

BOROUGH OF PEAPACK AND GLADSTONE

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

BOROUGH OF PEAPACK AND GLADSTONE

TABLE OF CONTENTS

Part I

Independent Auditor's Report 1-3

Exhibit

Current Fund

Comparative Balance Sheet – Regulatory Basis A
Comparative Statement of Operations and Change in Fund
Balance – Regulatory Basis A-1
Statement of Revenues – Regulatory Basis A-2
Statement of Expenditures – Regulatory Basis A-3

Trust Fund

Comparative Balance Sheet – Regulatory Basis B
Schedule of Cash – Treasurer B-1

General Capital Fund

Comparative Balance Sheet – Regulatory Basis C
Comparative Statement of Fund Balance – Regulatory Basis C-1

Sewer Utility Operating Fund

Comparative Balance Sheet – Regulatory Basis D
Comparative Statement of Operations and Change in Fund
Balance – Regulatory Basis D-1
Comparative Statement of Capital Fund Balance – Regulatory Basis D-2
Statement of Revenues – Regulatory Basis D-3
Statement of Expenditures – Regulatory Basis D-4

Public Assistance Trust Fund

Comparative Balance – Regulatory Basis E
Schedule of Cash – Treasurer E-1
Schedule of Reserve for Public Assistance E-2
Schedule of Reserve for Public Assistance Revenues – 2012 E-3

General Fixed Assets Account Group

Comparative Balance Sheet – Regulatory Basis F

Page

Notes to Financial Statements 34-65

BOROUGH OF PEAPACK AND GLADSTONE

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
<u>Part I (Continued)</u>	
<u>Supplementary Data</u>	
Comparative Statement of Operations and Change in Fund Balance – Current Fund	67
Comparative Statement of Operations and Change in Fund Balance – Sewer Utility Operating Fund	68
Comparative Schedule of Tax Rate Information	69
Comparison of Tax Levies and Collection Currently	69
Delinquent Taxes and Tax Title Liens	70
Property Acquired by Tax Title Lien Liquidation	70
Comparison of Sewer Utility Levies	70
Comparative Schedule of Fund Balances	71
Officials in Office and Surety Bonds	72
<u>Current Fund</u>	<u>Schedule</u>
Schedule of Cash – Treasurer	A-4
Schedule of Cash – Tax Collector	A-5
Schedule of Change Funds	A-6 N/A
Schedule of Petty Cash	A-7 N/A
Schedule of Amount Due from State of New Jersey for Senior Citizens' and Veterans' Deductions	A-8
Schedule of Taxes Receivable and Analysis of 2013 Property Tax Levy	A-9
Schedule of Tax Title Liens	A-10
Schedule of Property Acquired for Taxes - Assessed Valuation	A-11
Schedule of Revenue Accounts Receivable	A-12
Schedule of Interfund Accounts Receivable	A-13
Schedule of Other Accounts Receivable	A-14
Schedule of Deferred Charges	A-15
Schedule of Appropriation Reserves – 2012	A-16
Schedule of Reserve for Encumbrances	A-17
Schedule of Interfund Accounts Payable	A-18
Schedule of Prepaid Taxes	A-19
Schedule of Tax Overpayments	A-20
Schedule of Reserve for Tax Appeals Pending	A-21
Schedule of Reserve for Funds – Appropriated	A-22
Schedule of Reserve for Funds – Unappropriated	A-23
Schedule of Other Liabilities and Reserves	A-24
Schedule of Local Open Space, Regional School District and County Taxes	A-25
Schedule of Amount Due From Current Fund To Federal and State Grants Fund	A-26

BOROUGH OF PEAPACK AND GLADSTONE

TABLE OF CONTENTS
(CONTINUED)

	<u>Schedule</u>
<u>Part I (Continued)</u>	
<u>Current Fund (Continued)</u>	
Schedule of Federal and State Aid Receivable	A-27
Schedule of Appropriated Reserves for Federal and State Grants	A-28
Schedule of Unappropriated Reserves for Federal and State Grants	A-29
Schedule of Reserve for Encumbrances for Federal and State Grants	A-30
<u>Trust Fund</u>	
Schedule of Interfund Accounts Receivable	B-2
Schedule of Interfund Accounts Payable	B-3
Schedule of Reserve for Animal Control Fund Expenditures	B-4
Schedule of Amount Due to State Board of Health	B-5
Schedule of Prepaid License Fees	B-6N/A
Schedule of Amount Due to State of New Jersey	B-7
Reserve for Special Deposits	B-8
Schedule of Reserve for Encumbrances	B-9
<u>General Capital Fund</u>	
Schedule of Cash – Treasurer	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation – Funded	C-4
Schedule of Deferred Charges to Future Taxation – Unfunded	C-5
Schedule of Deferred Charges to Future Taxation – Canceled Federal and State Aid Receivable	C-6
Schedule of Federal and State Aid Receivable	C-7
Schedule of Interfund Accounts Receivable	C-8
Schedule of Improvement Authorizations	C-9
Schedule of Reserve for Encumbrances	C-10
Schedule of Capital Improvement Fund	C-11
Schedule of Capital Reserves	C-12
Schedule of Interfund Accounts Payable	C-13
Schedule of Reserve for Federal and State Aid Receivable	C-14
Schedule of Serial Bonds	C-15
Schedule of NJDEP Open Space Acquisition Loans	C-16
Schedule of Bond Anticipation Notes	C-17
Schedule of Bonds and Notes Authorized but not Issued	C-18

BOROUGH OF PEAPACK AND GLADSTONE

TABLE OF CONTENTS
(CONTINUED)

	<u>Schedule</u>
<u>Part I (Continued)</u>	
<u>Supplementary Date (Continued)</u>	
<u>Sewer Utility Fund</u>	
Schedule of Cash – Treasurer	D-5
Analysis of Sewer Capital Cash	D-6
Schedule of Cash – Sewer Collector	D-7
Schedule of Interfund Accounts Receivable	D-8
Schedule of Sewer Utility Consumers' Accounts Receivable	D-9
Schedule of Sewer Liens Receivable	D-10N/A
Schedule of Deferred Charges – Operating Deficit	D-11N/A
Schedule of Fixed Capital	D-12
Schedule of Fixed Capital Authorized and Uncompleted	D-13
Schedule of Wastewater Treatment Trust Loans Receivable	D-14N/A
Schedule of Federal and State Aid Receivable	D-15N/A
Schedule of Appropriation Reserves – 2012	D-16
Schedule of Reserve for Encumbrances	D-17
Schedule of Interfund Accounts Payable	D-18
Schedule of Utility Charges Overpayments	D-19
Schedule of Accrued Interest on Bonds	D-20
Schedule of Accrued Interest on Loans	D-21N/A
Schedule of Accrued Interest on Notes	D-22N/A
Schedule of Improvement Authorizations	D-23
Schedule of Reserve For Encumbrances	D-24N/A
Schedule of Capital Improvement Fund	D-25
Schedule of Capital Reserves	D-26
Schedule of Reserve for Amortization	D-27
Schedule of Deferred Reserve for Amortization	D-28
Schedule of Bonds Payable	D-29
Schedule of NJBIT Loans Payable	D-30N/A
Schedule of Bond Anticipation Notes	D-31N/A
Schedule of Bonds and Notes Authorized but not Issued	D-32N/A
<u>Public Assistance Trust Fund</u>	
Schedule of Public Assistance Expenditures – 2013	E-4N/A
Schedule of Amount Due to Current Fund	E-5

BOROUGH OF PEAPACK AND GLADSTONE

TABLE OF CONTENTS
(CONTINUED)

<u>Part I (Continued)</u>	<u>Page</u>
<u>Part I (Continued)</u>	
<u>Reports Pursuant to 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 "Governmental Auditing Standards"	151-152
	<u>Schedule</u>
Schedule of Expenditures of Federal Awards for the Year Ended December 31, 2013	A
Schedule of Expenditures of State Financial Assistance for the Year Ended December 31, 2013	B
<u>Single Audit Section (Continued)</u>	
	<u>Page</u>
Notes to Schedules of Expenditures of Awards and Financial Assistance Year Ended December 31, 2013	155
Schedules of Findings and Responses	
Part 1 Summary of Auditor's Reports	N/A
Part 2 Schedule of Financial Statement Findings	N/A
Part 3 Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	N/A
Summary Schedule of Prior-year Audit Findings and Questioned Costs as Prepared by Management	N/A
<u>Part II</u>	
General Comments and Recommendations	157-161

INDEPENDENT AUDITOR'S REPORT

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Peapack and Gladstone
County of Somerset, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Peapack and Gladstone as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not

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for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Borough of Peapack and Gladstone on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, the budget laws of New Jersey, which is a basis of accounting other than accounting principals generally accepted in the United States of America, to meet the requirements of New Jersey.

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.

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 on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Peapack and Gladstone as of December 31, 2015, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note of the financial statements, the Borough of Peapack and Gladstone participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$454,844.51 and \$411,098.34 for 2015 and 2014 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough of Peapack and Gladstone as of December 31, 2015 and December 31, 2014, and the results of operations and changes in fund balances – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2015, in accordance with financial reporting provisions described in Note 1.

