board / Board of Adjustment Developer - Escrow	224,275	328,416	95,900	456,791
POAA	3,745	352		4,097
Police Donations	7,568	22,335	5,827	24,076
Police Outside Duty	13,522	51,700	42,778	22,444
Police Video Cameras	2,150	136		2,286
Premium on Tax Sale	230,208	87,700	159,100	158,808
Reserve for Terminal Leave	561,026	100,000	109,808	551,218
Security Deposits/Refundable Deposits	27,080	-	-	27,080
Shade Tree Trust Fund	\$ 181,583	\$ 61,159	\$ 58,114	\$ 184,628
State Training Fees	120	-	-	120
Storm Trust	431,119	2,025	50,054	383,090
Street Opening Escrow Bonds	7,433	-	-	7,433
Tax Title Lien Redemptions	7,575	-	-	7,575
Teen Center/Teen Camp	44,970	64,241	56,815	52,396
Tenafly Community Night	5,944	4,111	4,930	5,125
Tree Escrow Bonds	853,115	366,890	209,674	1,010,331
Uniform Construction Code Penalties	24,195	2,200	-	26,395
	<u>\$ 2,708,707</u>	<u>\$ 1,119,551</u>	<u>\$ 821,695</u>	<u>\$ 3,006,563</u>
Cash Receipts		\$ 1,019,551		
Due from/to Current Fund		100,000		
Cash Disbursements		<u>-</u>	<u>\$ 821,695</u>	
		<u>\$ 1,119,551</u>	<u>\$ 821,695</u>	

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

Balance, December 31, 2023		\$	3,167,541
Increased by:			
Tax Levy - 2024	\$	408,537	
Added and Omitted Taxes		2,026	
Cancellation of Capital Ordinance		130,142	
Interest Earned on Deposits		<u>132,315</u>	
			<u>673,020</u>
			3,840,561
Decreased by:			
Appropriated to Finance Improvement Authorization		1,066,500	
Cash Disbursement		<u>15,000</u>	
			<u>1,081,500</u>
Balance, December 31, 2024		\$	<u><u>2,759,061</u></u>

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

Balance, December 31, 2023		\$	4,153,725
Increased by:			
Cash Receipts			<u>821,417</u>
			4,975,142
Decreased by:			
Cash Disbursement			<u>220,486</u>
Balance, December 31, 2024		\$	<u><u>4,754,656</u></u>

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

Balance, December 31, 2023	\$	465,121
Increased by:		
Cash Receipts		466,877
		931,998
Decreased by:		
Cash Disbursements		412,530
Balance, December 31, 2024	\$	519,468

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

Balance, December 31, 2023	\$	30
Balance, December 31, 2024	\$	30

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

Balance, December 31, 2023	\$	2,479
Increased by:		
Interest Earnings		30,401
		32,880
Decreased by:		
Payments to Current Fund		32,880
Balance, December 31, 2024	\$	-

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

Balance, December 31, 2023	\$	66
Increased by:		
Interest Earnings		1,278
		1,344
Decreased by:		
Payments to Current Fund		1,344
Balance, December 31, 2024	\$	-

EXHIBIT B-20

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

Balance, December 31, 2023	\$	3,724
Balance, December 31, 2024	\$	3,724

EXHIBIT B-21

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

Balance, December 31, 2023	\$	834
Increased by:		
Interest Earnings		8,110
		8,944
Decreased by:		
Payments to Current Fund		8,944
Balance, December 31, 2024	\$	-

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

Balance, December 31, 2023	\$	1,147
Increased by:		
Interest Earnings		9,214
		10,361
Decreased by:		
Payments to Current Fund		10,361
Balance, December 31, 2024	\$	-

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

Balance, December 31, 2023	\$	59
Increased by:		
Interest Earnings		697
		756
Decreased by:		
Payments to Current Fund		756
Balance, December 31, 2024	\$	-

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

Balance, December 31, 2023		\$	22
Increased by:			
Interest Earnings			227
			249
Decreased by:			
Payments to Current Fund			249
Balance, December 31, 2024		\$	-

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

Balance, December 31, 2023		\$	226
Increased by:			
Interest Earnings			3,571
			3,797
Decreased by:			
Payments to Current Fund			3,797
Balance, December 31, 2024		\$	-