Other Matters

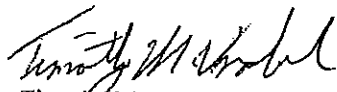
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements Of the Borough of Peapack and Gladstone, in the County of Somerset, State of New Jersey, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance as required by Title 2 U.S Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and supplemental schedules presented in the Supplementary Data Section are presented for purposes of additional analysis and are not required part of the financial statements.

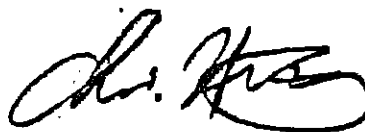
The Schedules of Expenditures of Federal Awards and State Financial Assistance and the supplemental schedules presented in the Supplementary Data Section required by the Division of Local Governments Services is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all materials respects in relation the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have issued our report dated March 11, 2016 on our consideration of the Borough of Peapack and Gladstone'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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Peapack and Gladstone's internal control over financial reporting and compliance.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
March 11, 2016

SECTION A
CURRENT FUND

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
General Fund:			
Cash - Treasurer	A-4	\$ 4,067,530.92	\$ 4,102,606.56
Change Fund	A-6	150.00	125.00
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-8	<u>3,456.22</u>	<u>3,456.22</u>
		<u>4,071,137.14</u>	<u>4,106,187.78</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	207,201.77	130,305.11
Property Acquired for Taxes - Assessed Valuation	A-11	139,900.00	139,900.00
Revenue Accounts Receivable	A-12	7,554.41	6,161.22
Interfunds Accounts Receivable	A-13	<u>35,480.90</u>	<u>26,018.28</u>
		<u>390,137.08</u>	<u>302,384.61</u>
Deferred Charges :			
Special Emergency Authorization	A-15	<u>68,000.00</u>	<u>85,000.00</u>
		<u>4,529,274.22</u>	<u>4,493,572.39</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-26	94,592.90	90,496.86
Federal and State Aid Receivable	A-27	<u>39,750.00</u>	<u>46,750.00</u>
		<u>134,342.90</u>	<u>137,246.86</u>
		<u>\$ 4,663,617.12</u>	<u>\$ 4,630,819.25</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Liabilities :			
Appropriation Reserves	A-3,16	\$ 435,531.14	\$ 312,740.39
Reserve for Encumbrances	A-17	238,696.70	295,714.00
Interfunds Accounts Payable	A-18	717,172.93	959,621.45
Prepaid Taxes	A-19	119,999.20	71,154.78
Tax Overpayments	A-20	7,667.61	13,998.45
Reserve for Funds - Appropriated	A-22	58,807.03	66,655.67
Reserve for Funds - Unappropriated	A-23	9,425.00	3,075.00
Other	A-24	50.00	6,513.88
Regional School District Taxes Payable	A-25	1,263.14	1,263.14
County Taxes Payable	A-25	-	11,206.70
		<u>1,588,612.75</u>	<u>1,741,943.46</u>
Reserve for Receivables and Other Assets		390,137.08	302,384.61
Fund Balance	A-1	<u>2,550,524.39</u>	<u>2,449,244.32</u>
		<u>4,529,274.22</u>	<u>4,493,572.39</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-28	120,270.82	114,059.95
Unappropriated Reserves	A-29	13,001.13	12,336.91
Reserves for Encumbrances	A-30	<u>1,070.95</u>	<u>10,850.00</u>
		<u>134,342.90</u>	<u>137,246.86</u>
		<u>\$ 4,663,617.12</u>	<u>\$ 4,630,819.25</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance Utilized	A-2	\$ 2,100,000.00	\$ 2,000,000.00
Miscellaneous Revenue Anticipated	A-2	492,594.41	598,102.05
Receipts from Delinquent Taxes	A-2	130,305.11	285,036.89
Receipts from Current Taxes	A-2	13,113,988.14	12,935,886.43
Non - Budget Revenue	A-2	707,528.15	266,130.24
Other Credits to Income :			
Unexpended Balance of Appropriation			
Reserves Lapsed	A-16	243,174.85	319,764.50
Total Income		<u>16,787,590.66</u>	<u>16,404,920.11</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	1,940,914.00	1,965,838.00
Other Expenses	A-3	2,200,052.00	2,248,330.00
Deferred Charges and Statutory Expenditures	A-3	418,485.54	397,062.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	11,518.43	28,515.00
Other Expenses	A-3	80,885.05	81,397.21
Capital Improvements	A-3	80,000.00	40,000.00
Debt Service	A-3	332,265.00	337,607.34
Deferred Charges - Municipal	A-3	17,000.00	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
(CONCLUDED)

<u>Expenditures (Continued)</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Refund of Prior Year Revenue			\$ 600.00
Prior Year Senior Citizen Deduction Disallowed		-	250.00
Interfund Advance	A-13	5,755.00	
Prior Year Tax Appeals Granted			5,482.48
Local Open Space Tax	A-25	211,356.18	205,665.63
Local Open Space Share of Added Taxes	A-25	816.22	833.96
Regional School District Tax	A-25	6,458,521.00	6,381,832.00
County Taxes	A-25	2,817,804.02	2,754,499.55
County Share of Added and Omitted Taxes	A-25	10,938.15	11,206.70
Total Expenditures		<u>14,586,310.59</u>	<u>14,459,119.87</u>
Excess in Revenue		2,201,280.07	1,945,800.24
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years		-	85,000.00
Fund Balance January 1	A	<u>2,201,280.07</u>	<u>2,030,800.24</u>
		<u>2,449,244.32</u>	<u>2,418,444.08</u>
Decreased by:		4,650,524.39	4,449,244.32
Utilized as Anticipated Revenue	A-1	<u>2,100,000.00</u>	<u>2,000,000.00</u>
Fund Balance December 31	A	<u>\$ 2,550,524.39</u>	<u>\$ 2,449,244.32</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated	Added by 40A-4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 2,100,000.00	-	\$ 2,100,000.00	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcohol Beverages	A-12	12,563.00	-	12,563.00	-
Fees and Permits:					
Construction Code Official	A-13	60,000.00	-	107,597.00	47,597.00
Municipal Court	A-12	60,000.00	-	89,245.07	29,245.07
Energy Receipts Tax	A-12	251,059.00	-	251,059.00	-
Public and Private Revenues Off-Set with Appropriations:					
Recycling Tonnage Grant	A-18	4,309.05	-	4,309.05	-
Drunk Driving Enforcement Fund	A-18	4,118.43	-	4,118.43	-
Clean Communities Program	A-18	6,144.09	-	6,144.09	-
Alcohol Education and Rehabilitation Fund	A-18	708.96	-	708.96	-
Body Armor Replacement Fund	A-18	1,174.81	-	1,174.81	-
Drive Sober or Get Pulled Over Grant	A-18	-	5,000.00	5,000.00	-
Distracted Driving Crackdown Grant	A-18	-	2,400.00	2,400.00	-
Somerset County DWI Grant	A-18	-	4,400.00	4,400.00	-
Donations:					
Police Equipment	A-23	3,075.00	-	3,075.00	-
Garden Club	A-4	-	800.00	800.00	-
Total Miscellaneous Revenues	A-1	403,152.34	12,600.00	492,594.41	76,842.07
Receipts from Delinquent Taxes	A-1,2	100,000.00	-	130,305.11	30,305.11
Amount to be raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,778,807.42	-	4,927,933.31	1,149,125.89
Budget Totals		6,381,959.76	12,600.00	7,650,832.83	1,256,273.07
Non-Budget Revenues		-	-	707,528.15	707,528.15
	Ref.	\$ 6,381,959.76	\$ 12,600.00	\$ 8,358,360.98	\$ 1,963,801.22

A-3

A-3

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

	<u>Ref.</u>		
<u>Analysis of Realized Revenue</u>			
Allocation of Current Tax Collections :			
2015 Taxes Collected in 2014	A-9	\$ 71,154.78	
2015 Taxes Collected in 2015	A-9	13,026,352.54	
State's Share of Senior Citizens' and Veterans' Deductions	A-9	14,000.00	
Prior Year Tax Appeals Applied	A-9	<u>2,480.82</u>	
	A-1	13,113,988.14	
Allocated to School and County Taxes	A-25	<u>9,499,435.57</u>	
		3,614,552.57	
Add : Reserve for Uncollected Taxes	A-3	<u>1,313,380.74</u>	
Amount for Support of Municipal Budget	A-2		<u>\$ 4,927,933.31</u>
Receipts from Delinquent Taxes :			
Prior Year Taxes Collected	A-9	<u>130,305.11</u>	
	A-2		<u>\$ 130,305.11</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONCLUDED)

	<u>Ref.</u>		
<u>Analysis of Non-Budget Revenue</u>			
Treasurer :			
Administrative Fee for Senior Citizens' and Veterans' Deductions		\$ 280.00	
LEA Rebate		6,925.10	
DMV Inspection Fines		3,980.00	
Payments in Lieu of Taxes		8,827.78	
Bedminster Shared Court Agreement		12,046.20	
Sale of Assets		500,000.00	
Reimbursements		11,076.73	
Miscellaneous		<u>1,536.87</u>	
	A-4		\$ 544,672.68
Tax Collector:			
Tax Searches		225.00	
Interest and Costs on Taxes		<u>41,177.97</u>	
	A-5		41,402.97
Revenue Accounts Receivable:			
Fees and Permits:			
Clerk	A-12	43,564.29	
Registrar of Vital Statistics	A-12	2,008.00	
Board of Health	A-12	4,385.00	
Police Chief	A-12	536.30	
Tax Assessor	A-12	180.00	
Uniform Fire Safety Bureau	A-12	2,476.00	
Zoning Official	A-12	1,600.00	
Rentals	A-12	39,043.43	
Interest on Deposits - Treasurer	A-12	4,592.38	
Interest on Deposits - Municipal Court - Regular	A-12	5.02	
Interest on Deposits - Municipal Court - Bail	A-12	<u>0.27</u>	
			98,390.69
Interfunds Accounts Receivable:			
Statutory Excess - Animal Control Fund	A-13	784.00	
Administrative Fees - Police Outside Duty	A-13	21,945.00	
Interest on Investments	A-13	<u>332.81</u>	
			<u>23,061.81</u>
	A-2		<u>\$ 707,528.15</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP"							
GENERAL GOVERNMENT :							
General Administration		\$ 34,850.00	\$ 34,850.00	\$ 34,330.00	\$ 520.00	\$ -	
Salaries and Wages		62,850.00	22,850.00	4,276.39	18,573.61		
Other Expenses		15,500.00	15,500.00	15,500.00	-		
Mayor and Borough Council		35,400.00	35,400.00	19,912.99	15,487.01		
Salaries and Wages		131,300.00	131,300.00	130,271.00	1,029.00		
Other Expenses		30,750.00	30,750.00	18,946.98	11,803.02		
Borough Clerk		100,451.00	100,622.00	100,622.00	-		
Salaries and Wages		12,130.00	12,130.00	9,452.07	2,677.93		
Other Expenses		25,500.00	25,500.00	25,500.00	-		
Financial Administration		2,500.00	2,500.00	2,500.00	-		
Salaries and Wages		31,500.00	31,500.00	26,013.53	5,486.47		
Other Expenses		78,190.00	78,190.00	78,190.00	-		
Audit Services		6,350.00	6,350.00	4,352.27	1,997.73		
Computer Information Technology		36,505.00	36,334.00	34,983.13	1,350.87		
Salaries and Wages		10,875.00	10,875.00	10,156.00	719.00		
Other Expenses		104,000.00	124,000.00	93,740.00	30,260.00		
Legal Services and Costs		55,000.00	56,200.00	56,200.00	-		
Other Expenses		2,600.00	2,600.00	2,600.00	-		
Municipal Court		35,000.00	55,000.00	46,932.61	8,067.39		
Salaries and Wages		1,750.00	1,750.00	1,500.00	250.00		
Other Expenses		10,590.00	10,590.00	6,593.01	3,996.99		
Engineering Services and Costs		30,415.00	30,415.00	19,230.63	11,184.37		
Other Expenses		10,000.00	10,000.00	8,644.00	1,356.00		
Cultural Heritage		450.00	450.00	338.67	110.33		
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Land Use Board							
Salaries and Wages							
Other Expenses							
Zoning Costs							
Salaries and Wages							
Other Expenses							
Revision of Master Plan (N.J.S.A. 40A: 4-55)							
INSURANCE:							
General Liability		122,000.00	122,000.00	112,627.49	9,372.51		
Worker's Compensation Insurance		30,839.00	30,839.00	29,839.00	1,000.00		
Group Insurance - Hospital and Medical		578,000.00	578,000.00	513,917.21	64,082.79		
Unemployment Compensation Insurance		2,000.00	2,000.00	2,000.00	-		

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP" (CONTINUED)							
PUBLIC SAFETY:							
Police		\$	\$	\$	\$	\$	\$
Salaries and Wages		873,800.00	872,600.00	828,134.18	44,465.82	-	-
Other Expenses		68,980.00	68,980.00	54,670.29	14,309.71	-	-
Purchase of Police Vehicles		35,000.00	35,000.00	35,000.00	-	-	-
Emergency Management Services							
Salaries and Wages		1,620.00	1,620.00	1,600.00	20.00	-	-
Other Expenses		7,950.00	7,950.00	3,998.81	3,951.19	-	-
Fire							
Salaries and Wages		6,600.00	6,600.00	6,600.00	-	-	-
Other Expenses		84,000.00	84,000.00	83,949.57	50.43	-	-
Aid to Volunteer Ambulance Company		60,000.00	60,000.00	60,000.00	-	-	-
Fire Official							
Salaries and Wages		14,404.00	14,404.00	13,492.00	912.00	-	-
Other Expenses		3,055.00	2,955.00	2,090.80	864.20	-	-
Fire Hydrant Service		88,000.00	88,100.00	80,706.78	7,393.22	-	-
PUBLIC WORKS FUNCTIONS:							
Road Repairs and Maintenance							
Salaries and Wages		221,678.00	221,678.00	203,683.65	17,994.35	-	-
Other Expenses		126,000.00	126,000.00	125,299.52	700.48	-	-
Shade Tree Commission							
Other Expenses		3,100.00	3,100.00	3,100.00	-	-	-
Garbage and Trash Removal							
Salaries and Wages		1,737.00	1,737.00	1,737.00	-	-	-
Other Expenses		93,500.00	93,500.00	86,352.92	7,147.08	-	-
Public Buildings and Grounds							
Salaries and Wages		205,712.00	205,712.00	191,427.10	14,284.90	-	-
Other Expenses		129,300.00	129,300.00	120,728.79	8,571.21	-	-
Vehicle Maintenance							
Other Expenses		40,000.00	40,000.00	38,002.46	1,997.54	-	-
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages		2,200.00	2,200.00	2,200.00	-	-	-
Other Expenses		27,483.00	27,483.00	27,465.93	17.07	-	-
Environmental Commission							
Other Expenses		8,000.00	8,000.00	7,982.95	17.05	-	-
Animal Control Regulations							
Other Expenses		6,100.00	6,100.00	6,092.32	7.68	-	-

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP" (CONTINUED)							
RECREATION AND EDUCATION :							
Recreation Services and Programs		\$ 33,602.00	\$ 33,602.00	\$ 33,597.00	\$ 5.00	\$ -	
Salaries and Wages		5,000.00	5,000.00	4,935.44	64.56		
Other Expenses							
Senior Citizen Program		10,000.00	9,500.00	3,985.32	5,514.68		
Salaries and Wages		7,000.00	7,500.00	7,105.00	395.00		
Other Expenses							
OTHER COMMON OPERATING FUNCTIONS:							
Accumulated Leave Compensation		10,000.00	10,000.00	10,000.00	-		
Salaries and Wages							
Celebration of Public Events:							
Other Expenses							
UTILITY EXPENSES AND BULK PURCHASES:							
Electricity		40,000.00	40,000.00	29,899.01	10,100.99		
Street Lighting		30,000.00	30,000.00	18,218.75	11,781.25		
Telephone and Telegraph		30,000.00	30,000.00	27,511.44	2,488.56		
Water		5,200.00	5,200.00	4,003.73	1,196.27		
Natural Gas		40,000.00	40,000.00	21,567.58	18,432.42		
Gasoline		55,000.00	55,000.00	30,474.19	24,525.81		
		76,125.00	76,125.00	54,848.38	21,276.62		
LANDFILL/SOLID WASTS DISPOSAL COSTS							
CODE ENFORCEMENT AND ADMINISTRATION:							
State Uniform Construction Code:							
Construction Official		85,175.00	85,175.00	73,476.46	11,698.54		
Salaries and Wages		6,350.00	6,350.00	5,510.98	839.02		
Other Expenses							
TOTAL OPERATIONS WITHIN "CAP"		4,138,966.00	4,138,966.00	3,718,618.33	420,347.67	2,000.00	
CONTINGENT		2,000.00	2,000.00	-	-	-	
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		4,140,966.00	4,140,966.00	3,718,618.33	422,347.67	-	
DETAIL :							
Salaries and Wages	A-1	1,941,414.00	1,940,914.00	1,837,765.85	103,148.15		
Other Expenses	A-1	2,199,552.00	2,200,052.00	1,880,852.48	319,199.52		
		4,140,966.00	4,140,966.00	3,718,618.33	422,347.67	-	