GENERAL CAPITAL FUND

BOROUGH OF TENAFLY
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2023		\$ 6,328,794
Increased by Receipts:		
Interest on Investments	\$ 418,243	
Capital Improvement Fund	235,000	
Grant Receipts	383,627	
Current Fund - Budget Appropriation	675,000	
Municipal Open Space - Ordinance Authorization	1,066,500	
Bond Anticipation Notes	4,350,845	
Premium on the Sale of Notes	133,172	
Board of Education	<u>17,338</u>	
		<u>7,279,725</u>
		13,608,519
Decreased by Disbursements:		
Improvement Authorizations	2,512,988	
Contracts Payable	1,203,096	
Bond Anticipation Notes- Payments	744,845	
Payments to Municipal Open Space	156,494	
Payments to Current Fund	<u>1,180,854</u>	
		<u>5,798,277</u>
Balance, December 31, 2024		<u>\$ 7,810,242</u>

BOROUGH OF TENAFLY
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2024</u>
Fund Balance		\$ 393,808
Grant / Other Receivables		(106,692)
Due From Municipal Open Space		(26,352)
Contracts Payable		5,412,793
Capital Improvement Fund		133,295
Excess Note Proceeds		17,338
Reserve for Payment of Debt		383,627
Receipts from Insurance Proceeds		46,245
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Description</u>	
15-08	Various Capital Improvements	21,092
16-07	Various Capital Improvements	10,171
17-09	Various Capital Improvements	149,328
18-06	Various Capital Improvements	166,051
18-09	Supplemental Ord. #18-06 Various Capital Improvements	49,761
19-04	Various Road Improvements	92,019
19-11	Various Capital Improvements	198,803
19-20	Borough Hall ADA Restroom Improvements	50,032
20-01	Various Capital Improvements	93,842
20-06	Upgrade of the Aviary Center	88,015
20-07	Various Capital Improvements	953,865
21-03	Various Capital Improvements	357,609
21-11	Various Capital Improvements	502,724
21-19	Various Capital Improvements	1,252
21-20	Tropical Storm Ida Road Improvement Project	1,020,988
22-07	Various Capital Improvements	(538,780)
22-10	Various Capital Improvements	(1,128,383)
23-03	Froggy Park Sign Spinner	3,168
23-04	Swim Club Improvements	40,500
23-05	Various Capital Improvements	566,640
23-10/23-15	Various Capital Improvements	659,616
23-12	Recreation Area at the Old Skate Park and Tiger Cage Turf	160,000
23-13	Supplemental of 22-07 - Purchase of Equipment	116,245
23-21	Supplemental of 22-10 - Various Capital Improvements	92,500
24-06	Various Public Improvements and Acquisitions	(2,143,375)
24-09	Various Municipal Open Space Improvements	158,007
24-23	Stormwater Study	80,000
24-26	Supplemental of 24-23/23-27; Outdoor Accessories	30,000
24-35	Townwide Surveillance Cameras	8,580
24-36	Replacement of Sewer Line on West Railroad	(304,090)
		<u>\$ 7,810,242</u>

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

		Balance, December 31, <u>2023</u>	Grants Awards	Balance, December 31, <u>2024</u>
<u>Bergen County/County Open Space Trust</u>				
Ord. 15-06 Cooperative Curb Ramp Program	Ord.	\$ 1,893		\$ 1,893
Ord. 17-09 Park and Field Improvements	Reserve	7,528		7,528
Ord. 19-20 Borough Hall ADA Restroom Impvts.	Reserve	51,000		51,000
Ord. 19-21 ADA Walkway at Roosevelt Commons	Ord.	1,540		1,540
Ord. 22-11 ADA Walkway at Oresko Park	Ord.	16,221		16,221
Ord. 23-04 Swim Club Improvements	Ord.	<u>87,038</u>	<u>-</u>	<u>87,038</u>
		<u>165,220</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	114,457		114,457
Ord. 22-07 - 2022 Road Improvement Project	Reserve	51,500	-	51,500
Ord. 24-06 Multipurposed Ordinance	Reserve	<u>-</u>	<u>\$ 248,240</u>	<u>248,240</u>
		<u>443,957</u>	<u>248,240</u>	<u>692,197</u>
		<u>\$ 609,177</u>	<u>\$ 248,240</u>	<u>\$ 857,417</u>
			Offset by Reserve \$ 750,725	
			Unfunded	<u>106,692</u>
				<u>\$ 857,417</u>

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

Balance, December 31, 2023	\$ 11,761,000
Decreased by:	
Budget Appropriations to Pay Bonds	<u>2,025,000</u>
Balance, December 31, 2024	<u>\$ 9,736,000</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2023	2024 Authorizations	Board of Education Reimbursement	Funded by Budget Appropriation	Balance, December 31, 2024	Analysis of Balance December 31, 2024		Unexpended Improvement
							Funded by Bond Anticipation Notes	Expended	
20-01	Various Capital Improvements	\$ 1,532,662		\$ 17,338	\$ 67,706	\$ 1,447,618	\$ 1,447,618		
20-07	Various Capital Improvements	3,244,000			273,787	2,970,213	2,970,213		
21-03	Various Capital Improvements	2,307,000				2,307,000	2,307,000		
21-11	Various Capital Improvements	2,603,408				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	3,191,085			33,507	3,157,578	3,157,578		
22-07	Various Capital Improvements	1,120,850			300,000	820,850		\$ 538,780	282,070
22-10	Various Capital Improvements	1,732,000				1,732,000		1,128,383	603,617
23-05	Various Capital Improvements	1,576,000				1,576,000	1,576,000		
23-10	Various Capital Improvements	2,122,000				2,122,000	2,122,000		
23-13	Purchase of Equipment	204,000				204,000	200,845		3,155
23-21	Various Capital Improvements	452,000				452,000	452,000		-
24-06	Various Capital Improvements		\$ 3,548,000			3,548,000		2,143,375	1,404,625
24-36	Replacement of Sewer Line on West Railroad	-	475,000	-	-	475,000	-	304,090	170,910
		<u>\$ 20,132,605</u>	<u>\$ 4,023,000</u>	<u>\$ 17,338</u>	<u>\$ 675,000</u>	<u>\$ 23,463,267</u>	<u>\$ 16,882,662</u>	<u>\$ 4,114,628</u>	<u>\$ 2,465,977</u>
					Bond Anticipation Notes	\$ 16,900,000			
					Less Excess Note Proceeds:				
					Ord. #20-01	\$ 17,338			
							17,338		
							<u>\$ 16,882,662</u>		
					Improvement Authorizations- Unfunded				\$ 6,831,258
					Less: Unexpended Bond Anticipation Note Proceeds				
					Ord. #20-01		93,842		
					Ord. #20-07		953,865		
					Ord. #21-03		357,609		
					Ord. #21-11		502,724		
					Ord. #21-19		1,252		
					Ord. #21-20		1,020,988		
					Ord. #23-05		566,640		
					Ord. #23-10		659,616		
					Ord. #23-13		116,245		
					Ord. #23-21		92,500		
									<u>4,365,281</u>
									<u>\$ 2,465,977</u>

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

94

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturity of Bonds Outstanding December 31, 2024</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2023</u>		<u>Balance, December 31, 2024</u>	
			<u>Date</u>	<u>Amount</u>			<u>Decreased</u>		
2017 General Improvement Bonds	5/1/2017	\$ 8,526,000	5/1/2025	\$ 1,125,000	2.000%				
			5/1/2026	1,130,000	2.000%				
			5/1/2027	1,146,000	3.000%	\$ 4,526,000	\$ 1,125,000	\$ 3,401,000	
2022 General Improvement Bonds	9/15/2022	8,135,000	9/15/2025-2027	1,000,000	3.000%				
			9/15/2028	1,100,000	4.000%				
			9/15/2029	1,110,000	4.000%				
			9/15/2030	1,125,000	4.000%				
						<u>7,235,000</u>	<u>900,000</u>	<u>6,335,000</u>	
						<u>\$ 11,761,000</u>	<u>\$ 2,025,000</u>	<u>\$ 9,736,000</u>	
					Budget Appropriation		<u>\$ 2,025,000</u>		