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Paid or Charged	Expended	Unexpended Balance
		Budget	Budget After Modification			
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees Retirement System - Regular		\$ 79,741.00	\$ 79,741.00	\$ 79,741.00	\$ -	\$ -
Public Employees Retirement System - Retro		978.54	978.54	978.54	-	-
Social Security System (O.A.S.I.)		158,000.00	158,000.00	149,059.91	8,940.09	-
Police and Firemen's Retirement System of N.J.		176,766.00	176,766.00	176,766.00	-	-
Defined Contribution Retirement Plan		3,000.00	3,000.00	473.38	2,526.62	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	418,485.54	418,485.54	407,018.83	11,466.71	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"						
		4,559,451.54	4,559,451.54	4,125,637.16	433,814.38	-
OPERATIONS EXCLUDED FROM "CAP"						
Length of Service Awards Program						
Fire Department		36,000.00	36,000.00	36,000.00	-	-
First Aid Squad		17,000.00	17,000.00	17,000.00	-	-
Maintenance of Library (N.J.S.A. 40:54-35)		2,100.00	2,100.00	1,872.03	227.97	-
Recycling Tax		4,500.00	4,500.00	3,032.76	1,467.24	-
Public and Private Programs Offset by Revenues:						
Recycling Tonnage Grant		4,309.05	4,309.05	4,309.05	-	-
Drunk Driving Enforcement Fund		4,118.43	4,118.43	4,118.43	-	-
Clean Communities Program		6,144.09	6,144.09	6,144.09	-	-
Alcohol Education and Rehabilitation Fund		708.96	708.96	708.96	-	-
Body Armor Replacement Fund		1,174.81	1,174.81	1,174.81	-	-
Drive Sober or Get Pulled Over Grant (N.J.S.A. 40A: 4-87)		5,000.00	5,000.00	5,000.00	-	-
Click It or Ticket Grant (N.J.S.A. 40A: 4-87)		2,400.00	2,400.00	2,400.00	-	-
Distracted Driving Crackdown Grant (N.J.S.A. 40A: 4-87)		4,400.00	4,400.00	4,400.00	-	-
Somerset County DWI Grant (N.J.S.A. 40A: 4-87)		3,075.00	3,075.00	3,053.45	21.55	-
Donations:						
Police Equipment		800.00	800.00	800.00	-	-
Garden Club (N.J.S.A. 40A: 4-87)		673.14	673.14	673.14	-	-
Library		79,803.48	92,403.48	90,686.72	1,716.76	-
Matching Funds For Grants:						
Municipal Alliance on Alcoholism and Drug Abuse		11,518.43	11,518.43	11,518.43	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAP"	A-1	75,685.05	80,885.05	79,168.29	1,716.76	-
DETAIL:						
Salaries and Wages		79,803.48	92,403.48	90,686.72	1,716.76	-
Other Expenses		-	-	-	-	-

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
		Budget						
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"								
Capital Improvement Fund	A-1	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"		80,000.00	80,000.00	80,000.00	80,000.00	-	-	-
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"								
Payment of Bond Principal		244,640.00	244,640.00	244,640.00	244,639.50			0.50
Interest on Bonds		79,884.00	79,884.00	79,884.00	79,884.00			
Interest on Notes		7,800.00	7,800.00	7,800.00	7,741.50			58.50
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	332,324.00	332,324.00	332,324.00	332,265.00			59.00
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"								
DEFERRED CHARGES:								
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	A-1	17,000.00	17,000.00	17,000.00	17,000.00			
TOTAL DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"		17,000.00	17,000.00	17,000.00	17,000.00			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"		509,127.48	509,127.48	521,727.48	519,951.72	1,716.76		59.00
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES		5,068,579.02	5,081,179.02	5,081,179.02	4,645,588.88	435,531.14		59.00
		1,313,380.74	1,313,380.74	1,313,380.74	1,313,380.74			
TOTAL GENERAL APPROPRIATIONS		6,381,959.76	6,394,559.76	6,394,559.76	5,958,969.62	435,531.14		59.00
Ref.							A	
Adopted Budget	A-2	\$ 6,381,959.76	\$ 6,381,959.76	\$ 6,381,959.76				
Added by N.J.S.A. 40A:4-87	A-2	12,800.00	12,800.00	12,800.00				
Cash Disbursed					4,360,963.70			
Less: Refunds					17,000.00			
Deferred Charges	A-4				238,696.70			
Reserve for Encumbrances	A-17				28,928.48			
Amount Due to Federal and State Grants Fund	A-18							
Reserve for Master Plan	A-22							
Reserve for Uncollected Taxes	A-2				1,313,380.74			
					\$ 5,958,969.62	\$ 435,531.14		\$ 59.00

SECTION B
TRUST FUND

BOROUGH OF PEAPACK AND GLADSTONE
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		<u>December 31,</u>	
<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Animal Control Fund :			
Cash - Treasurer	B-1	\$ 7,755.62	\$ 8,612.45
Amount Due from State Board of Health	B-5	<u>107.20</u>	<u>107.20</u>
		<u>7,862.82</u>	<u>8,719.65</u>
Other Funds :			
Cash - Treasurer	B-1	2,038,798.22	1,885,131.67
Interfunds Accounts Receivable	B-2	<u>622,580.03</u>	<u>822,874.59</u>
		<u>2,661,378.25</u>	<u>2,708,006.26</u>
		<u>\$ 2,669,241.07</u>	<u>\$ 2,716,725.91</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 454,844.51</u>	<u>\$ 411,098.34</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Animal Control Fund :			
Interfunds Accounts Payable	B-3	\$ 0.22	\$ 784.25
Reserve for Animal Control Fund Expenditures	B-4	7,845.80	7,927.60
Amount Due to State Board of Health	B-5	16.80	7.80
		<u>7,862.82</u>	<u>8,719.65</u>
Other Funds :			
Interfunds Accounts Payable	B-3	25,475.79	15,223.72
Amount Due to State of New Jersey	B-7	2,347.00	2,317.00
Reserve for Special Funds	B-8	2,633,555.46	2,690,465.54
		<u>2,661,378.25</u>	<u>2,708,006.26</u>
		<u>\$ 2,669,241.07</u>	<u>\$ 2,716,725.91</u>
Length of Service Award Program:			
Reserve for Qualified Participants (Unaudited)		<u>\$ 454,844.51</u>	<u>\$ 411,098.34</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION C
GENERAL CAPITAL FUND

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Cash - Treasurer	C-2	\$ 418,092.52	\$ 543,673.78
Deferred Charges to Future Taxation:			
Funded	C-4	5,021,238.97	3,978,969.15
Unfunded	C-5	264,000.00	1,424,000.00
Federal and State Aid Receivable	C-7	117,500.00	170,000.00
Interfund Accounts Receivable	C-8	-	46,250.00
		<u>\$ 5,820,831.49</u>	<u>\$ 6,162,892.93</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 4,874,000.00	\$ 3,804,000.00
NJDEP Open Space Acquisition Loan	C-16	147,238.97	174,969.15
Bond Anticipation Notes	C-17	97,000.00	1,191,000.00
Improvement Authorizations :			
Funded	C-9	366,184.20	384,410.31
Unfunded	C-9	168,043.62	418,670.36
Reserve for Encumbrances	C-10	47,869.26	143,185.55
Capital Improvement Fund	C-11	108,969.57	30,130.82
Capital Reserves	C-12	-	13,838.75
Interfund Accounts Payable	C-13	3.96	7.98
Fund Balance	C-1	11,521.91	2,680.01
		<u>\$ 5,820,831.49</u>	<u>\$ 6,162,892.93</u>

There were Bonds and Notes Authorized but not Issued in the amount of \$167,000.00 at December 31, 2015. See Schedule C-18 for analysis.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance December 31	C	\$ 2,680.01	\$ 27,128.12
Increased by :			
Premium on Sale of Bonds	C-2	8,841.90	
Improvement Authorizations Canceled in 2014		<u>-</u>	<u>135,551.89</u>
		11,521.91	162,680.01
Decreased by :			
Appropriated to 2014 Budget Revenue			110,000.00
Appropriated to Finance			
Improvement Authorizations		<u>-</u>	<u>50,000.00</u>
Fund Balance December 31	C	<u>\$ 11,521.91</u>	<u>\$ 2,680.01</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION D
SEWER UTILITY FUND

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Sewer Operating Fund:			
Cash - Treasurer	D-5	\$ 1,180,736.28	\$ 1,029,772.61
Interfunds Accounts Receivable	D-8	3.94	0.88
		<u>1,180,740.22</u>	<u>1,029,773.49</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	64,586.03	69,189.42
Total Sewer Operating Fund		<u>1,245,326.25</u>	<u>1,098,962.91</u>
Sewer Capital Fund :			
Cash - Treasurer	D-5	214,403.76	94,400.70
Fixed Capital	D-12	8,308,683.17	8,293,126.17
Fixed Capital Authorized and Uncompleted	D-13	89,600.00	89,600.00
Total Sewer Capital Fund		<u>8,612,686.93</u>	<u>8,477,126.87</u>
		<u>\$ 9,858,013.18</u>	<u>\$ 9,576,089.78</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY OPERATING FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Sewer Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 322,865.61	\$ 366,001.94
Reserve for Encumbrances	D-17	54,003.85	120,222.28
Utility Charges Overpayments	D-19	<u>404.32</u>	<u>380.15</u>
		377,273.78	486,604.37
Reserve for Receivables and Other Assets		64,586.03	69,189.42
Fund Balance	D-1	<u>803,466.44</u>	<u>543,169.12</u>
Total Sewer Operating Fund		<u>1,245,326.25</u>	<u>1,098,962.91</u>
Sewer Capital Fund :			
Interfund Accounts Payable	D-18	3.94	0.88
Improvement Authorizations - Funded	D-23	4,799.67	4,799.67
Capital Improvement Fund	D-25	151,486.27	31,486.27
Capital Reserves	D-26	38,359.57	38,359.57
Reserve for Amortization	D-27	8,308,683.17	8,293,126.17
Deferred Reserve for Amortization	D-28	89,600.00	89,600.00
Fund Balance	D-2	<u>19,754.31</u>	<u>19,754.31</u>
Total Sewer Capital Fund		<u>8,612,686.93</u>	<u>8,477,126.87</u>
		<u>\$ 9,858,013.18</u>	<u>\$ 9,576,089.78</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2015.