**BOROUGH OF TENAFLY
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. Number	Improvement Description	Date	Ordinance		Balance, December 31, 2023		2024		Paid or	Balance, December 31, 2024	
			Amount	Funded	Unfunded	Authorization	Cancellation	Charged	Funded	Unfunded	
15-08	Various Capital Improvements	4/28/2015	\$ 1,601,113	\$ 139,000					\$ 117,908	\$ 21,092	
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	334,922			\$ 122,704	62,890		149,328	
17-23	Tenakill/Tenaflly 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	385,612				72,841	146,720	166,051	
18-09	Supplemental #18-06 Various Capital Improvements	6/12/2018	475,000	277,772				228,011		49,761	
19-04	Various Road Improvements	3/12/2019	750,000	116,623				96,357	(71,753)	92,019	
19-11	Various Capital Improvements	5/7/2019	2,728,000	220,386				102,185	(80,602)	198,803	
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		\$ 69,224				(24,618)	\$ 93,842	
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		1,011,634				57,769		953,865
21-03	Various Capital Improvements	2/23/2021	2,423,230		381,114				23,505		357,609
21-11	Various Capital Improvements	5/11/2021	2,955,476		481,839				(20,885)		502,724
21-19	Various Capital Improvements	10/5/2021	50,000		2,852						2,852
21-20	Tropical Storm Ida Road Improvement Project	10/5/2021	3,500,000		1,035,100				14,112		1,020,988
22-03	Various Capital Improvements	3/8/2022	290,000	179,600				90,478	89,122		
22-07	Various Capital Improvements	4/26/2022	1,830,150		754,450				472,380		282,070
22-10	Various Capital Improvements	5/24/2022	1,819,621		776,096				172,479		603,617
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					4,982	(522)	
22-25	Oresko Park Approach Slab & Railing Replacement	12/20/2022	55,000	55,000					26,352	28,648	
23-02	Various Capital Improvements	4/18/2023	115,000	69,967					19,820	50,147	
23-03	Froggy Park Sign Spinner	4/18/2023	10,000	3,168							3,168
23-04	Swim Club Improvements	4/18/2023	398,475	363,475						322,975	40,500
23-05	Various Capital Improvements	4/18/2023	1,655,736		636,800				70,160		566,640
23-10/23-15	Various Capital Improvements	5/23/2023	2,228,480		1,519,966				860,350		659,616
23-12	Recreation Area at the Old Skate Park and Tiger Cage Turf	5/23/2023	245,000	245,000					85,000	160,000	
23-13	Supplemental of 22-07 - Purchase of Equipment	5/23/2023	215,000	10,400	204,000				95,000		119,400
23-21	Supplemental of 22-10 - Various Capital Improvements	8/7/2023	475,000	15,500	452,000				375,000		92,500
23-27	Various Capital Improvements	11/20/2023	854,775	854,775					22,733	832,042	
24-06	Various Public Improvements and Acquisitions	5/7/2024	3,725,500			\$ 3,725,500			2,320,875		1,404,625
24-09	Various Municipal Open Space Improvements	5/7/2024	766,500			766,500			608,493	158,007	
24-22	Supplemental of 23-04 - Swim Club Security Cameras, Other Im	9/3/2024	300,000			300,000			300,000		
24-23	Stormwater Study	9/19/2024	333,500			333,500			253,500	80,000	
24-26	Supplemental of 24-23/23-27; Outdoor Accessories	10/1/2024	260,000			260,000			230,000	30,000	
24-35	Townwide Surveillance Cameras	12/17/2024	214,576			214,576			205,996	8,580	
24-36	Replacement of Sewer Line on West Railroad	12/17/2024	500,000	-	-	500,000			329,090	-	170,910
			<u>\$ 3,601,985</u>	<u>\$ 7,325,075</u>	<u>\$ 6,100,076</u>	<u>\$ 964,570</u>	<u>\$ 7,925,781</u>	<u>\$ 1,305,527</u>	<u>\$ 6,831,258</u>		
					Capital Improvement Fund	\$ 202,500					
					Reappropriation - Funded	808,076					
					Municipal Open Space	1,066,500					
					Deferred Charges Unfunded	<u>4,023,000</u>					
						<u>\$ 6,100,076</u>					
					Cash Disbursements	\$ 2,512,988					
					Contracts Payable	<u>5,412,793</u>					
						<u>\$ 7,925,781</u>					

95

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

Balance, December 31, 2023		\$ 100,795
Increased by:		
Budget Appropriation		<u>235,000</u>
		335,795
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>202,500</u>
Balance, December 31, 2024		<u><u>\$ 133,295</u></u>

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2023		\$ 462,611
Increased by:		
Fund Balance Realized as Budget Revenue	300,000	
Interest on Investments	<u>418,243</u>	
		<u>718,243</u>
Decreased by:		
Cash Disbursements		<u>1,180,854</u>
Balance, December 31, 2024		<u><u>\$ -</u></u>

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

Balance, December 31, 2023		\$ -
Increased by:		
Cash Receipts	\$ 1,066,500	
Cancellation - Ord. 19-16/22-11	<u>130,142</u>	
		<u>1,196,642</u>
		1,196,642
Decreased by:		
Appropriation to Finance Improvement Authorizations	1,066,500	
Cash Disbursements	<u>156,494</u>	
		<u>1,222,994</u>
Balance, December 31, 2024 - Due From		<u><u>\$ 26,352</u></u>

STATEMENT OF CONTRACTS PAYABLE

Balance, December 31, 2023		\$ 1,203,096
Increased by:		
Contract Awards		<u>5,412,793</u>
		6,615,889
Decreased by:		
Cash Disbursements		<u>1,203,096</u>
Balance, December 31, 2024		<u><u>\$ 5,412,793</u></u>

**BOROUGH OF TENAFLY
STATEMENT OF RESERVE FOR DEBT SERVICE**

Increased by:	
Grant Receipts	<u>\$ 383,627</u>
Balance, December 31, 2024	<u>\$ 383,627</u>

STATEMENT OF RESERVE FOR INSURANCE PROCEEDS

Balance, December 31, 2023	<u>\$ 46,245</u>
Balance, December 31, 2024	<u>\$ 46,245</u>

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

<u>Ord. #</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Amount of Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
20-01	Various Capital Improvements	5/27/2021	\$ 1,550,000	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	\$ 1,550,000	\$ 1,464,956	\$ 1,550,000	\$ 1,464,956
20-07	Various Capital Improvements	5/27/2021	3,243,500	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	3,244,000	2,970,213	3,244,000	2,970,213
21-03	Various Capital Improvements	11/29/2022	2,307,000	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	2,307,000	2,307,000	2,307,000	2,307,000
21-11	Various Capital Improvements	11/29/2022	2,814,000	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	2,814,000	2,603,408	2,814,000	2,603,408
21-19	Various Capital Improvements	11/29/2022	46,000	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	46,000	46,000	46,000	46,000
21-20	Tropical Storm Ida Road Improvement Project	5/27/2021	3,333,000	5/24/2023 5/23/2024	5/24/2024 5/22/2025	4.25 % 4.50	3,333,000	3,157,578	3,333,000	3,157,578
23-05	Various Capital Improvements	5/23/2024	1,576,000	5/23/2024	5/22/2025	4.50 %		1,576,000		1,576,000
23-10	Various Capital Improvements	5/23/2024	2,122,000	5/23/2024	5/22/2025	4.50 %		2,122,000		2,122,000
23-13	Various Capital Improvements	5/23/2024	200,845	5/23/2024	5/22/2025	4.50 %		200,845		200,845
23-21	Various Capital Improvements	5/23/2024	452,000	5/23/2024	5/22/2025	4.50 %	-	452,000	-	452,000
							<u>\$ 13,294,000</u>	<u>\$ 16,900,000</u>	<u>\$ 13,294,000</u>	<u>\$ 16,900,000</u>
								\$ 12,549,155	\$ 12,549,155	
								4,350,845		
									369,845	
								-	375,000	
							<u>\$ 16,900,000</u>	<u>\$ 13,294,000</u>		

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

Ord. No.	Improvement Description	Balance, December 31, <u>2023</u>	2024 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Budget <u>Appropriation</u>	Balance, December 31, <u>2024</u>
<u>General Improvements</u>						
21-19	Various Capital Improvements	\$ 1,600				\$ 1,600
22-07	Various Capital Improvements	1,120,850			\$ 300,000	820,850
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		200,845		3,155
23-21	Various Capital Improvements	452,000	-	452,000	-	-
24-06	Various Capital Improvements		\$ 3,548,000			3,548,000
24-36	Replacement of Sewer Line on West Railroad	-	475,000	-	-	475,000
		<u>\$ 7,208,450</u>	<u>\$ 4,023,000</u>	<u>\$ 4,350,845</u>	<u>\$ 300,000</u>	<u>\$ 6,580,605</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
GARY J. VINCI, CPA, RMA, PSA
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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, which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated June 24, 2025. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of 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.

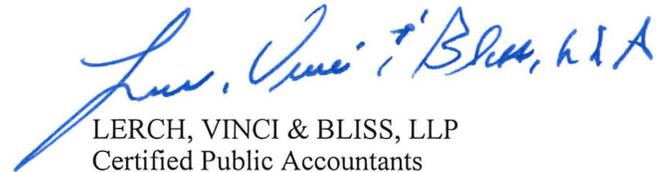
Report on Compliance and Other Matters

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.