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Operating Fund Balance Utilized	D-1,3	\$ 120,000.00	\$ 319,293.00
Sewer Rents	D-3	1,241,186.94	1,266,427.14
Miscellaneous	D-3	21,013.77	15,828.56
Other Credits to Income :			
Unexpended Balance of Appropriation Reserves	D-16	<u>325,365.61</u>	<u>282,439.87</u>
Total Income		<u>1,707,566.32</u>	<u>1,883,988.57</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	D-4	1,123,398.00	1,160,928.00
Capital Improvements	D-4	150,000.00	30,000.00
Debt Service	D-4	-	275,400.00
Deferred Charges and Statutory Expenditures	D-4	<u>53,871.00</u>	<u>52,965.00</u>
Total Expenditures		<u>1,327,269.00</u>	<u>1,519,293.00</u>
Excess in Revenue		380,297.32	364,695.57
Fund Balance January 1	D	<u>543,169.12</u>	<u>497,766.55</u>
		923,466.44	862,462.12
Decreased by :			
Utilization by Sewer Operating Budget	D-1	<u>120,000.00</u>	<u>319,293.00</u>
Fund Balance December 31	D	<u>\$ 803,466.44</u>	<u>\$ 543,169.12</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
Fund Balance December 31	C	<u>\$ 19,754.31</u>	<u>\$ 19,754.31</u>
Fund Balance December 31	C	<u>\$ 19,754.31</u>	<u>\$ 19,754.31</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	D-1	\$ 120,000.00	\$ 120,000.00	\$ -
Rents	D-1,3	1,207,269.00	1,241,186.94	33,917.94
Miscellaneous	D-1,3	-	21,013.77	21,013.77
	D-4	<u>\$ 1,327,269.00</u>	<u>\$ 1,382,200.71</u>	<u>\$ 54,931.71</u>

Analysis of Realized Revenue

	<u>Ref.</u>		
<u>Rents :</u>			
Consumer Accounts Receivable	D-9	\$ 1,240,806.79	
Prepaid Sewer Charges Applied	D-9	<u>380.15</u>	
	D-3		<u>\$ 1,241,186.94</u>
<u>Miscellaneous :</u>			
Interest on Investments - Operating		\$ 967.09	
Connection Fees		13,950.00	
Miscellaneous		227.67	
Interest on Sewer Rents		<u>5,854.15</u>	
	D-5		20,998.91
Interfund Accounts Receivable	D-8		<u>14.86</u>
	D-3		<u>\$ 21,013.77</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF PEAPACK AND GLADSTONE

D-4

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget Appropriations	Transfers	Budget After Transfers	Paid or Charged	Expended	Reserved
Operating :							
Salaries and Wages		\$ 156,528.00		\$ 156,528.00	\$ 146,966.58	\$ 9,561.42	
Other Expenses		966,870.00		966,870.00	671,306.65	295,563.35	
Total Operating	D-1	<u>1,123,398.00</u>		<u>1,123,398.00</u>	<u>818,273.23</u>	<u>305,124.77</u>	
Capital Improvement :							
Capital Improvement Fund		120,000.00		120,000.00	120,000.00	-	
Capital Outlay		30,000.00		30,000.00	14,782.00	15,218.00	
Total Capital Improvement	D-1	<u>150,000.00</u>		<u>150,000.00</u>	<u>134,782.00</u>	<u>15,218.00</u>	
Deferred Charges and Statutory Expenditures :							
Contribution:							
Public Employees Retirement System		39,871.00		39,871.00	39,870.68	0.32	
Social Security (O.A.S.I.)		14,000.00		14,000.00	11,477.48	2,522.52	
Total Statutory Expenditures	D-1	<u>53,871.00</u>	-	<u>53,871.00</u>	<u>51,348.16</u>	<u>2,522.84</u>	
		\$ <u>1,327,269.00</u>	\$ -	\$ <u>1,327,269.00</u>	\$ <u>1,004,403.39</u>	\$ <u>322,865.61</u>	
Ref.	D-3						D
Disbursed Encumbrances				Ref.			
				D-5	\$ 950,399.54		
				D-17	<u>54,003.85</u>		
					\$ <u>1,004,403.39</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION E
PUBLIC ASSISTANCE FUND

BOROUGH OF PEAPACK AND GLADSTONE
 PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2015</u>	<u>2014</u>
Cash - Treasurer -			
Public Assistance Trust Fund No. 1	E-1	\$ 3,441.59	\$ 3,440.56
Cash - Treasurer -			
Public Assistance Trust Fund No. 2	E-1	-	-
		<u> -</u>	<u> -</u>
		<u>\$ 3,441.59</u>	<u>\$ 3,440.56</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance Trust Fund No. 1	E-2	3,441.59	3,440.56
Reserve for Public Assistance Trust Fund No. 2	E-2	-	-
		<u> -</u>	<u> -</u>
		<u>\$ 3,441.59</u>	<u>\$ 3,440.56</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

SECTION F

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 11,616,450.34	\$ 11,698,172.92
Land Improvements	192,873.00	192,873.00
Buildings	1,372,841.50	1,347,855.00
Machinery and Equipment	<u>4,361,760.03</u>	<u>4,162,937.00</u>
	<u>\$ 17,543,924.87</u>	<u>\$ 17,401,837.92</u>
 Investments in General Fixed Assets	 <u>\$ 17,543,924.87</u>	 <u>\$ 17,401,837.92</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Borough of Peapack and Gladstone have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Borough Council accounting policies are described below.

B. Reporting Entity

The Borough of Peapack and Gladstone is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough of Peapack and Gladstone.

The primary criterion for including activities within the Borough Council reporting entity, as set forth in section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the Borough of Peapack and Gladstone. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Except as noted below, the financial statements of the Borough of Peapack and Gladstone include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Peapack and Gladstone, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Peapack and Gladstone do not include the operations of the municipal library, or volunteer fire and first aid squads. Furthermore, the Borough of Peapack and Gladstone is not includable in any other reporting entity on the basis of such criteria.

C. Description of Funds

The accounting policies of the Borough of Peapack and Gladstone 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). 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 of Peapack and Gladstone accounts for its financial transactions through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America.

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grants for operation.

Trust Fund -- receipts, custodianship and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds used for acquisition of general capital facilities other than those acquired in the Current Fund.

Sewer Operating and Capital Funds -- account for the operations and acquisition of capital facilities of the water utility.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

Public Assistance Fund – receipts and disbursements of funds that provide assistance to certain residents of the Borough of Peapack and Gladstone pursuant to Title 44 of New Jersey statutes.

D. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant policies follow.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues – are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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 the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts that may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily, it is the intention of the Governing Body to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of the foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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.

Deferred Charges – The funding of certain expenditures incurred in the current year (i.e. emergencies, overexpenditures) are deferred to subsequent years’ budgets.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

Levy of Taxes – The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Peapack and Gladstone to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after the due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest – It is the policy of the Borough of Peapack and Gladstone to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fixed Assets – In accordance with N.J.A.C. 5:30-5.6, Accounting Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough of Peapack and Gladstone has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvement other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value. Expenditures for long lived assets with an original cost in excess of \$500 are capitalized.

No depreciation has been provided for in the financial statements.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets (Continued)

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capitals have not been accounted for separately.

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

The following schedules are a summarization of the changes in general fixed assets for the year ended December 31, 2015 and 2014:

	<u>Balance as of</u> <u>December 31, 2014</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal /</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2015</u>
Land	\$11,698,172.92		\$81,722.58	\$11,616,450.34
Buildings	1,347,855.00	24,986.50		1,372,841.50
Improvements other than Buildings	192,873.00			192,873.00
Machinery and Equipment	<u>4,162,937.00</u>	<u>198,832.03</u>		<u>4,361,760.03</u>
	<u>\$17,401,837.92</u>	<u>\$ 223,809.53</u>	<u>\$ 81,722.58</u>	<u>\$17,543,924.87</u>

	<u>Balance as of</u> <u>December 31, 2013</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal/</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2014</u>
Land	\$11,869,248.85		\$ 171,075.93	\$11,698,172.92
Buildings	710,298.06	637,556.94		1,347,855.00
Improvements other than Buildings	28,136.00	164,737.00		192,873.00
Machinery and Equipment	<u>2,908,515.92</u>	<u>1,254,421.08</u>		<u>4,162,937.00</u>
	<u>\$15,516,198.83</u>	<u>\$2,056,715.02</u>	<u>\$171,075.93</u>	<u>\$17,401,837.92</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenues and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

F. Comparative Date

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the Borough Council financial position. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult.

G. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the benefit plans reported at the State of New Jersey level.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

H. Budgetary Information

Annual budgets are adopted on a basis consistent with the requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services.