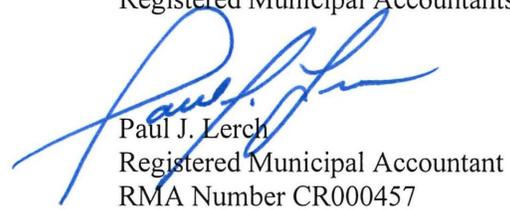
However, we noted a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Borough of Tenafly in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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
June 24, 2025



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY U.S. UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Tenafly's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Borough of Tenafly's major federal programs for the year ended December 31, 2024. The Borough of Tenafly's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Tenafly complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Borough of Tenafly's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Borough of Tenafly's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Tenafly's compliance based on our audit. 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, audit requirements prescribed by the U.S. Uniform Guidance and will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Tenafly's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the U.S. Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough of Tenafly's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Tenafly's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of the Borough of Tenafly's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

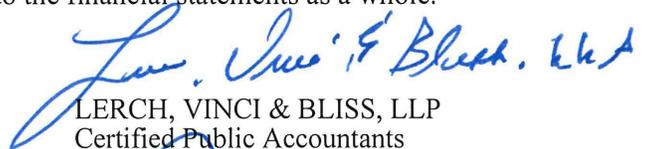
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

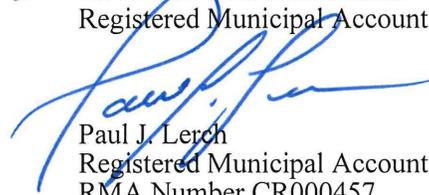
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance

We have audited the financial statements - regulatory basis of the Borough of Tenafly, which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis, statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements and have issued our report thereon dated June 24, 2025, which contained a modified opinion on those financial statements prepared in accordance with the regulatory basis of accounting because the LOSAP Trust Fund has not been audited and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
June 24, 2025

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

<u>Federal Grant Program</u>	<u>State Grant Program</u>	<u>Grant Year</u>	<u>Federal AL Number</u>	<u>Award Amount</u>	<u>2024 Grant Receipts</u>	<u>Balance December 31, 2023</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance December 31, 2024</u>	<u>(Memo) Cumulative Expenditures</u>
<u>US Department of Justice</u>										
Bulletproof Vest	N/A	2023	N/A	\$ 2,622	\$ 2,622		\$ 2,622	\$ 2,622		\$ 2,622
<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	29,000		290			290	28,710
ARPPFG Firefighter Grant	N/A	2024	N/A	52,000			52,000	51,792	208	51,792
Fiscal Recovery Funding - Non-Entitlement Units (Passed through State Division of Local Government Services)										
Operating Budget	N/A	2021	21.027	1,512,775						
General Capital Ord. 22-03, 22-23, 23-02, 23-27, 24-26						1,108,802	102,999	102,999	-	102,999
						<u>1,108,802</u>	<u>-</u>	<u>1,108,802</u>	<u>-</u>	<u>1,203,835</u>
						<u>\$ 1,119,640</u>	<u>\$ 157,621</u>	<u>\$ 1,266,215</u>	<u>\$ 11,046</u>	

Note: This schedule was 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, 2024**