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2015 statutory budget included a reserve for uncollected taxes in the amount of \$1,313,380.74. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2015 statutory budgets were as follows:

Current Fund	\$2,100,000.00
Sewer Utility Operating Fund	120,000.00

Transfers of line item amounts are permitted after November 1 and must be made by a resolution adopted by the governing body. The following significant budget transfers were approved in the 2015 calendar year.

<u>Budget Category</u>	<u>Amount</u>
General Administration – Other Expenses	(\$40,000.00)
Legal Services and Costs – Other Expenses	20,000.00
Engineering Services and Costs – Other Expenses	20,000.00

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. The following significant budget insertions were approved during the 2015 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Drive Sober or Get Pulled Over Grant	\$5,000.00
Somerset County DWI Grant	4,400.00
Distracted Driving Crackdown Grant	2,400.00
Donation – Garden Club	800.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved during the 2015 calendar year.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds

A. Deposits and Investments

Deposits

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA). Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

At December 31, 2015 the Borough of Peapack and Gladstone's cash and cash equivalents amounted to \$8,338,706.73. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$6,088,997.47 covered by a collateral pool maintained by the banks as required by GUDPA.

At December 31, 2015 the Borough of Peapack and Gladstone's participation in the State of New Jersey Cash Management Fund amounted to \$1,999,709.26.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Peapack and Gladstone will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of December 31, 2015, \$1,999,709.26 of the Borough of Peapack and Gladstone's cash and cash equivalents of \$8,338,706.73 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$	0.00
Uninsured and collateral held by public depository or by its' trust department not in the Borough of Peapack and Gladstone's name		<u>1,999,709.26</u>
	\$	<u>1,999,709.26</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 40A:5-15.1) permit the Borough of Peapack and Gladstone to purchase the following types of securities:

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, any local unit may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the local unit;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) 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 obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) 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); or

(8) Agreements for the repurchase of fully collateralized securities, if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;

(b) the custody of collateral is transferred to a third party;

(c) the maturity of the agreement is not more than 30 days;

(d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Peapack and Gladstone had no investments as described in Note I:F.1. at December 31, 2015.

B. Property Taxes

The Borough of Peapack and Gladstone is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. All property tax revenue is recognized when received in cash. Property taxes receivable as of December 31, 2015 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2015	\$ <u>207,201.77</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

C. Interfund Receivables and Payables

As of December 31, 2015, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 35,480.90	\$ 717,172.93
Federal and State Grants Fund	94,592.90	
Trust Funds:		
Animal Control Fund		0.22
Other Trust Fund	622,580.03	25,475.79
Capital Fund		3.96
Sewer Utility Fund		
Operating Fund	3.94	
Capital Fund		3.94
Payroll and Payroll Agency		10,000.93
	<u>\$ 752,657.77</u>	<u>\$ 752,657.77</u>

The amounts due to or from the current fund and grants fund are due to the fact that there is no separate grants fund bank account. All other interfunds are due to cash being transferred between accounts. It is anticipated that all other interfunds will be liquidated during the subsequent calendar year.

D. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2015</u>	<u>2016 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency			
Authorizations (40:4-55)	\$68,000.00	\$17,000.00	\$51,000.00

The appropriation in the 2016 Budget is not less than required by statute.

E. Leases

The Borough of Peapack Gladstone has not entered any long-term agreements.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Peapack and Gladstone are general obligation bonds, backed by the full faith and credit of the Borough of Peapack and Gladstone. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

Long-term debt as of December 31, 2014 and 2015 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General	\$ 3,804,000.00	\$ 1,400,000.00	\$ 330,000.00	\$ 4,874,000.00	\$ 330,000.00
Sewer Utility	-	-	-	-	-
Open Space Loan	<u>174,969.15</u>	<u>-</u>	<u>27,730.18</u>	<u>147,238.97</u>	<u>28,287.55</u>
	<u>\$ 3,978,969.15</u>	<u>\$ 1,400,000.00</u>	<u>\$ 357,730.18</u>	<u>\$ 5,021,238.97</u>	<u>\$ 358,287.55</u>
		<u>Year 2015</u>	<u>Year 2014</u>		<u>Year 2013</u>
<u>Issued</u>					
General:					
Bonds and Notes	\$ 4,971,000.00		\$ 4,995,000.00		\$ 4,951,000.00
Loan	147,238.97		174,969.15		202,152.93
Sewer Utility:					
Bonds and Notes	-		-		270,000.00
Total Issued	<u>5,118,238.97</u>		<u>5,169,969.15</u>		<u>5,423,152.93</u>
Net Debt Issued	<u>5,118,238.97</u>		<u>5,169,969.15</u>		<u>5,423,152.93</u>
<u>Authorized but not Issued</u>					
General:					
Bonds and Notes	167,000.00		233,000.00		176,700.00
Sewer Utility:					
Bonds and Notes	-		-		-
Total Authorized but Not Issued	<u>167,000.00</u>		<u>233,000.00</u>		<u>176,700.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 5,285,238.97</u>		<u>\$ 5,402,969.15</u>		<u>\$ 5,599,852.93</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .734%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 5,606,496.39	\$ 5,606,496.39	\$ -
Sewer Utility Debt		-	-
General Debt	<u>5,285,238.97</u>	<u>-</u>	<u>5,285,238.97</u>
	<u>\$ 10,891,735.36</u>	<u>\$ 5,606,496.39</u>	<u>\$ 5,285,238.97</u>

Net Debt \$5,285,238.97 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$ 719,835,408.00 = 0.734%

Borrowing Power Under N.J.S.A. 40a:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 25,194,239.28
Net Debt	<u>5,285,238.97</u>
Remaining Borrowing Power	<u>\$ 19,909,000.31</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the adoption of an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough of Peapack and Gladstone are general obligation bonds.

Serial Bonds outstanding as of December 31, 2015 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Improvement of 2009	Various	12/1	2029	\$ 4,494,000.00	\$ 3,474,000.00
General Improvement of 2015	2.00%	7/15	2023	1,400,000.00	1,400,000.00

Principal and interest due on serial bonds outstanding is as follows:

<u>Calendar Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 330,000.00	\$ 158,135.00	\$ -	\$ -	\$ 488,135.00
2017	350,000.00	149,535.00			499,535.00
2018	370,000.00	140,485.00			510,485.00
2019	385,000.00	130,397.50			515,397.50
2020	410,000.00	119,397.50			529,397.50
2021	430,000.00	107,460.00			537,460.00
2022	455,000.00	94,747.50			549,747.50
2023	470,000.00	81,360.00			551,360.00
2024	260,000.00	66,960.00			326,960.00
2025	270,000.00	56,560.00			326,560.00
2026	275,000.00	45,760.00			320,760.00
2027	280,000.00	34,760.00			314,760.00
2028	290,000.00	23,560.00			313,560.00
2029	299,000.00	11,960.00	-	-	310,960.00
	<u>\$ 4,874,000.00</u>	<u>\$ 1,221,077.50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,095,077.50</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

F. Debt (Continued)

2. Bond Anticipation Notes

Bond Anticipation Notes outstanding as of December 31, 2015 consists of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
General Capital Fund:				
Ord. No. 1012 - Purchase of Radios	0.65%	8/28/14	8/28/15	\$ 262,500.00
				<u>\$ 262,500.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2015 the Borough of Peapack and Gladstone had authorized but not issued bonds as follows:

General Capital Fund	\$ 167,000.00
Sewer Utility Capital Fund	-0-

Short-term financing as of December 31, 2014 and 2015 consisted of the following:

	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2013</u>	<u>Amounts Due Within One Year</u>
Bond Anticipation Notes:					
General	\$ 1,191,000.00	\$ 97,000.00	\$ 1,191,000.00	\$ 97,000.00	\$ 97,000.00
	<u>\$ 1,191,000.00</u>	<u>\$ 97,000.00</u>	<u>\$ 1,191,000.00</u>	<u>\$ 97,000.00</u>	<u>\$ 97,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures (Continued)

G. Loan Agreements

The Borough of Peapack and Gladstone has entered into one loan agreement with the State of New Jersey for the acquisition of open space. The loan is repayable over 20 years from the date of final consummation of the loan. The funds have been provided through the Office of Trust Fund Management. The loan of \$500,000.00 is at an interest rate of 2.00% under Loan No. 1815-099-011.

Drawdown of the loan was initiated in 2001.

Following are the remaining maturities and debt schedule for the outstanding loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 28,287.55	\$ 2,804.05	\$ 31,091.60
2017	28,856.13	2,235.46	31,091.59
2018	29,436.13	1,655.45	31,091.58
2019	30,027.81	1,063.79	31,091.60
2020	<u>30,631.35</u>	<u>460.23</u>	<u>31,091.58</u>
	<u>\$ 147,238.97</u>	<u>\$ 8,218.98</u>	<u>\$ 155,457.95</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 were as follows:

Current Fund	\$	1,950,000.00
Sewer Utility Operating Fund		200,000.00

Note III: Pension Plans

Description of Systems

Substantially all of the Borough Council employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS), the Police and Fireman's Retirement System (PFRS), or the Defined Contribution Retirement Program (DCRP). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS, PFRS and DCRP are considered cost sharing multiple-employer defined benefit plans.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care 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.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 before age 62 with 25 or more years of service credit and tier 5 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 a 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 at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans(Continued)

Description of Systems(Continued)

The Police and Fireman's Retirement System (PFRS) was 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 June 30, 1944.

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:

<u>Tier</u>	<u>Definition</u>
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.

The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq..

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. 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 PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF, PERS, PFRS, SPRS, and JRS operate and to the benefit provisions of those systems.

This legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: TPAF and PERS active member rates increased from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS Prosecutors Part active member rates increased from 8.5 percent to 10 percent; SPRS active member rates increased from 7.5 percent to 9 percent; and JRS active member rates increased from 3 percent to 12 percent phased-in over seven years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF, PERS and JRS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended until reactivated as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member 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. The pension funds provide for employee contributions based on 10.0 percent for PFRS and 7.06 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2015, for PFRS, PERS and DCRP which are cost sharing multi-employer defined benefit pension plans, the annual pension cost equals contributions made.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note III: Pension Plans (Continued)

Contribution Requirements(Continued)

The Borough's total payroll for the year ended December 31, 2015 was \$2,169,409.59 and covered payroll was \$957,013.00 for PERS, \$681,790.00 for PFRS and \$15,780.40 for DCRP. Contributions to the PERS, PFRS and the DCRP for the last three years made by the employees and Borough of Peapack and Gladstone were as follows:

		<u>PERS</u>	Percent of Covered <u>Payroll</u>	<u>PFRS</u>	Percent of Covered <u>Payroll</u>	<u>DCRP</u>	Percent of Covered <u>Payroll</u>
Employees	12/31/13	\$ 68,337.77	6.82%	\$72,575.10	10.00%	\$2,033.62	6.85%
	12/31/14	70,537.36	6.88%	74,443.30	10.00%	2,439.03	5.50%
	12/31/15	70,871.04	7.41%	68,179.00	10.00%	867.93	5.50%
Borough of Peapack and Gladstone	12/31/13	\$109,363.00	10.90%	\$155,587.00	21.43%	\$1,109.24	3.00%
	12/31/14	110,367.00	10.77%	154,546.00	20.76%	1,296.45	2.92%
	12/31/15	121,587.00	12.72%	182,706.81	26.80%	473.48	3.00%

Note IV: Public Employees Retirement System

At December 31, 2015, the Borough of Peapack and Gladstone reported a liability of \$3,366,579.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0149972351%, which was an increase of 3.36% from its proportion measured as of June 30, 2014.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

For the year ended December 31, 2015, the Borough of Peapack and Gladstone recognized pension expense of \$121,587.00. At December 31, 2015, the Borough of Peapack and Gladstone reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 80,315	\$
Changes of assumptions	361,544	
Net difference between projected and actual earnings on pension plan investments		54,128
Changes in proportion	77,517	18,240
District contributions subsequent to the measurement data	<u>121,587</u>	
Total	<u>\$640,963</u>	<u>\$72,368</u>

\$121,587 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$70,586
2017	70,586
2018	70,586
2019	112,420
2020	<u>63,550</u>
Total	<u>\$387,728</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PERS

	Year Ending December 31,				
	2013	2014	2015	2016	2017
Borough's proportion of the net pension liability		0.0146476432%	0.0145092301%	0.0149972351%	
Borough's proportionate share of the net pension liability	\$ 2,799,456.00	\$ 2,716,525.00	\$ 3,366,579.00		
Borough's covered employee payroll	\$ 1,002,457.00	\$ 1,024,548.00	\$ 956,013.00		
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.26%	265.14%	352.15%		
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.92%		

	Year Ending December 31,				
	2018	2019	2020	2021	2022
Borough's proportion of the net pension liability					
Borough's proportionate share of the net pension liability					
Borough's covered employee payroll					
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll					
Plan fiduciary net position as a percentage of the total pension liability					

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System(Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.15% - 4.40% (based on age)
Thereafter	3.15% - 5.40% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disability Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasury	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note IV: Public Employees Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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. 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 made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
Borough's proportionate share of the net pension liability	\$4,184,321	\$3,366,579	\$2,681,143

Note V: Police and Fireman's Retirement System

At December 31, 2015, the Borough of Peapack and Gladstone reported a liability of \$4,262,321.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Borough's proportion was 0.0235263334%, which was an increase of 2.22% from its proportion measured as of June 30, 2014.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

For the year ended December 31, 2015, the Borough of Peapack and Gladstone recognized pension expense of \$182,706.81. At December 31, 2015, the Borough of Peapack and Gladstone reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 33,800
Changes of assumptions	723,483	
Net difference between projected and actual earnings on pension plan investments		68,201
Changes in proportion	220,709	
District contributions subsequent to the measurement data	<u>182,706</u>	
Total	<u>\$1,126,898</u>	<u>\$102,001</u>

\$182,706 reported as deferred outflows of resources related to pensions resulting from the Borough's contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	
2016	\$118,031
2017	118,031
2018	118,031
2019	193,530
2020	<u>73,860</u>
Total	<u>\$621,483</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2015 AND 2014

(COUNTINUED)

Note V: Police and Firemen's Retirement System

Schedule of the Borough's Proportionate Share of the Net Pension Liability-PFRS

	Year Ending December 31,		
	2013	2014	2015
Borough's proportion of the net pension liability	0.0211629378%	0.0230143365%	0.0235263334%
Borough's proportionate share of the net pension liability	\$ 3,078,573.00	\$ 3,206,732.00	\$ 4,262,321.00
Borough's covered employee payroll	\$ 725,751.00	\$ 744,433.00	\$ 681,790.00
Borough's proportionate share of the net pension liability as a percentage of its covered employee payroll	424.19%	430.76%	625.17%
Plan fiduciary net position as a percentage of the total pension liability	58.70%	62.41%	56.31%

	Year Ending December 31,		
	2018	2019	2020
Borough's proportion of the net pension liability			
Borough's proportionate share of the net pension liability			
Borough's covered employee payroll			
proportionate share of the net pension liability as a percentage of its covered employee payroll			
Plan fiduciary net position as a percentage of the total pension liability			

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during fiscal year ended June 30, 2015.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following assumptions:

Inflation rate	3.04%
Salary increases:	
2012-2021	2.60% - 9.48% (based on age)
Thereafter	3.60% - 10.48% (based on age)
Investment rate of return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Disability Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasury	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note V: Police and Fireman's Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on 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. 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 made based on the average of the last five years of contributions made in relation to the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate of 5.79%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.79%) or 1-percentage point higher (6.79%) than the current rate:

	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
Borough's proportionate share of the net pension liability	\$5,619,018	\$4,262,321	\$3,155,822

Note VI: Health Benefits and Post Retirement Medical Benefits

P.L. 2011, c.78 effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Health Benefits Program Fund (HBPF)-Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note VI: Health Benefits and Post Retirement Medical Benefits(Continued)

P.L. 1997, C.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$44.3 million for the state fiscal year 2015 to provide benefits under Chapter 330 to qualified retirees.

In accordance with Borough of Peapack and Gladstone policy which provides for post-retirement medical benefits for PERS retirees with 25 years of service, the Borough contributed \$302,609.40 to State of New Jersey, Department of Treasury, Division of Pensions and Benefits for 15 eligible retirees and 10 spouses.

Note VII: Deferred Compensation Plan

The Borough of Peapack and Gladstone offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457B of the Internal Revenue Code. The Plan, which is administered by The Variable Annuity Life Insurance Company is available to all Borough of Peapack and Gladstone employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

All amounts of compensation deferred under this plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough of Peapack and Gladstone (without being restricted to the provisions of benefits under the Plan) subject only to the claims of the Borough of Peapack and Gladstone's general creditors. Participants' right under the Plan are equivalent to those of general creditors of the Borough of Peapack and Gladstone in an amount equal to the fair market value of the deferred account for each participant.

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$18,000.00 or 100 percent of the participant's includable compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended December 31, 2015 and 2014, the employees' contributions to the plan were \$42,175.00 and \$35,200.00 respectively.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note VIII: Risk Management

The Borough of Peapack and Gladstone is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Peapack and Gladstone is a member of the Statewide Insurance Fund (the "Fund"). Fund is an insurance purchasing pool, in which the participants seek to lower insurance costs through their combined joint purchasing power. Each participant receives their own insurance policies. Risk transfers through the pool to the insurance company from which the policies are purchased. The Fund is also an insured and self-administered group of municipalities established for the purpose of providing certain low-cost workers' compensation insurance coverage for member municipalities in order to keep local property taxes at a minimum. The Borough of Peapack and Gladstone pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsurer for claims in excess of \$250,000 to secure the payment of statutory workers' compensation benefits.