<u>State Grant Program</u>	<u>State Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2024 Grant Receipts</u>	<u>Balance, December 31, 2023</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment/ Cancellations</u>	<u>Balance, December 31, 2024</u>	<u>(Memo) Cumulative Expended</u>
<u>Division of Criminal Justice</u>										
Body Armor Grant	066-1020-718-001	2020	\$ 3,354		\$ 211		\$ 211		-	\$ 3,354
		2023	2,676			\$ 2,676	2,675		1	2,675
		2024		\$ 2,849						
<u>Department of Environmental Protection</u>										
Clean Communities Program	042-4900-765-004	2018	28,504		1,668		820		848	27,656
		2023	33,631			33,631	32,768		863	32,768
		2024		38,199						
Recycling Tonnage Grant	042-4900-752-001	2021	24,603		15,638		8,699		6,939	17,664
		2023	22,677		13,536		13,536		-	22,677
		2024	22,058	22,058		22,058	22,058		-	22,058
Green Communities	Not Available	2012	3,000		3,000			\$ 3,000	-	
		2017	2,000		2,000			2,000	-	
Municipal Stormwater Program	Not Available	2024	15,000	15,000						
<u>Pass Thru - Bergen County</u>										
Municipal Alliance on Alcoholism and Drug Abuse	Not Available	2017	4,938		4,188				4,188	750
		2023	7,612		1,871		1,871		-	7,612
		2024	4,507	3,336		4,507	1,211		3,296	1,211
									-	
									-	
<u>Division of Highway-Traffic Safety</u>										
Drunk Driving Enforcement Fund	1110-448-031020-22	2020	4,946		3,295		434		2,861	2,085
		2021	2,270		1,140				1,140	1,130
<u>Department of Transportation</u>										
Ordinance #18-06, 18-09	078-6320-480-xxxx	2018	383,627	383,627		383,627	383,627		-	383,627
Ordinance #19-11		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		114,547				114,547	104,453
Ordinance #22-07		2022	206,000		51,500				51,500	154,500
Ordinance #22-07		2024	248,240		-	248,240	-	-	248,240	
					\$ 490,594	\$ 694,739	\$ 467,910	\$ 5,000	\$ 712,423	

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, 2024**

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	\$ 157,621	\$ 62,872	\$ 220,493
General Capital Fund	<u>-</u>	<u>631,867</u>	<u>631,867</u>
Total Financial Awards	<u>\$ 157,621</u>	<u>\$ 694,739</u>	<u>\$ 852,360</u>

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 INDIRECT COST RATE

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

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

Part 2 – Schedule of Financial Statement Findings

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

There are none.

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

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

There are none.

CURRENT YEAR STATE AWARDS

Not Applicable.

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

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, 2024

**BOROUGH OF TENAFLY
SUPPLEMENTARY DATA**

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

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,750,000	2.19 %	\$ 2,635,000	2.18 %
Miscellaneous - From Other Than Local				
Property Tax Levies	5,187,236	4.13	4,965,937	4.10
Collection of Delinquent Taxes and Tax Title Liens	709,898	0.56	741,481	0.61
Collection of Current Tax Levy	115,663,290	92.01	112,198,260	92.68
Other Credits	<u>1,391,080</u>	<u>1.11</u>	<u>520,297</u>	<u>0.43</u>
Total Income	<u>125,701,504</u>	<u>100.00</u> %	<u>121,060,975</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	33,424,902	27.40	31,651,385	26.86 %
County Taxes	12,557,356	10.29	12,096,879	10.26
Local District School Taxes	75,604,704	61.97	73,231,494	62.13
Municipal Open Space Taxes	410,563	0.34	408,488	0.35
Other Expenditures	<u>3,724</u>	<u>0.00</u>	<u>471,288</u>	<u>0.40</u>
Total Expenditures	122,001,249	<u>100.00</u> %	117,859,534	<u>100.00</u> %
Excess in Revenue	3,700,255		3,201,441	
Fund Balance, January 1	<u>5,462,153</u>		<u>4,895,712</u>	
	9,162,408		8,097,153	
Less Utilization as Anticipated Revenue	<u>2,750,000</u>		<u>2,635,000</u>	
Fund Balance, December 31	<u>\$ 6,412,408</u>		<u>\$ 5,462,153</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>	2024	\$ 6,412,408	\$ 3,569,000
	2023	5,462,153	2,750,000
	2022	4,895,712	2,635,000

Comparative Schedule Of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>\$ 2.841</u>	<u>\$ 2.772</u>	<u>\$ 2.705</u>
<u>Apportionment of Tax Rate</u>			
Municipal (Including Municipal Library)	\$ 0.673	\$ 0.659	\$ 0.648
Municipal Open Space	0.010	0.010	0.010
County (Including Open Space)	0.307	0.297	0.284
Local School	1.851	1.806	1.763
<u>Assessed Valuation</u>			
2024	<u>\$ 4,085,370,500</u>		
2023		<u>\$ 4,056,905,500</u>	
2022			<u>\$ 4,036,371,900</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>
2024	\$	116,640,617	\$	115,663,290	99.16%
2023		113,232,335		112,415,333	99.28%
2022		109,653,034		107,866,113	98.37%

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>
2024	\$ 850,078	-	\$ 850,078	0.73%
2023	705,359	\$ 3,815	709,174	0.63%
2022	749,479	1,362	750,841	0.68%

**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
Jamie Cosair	Council Member	None
Venugopal Menon	Council Member	None
Adam Michaels	Council Member, Council President	None
Julie O'Connor	Council Member	None
Daniel Park	Council Member	None
John Roglieri	Council Member	None
Omar Stovall	Borough Clerk	None
David Fanslau	Borough Administrator (2/12/24-12/31/24)	None
Kevin Galland	Borough Administrator (1/1/24-1/4/24)	None
Susan Corrado	Chief Financial Officer/Tax Collector	\$ 1,000,000
Benjamin Choi	Municipal Court Judge	1,000,000
Dawn Quratola	Municipal Court Administrator	1,000,000
Robert Byrnes	Construction Code Official	None
Jeffrey Statham	Assessor	None
Stefanie Williams	Deputy Treasurer	None

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

GENERAL COMMENTS

Prior Year Comment Unresolved

There are none.

Current Year Comments

Our audit of unrecorded liabilities revealed that the not to exceed emergency contract awarded to Conquest Construction Inc. in the amount of \$500,000 was not encumbered when awarded. An audit adjustment for the actual cost of the project was made as it would materially affect the financial statements. It is recommended that the Borough encumber all contracts approved and awarded by Mayor and Council in a timely manner.

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 for the following items:

- | | |
|--|--|
| Salt Shed Superstructure Demolition Project | Jay/Piermont Road – Pedestrian Enhancement |
| Downtown Revitalization – Closure of Piermont Road | New Salt Dome |
| Roosevelt Commons Sport Court Improvements | Traffic Signal Maintenance |
| Police Department Auto Maintenance | Recycling of Leaves and Vegetative Waste |
| Municipal Field Beautification | Clinton Ave./Dean Drive Traffic Signal |
| HVAC Maintenance | Electrical Services |
| Fire Apparatus Repair | Park and Bench Supplies |

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 4, 2024.

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>
2024	0
2023	1
2022	1

Management Suggestions

- Continued efforts be made to review and collect grant receivable balances and uncollectible balances be cancelled accordingly.
- Pricing documentation supporting the itemized costs contained in the State contract purchasing agreements be included in purchase order packets and used to verify amounts charged by vendors.
- The balances accumulated for tree bonds should be reviewed for validity.

**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

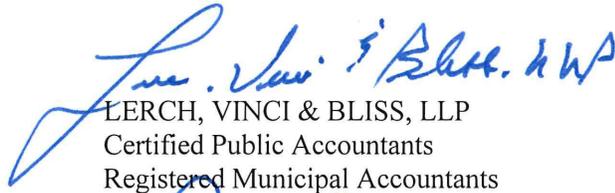
It is recommended that:

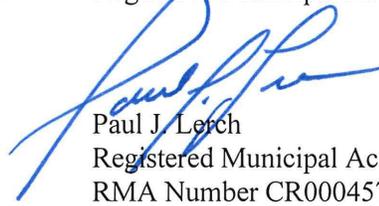
1. The Borough encumber all contracts approved and awarded by Mayor and Council in a timely manner.

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 #R25-416

OFFERED BY: _____ C. Michaels _____

SECONDED BY: _____ C. Corsair _____

At a Meeting of the Mayor and Council of the Borough of Tenafly, County of Bergen, State of New Jersey, held on August 4, 2025.

BE IT RESOLVED, herein listed is the Corrective Action Plan for the Borough of Tenafly for the year ended December 31, 2024.

CORRECTIVE ACTION PLAN
BOROUGH OF TENAFLY
BERGEN COUNTY, NJ
Audit Year Ended December 31, 2024

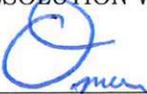
1. *The Borough encumber all contracts approved and awarded by the Mayor and Council in a timely matter.*

Analysis: An emergency contract was awarded at year-end by the Governing Body and the funds were not encumbered.

Corrective Action: Internal controls as required under Technical Accounting Directives and Local Public Contracts Law are being reviewed as they must be adhered to within the current encumbrance system to ensure compliance. The Purchasing Policy Manual has been updated and distributed to employees. As such when the Governing Body authorizes an award and execution of a contract, departments must reserve and commit the funds by encumbrance through an approved purchase order.

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

THIS IS TO CERTIFY THAT THE ABOVE RESOLUTION WAS ADOPTED BY THE MAYOR AND COUNCIL ON AUGUST 4, 2025.



Omar Stovall, MPA, RMC, CMR
Borough Clerk