The Fund can declare and return Fund Equity to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough of Peapack and Gladstone continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note IX: Segment Information – Utility/Enterprise Funds

The Borough of Peapack and Gladstone maintains one utility/enterprise fund which provides sewer services. Segment information for the year ended December 31, 2014 was as follows:

	<u>Sewer Utility Fund</u>
Operating Revenues	\$1,261,218.76
Operating Income	83,949.76
Operating Transfers in	14.86
Net Income	380,297.32
Fixed Assets:	
Additions	15,557.00
Deletions	
Net Working Capital	868,052.47
Total Operating Assets	1,245,326.25
Operating Fund Balance	803,466.44
Long Term Debt	
Short Term Debt	

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note X: Accrued Sick and Vacation Benefits

The Borough of Peapack and Gladstone permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate as follows:

- a) Vacation – All employees will be paid for unused vacation leave upon termination.
- b) Sick – Police employees will be paid up to a maximum of 90 days upon retirement or one-half of the then accumulated maximum sick leave up to a maximum of 90 days upon termination for other than retirement provided the employee has ten or more years credited service.
- c) Sick – Employees (other than Police) will be paid up to a maximum of 90 days upon retirement.

It is estimated that the current cost of such unpaid compensation would approximate \$390,990.14. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of Peapack and Gladstone's budget operating expenditures in the year in which it is used.

Note XI: Subsequent Events

The Borough of Peapack and Gladstone has evaluated subsequent events through ^{March 11, 2016} ~~April 21, 2015~~, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Note XII: Length of Service Awards Program (Unaudited)

During the 2000 calendar year, the voters of the Borough of Peapack and Gladstone approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Borough of Peapack and Gladstone appropriated \$53,000.00 and \$49,000.00 in 2015 and 2014 budgets, respectively, for contributions to the LOSAP for volunteers who have met the established criteria.

The LOSAP is administered by an unrelated financial institution. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the Borough of Peapack and Gladstone subject only to the claims of the Borough of Peapack and Gladstone general creditors. In addition, the participants in the plan have rights equal to those of the general creditors of the Borough of Peapack and Gladstone and each participant's rights are equal to his or her share of the fair market value of the plan assets. The Borough of Peapack and Gladstone believes that it is unlikely that plan assets will be needed to satisfy claims of general creditors that might arise.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(CONTINUED)

Note XII: Length of Service Awards Program (Unaudited)

As part of its fiduciary role, the Borough of Peapack and Gladstone has an obligation of due care in selecting the third party administrator. In the opinion of the Borough of Peapack and Gladstone legal counsel, the Borough of Peapack and Gladstone has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

The Borough of Peapack and Gladstone issues a separate unaudited financial report that includes the statement of net assets available for benefits for the LOSAP.

SUPPLEMENTARY DATA

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

	Year 2015		Year 2014	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$2,100,000.00	12.51%	\$2,000,000.00	12.19%
Miscellaneous-From other than				
Local Property Tax Levies	1,200,122.56	7.15%	864,232.29	5.27%
Collection of Delinquent Taxes				
and Tax Title Liens	130,305.11	0.77%	285,036.89	1.73%
Collection of Current Tax Levy	13,113,988.14	78.12%	12,935,886.43	78.85%
Other Credits to Income	243,174.85	1.45%	319,764.50	1.95%
Total Income	<u>16,787,590.66</u>	<u>100.00%</u>	<u>16,404,920.11</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	5,081,120.02	34.84%	5,098,749.55	35.27%
Local Open Space Tax	212,172.40	1.45%	206,499.59	1.43%
County Taxes	2,828,742.17	19.39%	2,765,706.25	19.13%
Regional School Taxes	6,458,521.00	44.28%	6,381,832.00	44.14%
Other Expenditures	5,755.00	0.04%	6,332.48	0.04%
Total Expenditures	<u>14,586,310.59</u>	<u>100.00%</u>	<u>14,459,119.87</u>	<u>100.00%</u>
Excess in Revenue	2,201,280.07		1,945,800.24	
Adjustments to Income Before Fund Balance:				
Expenditures included above which are				
by statute deferred charges to budgets				
of succeeding years	-		85,000.00	
Fund Balance January 1	<u>2,201,280.07</u>		<u>2,030,800.24</u>	
	<u>2,449,244.32</u>		<u>2,418,444.08</u>	
Less:	4,650,524.39		4,449,244.32	
Utilization as Anticipated Revenue	<u>2,100,000.00</u>		<u>2,000,000.00</u>	
Fund Balance December 31	<u>\$2,550,524.39</u>		<u>\$2,449,244.32</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>Year 2015</u>		<u>Year 2014</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 120,000.00	7.02%	\$ 319,293.00	16.94%
Collection of Sewer Charges	1,241,186.94	72.69%	1,266,427.14	67.22%
Miscellaneous	21,013.77	1.23%	15,828.56	0.84%
Other Credits to Income	<u>325,365.61</u>	<u>19.05%</u>	<u>282,439.87</u>	<u>14.99%</u>
Total Income	<u>1,707,566.32</u>	<u>100.00%</u>	<u>1,883,988.57</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	1,123,398.00	84.64%	1,160,928.00	76.41%
Capital Improvements	150,000.00	11.30%	30,000.00	1.97%
Debt Service		0.00%	275,400.00	18.13%
Statutory Expenditures	<u>53,871.00</u>	<u>4.05%</u>	<u>52,965.00</u>	<u>3.48%</u>
Total Expenditures	<u>1,327,269.00</u>	<u>100.00%</u>	<u>1,519,293.00</u>	<u>100.00%</u>
Excess in Revenue	380,297.32		364,695.57	
Fund Balance January 1	<u>543,169.12</u>		<u>497,766.55</u>	
	923,466.44		862,462.12	
Less:				
Utilization as Anticipated Revenue	<u>120,000.00</u>		<u>319,293.00</u>	
Fund Balance December 31	<u>\$ 803,466.44</u>		<u>\$ 543,169.12</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Year</u>	<u>Assessed Valuation</u>		<u>Apportionment of Tax Rate</u>				<u>Regional School</u>
			<u>Total</u>	<u>Municipal</u>	<u>Open Space</u>	<u>County</u>	
2015	\$ 704,520,587	(2)	\$ 1.884	\$ 0.536	\$ 0.030	\$ 0.402	\$ 0.916
2014	685,552,087	(2)	1.900	0.536	0.030	0.403	0.931
2013	670,749,522	(2)	1.901	0.527	0.029	0.401	0.944
2012	681,494,638	(2)	1.866	0.519	0.030	0.394	0.923
2011	683,465,059	(2)	1.833	0.493	0.030	0.416	0.894
2010	696,208,334	(2)	1.728	0.489	0.030	0.377	0.832
2009	761,687,170	(2)	1.621	0.439	0.030	0.375	0.777
2008	826,529,097	(2)	1.590	0.425	0.031	0.365	0.769
2007	846,611,057	(2)	1.660	0.455	0.031	0.365	0.809
2006	818,923,214	(2)	1.760	0.464	0.030	0.376	0.890

- (1) Revaluation Effective
(2) Reassessment Effective

COMPARISON OF TAX 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 Collection</u>	<u>Percentage of Collection</u>
2015	\$ 13,324,440.38	\$ 13,113,988.14	98.42%
2014	13,078,328.65	12,935,886.43	98.91%
2013	12,923,918.59	12,632,638.66	97.74%
2012	12,825,907.43	12,693,773.84	98.96%
2011	12,868,822.36	12,750,675.87	99.08%
2010	12,920,255.74	12,780,073.83	98.91%
2009	13,224,215.77	13,110,786.31	99.14%
2008	13,456,124.85	13,305,097.58	98.87%
2007	13,536,097.38	13,405,449.27	99.03%
2006	13,642,423.75	13,409,520.02	98.29%

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 ten years.

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ -	\$ 207,201.77	\$ 207,201.77	1.55%
2014	-	130,305.11	130,305.11	0.99%
2013	-	284,786.89	284,786.89	2.20%
2012	-	128,842.77	128,842.77	1.00%
2011	-	115,416.63	115,416.63	0.89%
2010	-	128,790.79	128,790.79	0.99%
2009	-	105,445.23	105,445.23	0.79%
2008	-	143,370.94	143,370.94	1.06%
2007	-	146,107.85	146,107.85	1.07%
2006	-	204,188.60	204,188.60	1.49%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 139,900.00
2014	139,900.00
2013	139,900.00
2012	139,900.00
2011	139,900.00
2010	139,900.00
2009	139,900.00
2008	139,900.00
2007	139,900.00
2006	139,900.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2015	\$ 1,236,583.55	\$ 1,241,186.94
2014	1,264,512.06	1,266,427.14
2013	1,255,435.87	1,251,955.56
2012	1,265,232.36	1,261,889.82
2011	1,299,683.18	1,309,325.58
2010	1,349,201.25	1,310,148.27
2009	1,259,778.98	1,222,098.80
2008	1,205,565.94	1,283,631.78
2007	1,265,468.47	1,212,385.19
2006	1,271,518.68	1,245,171.93

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2015	\$ 2,550,524.39	\$ 1,950,000.00
	2014	2,449,244.32	2,100,000.00
	2013	2,418,444.08	2,000,000.00
	2012	2,606,353.03	2,160,000.00
	2011	2,719,048.72	2,220,000.00
	2010	2,748,384.93	2,139,000.00
	2009	2,709,087.07	2,100,000.00
	2008	2,479,813.69	2,000,000.00
	2007	2,730,599.81	2,210,000.00
	2006	2,277,598.82	1,875,000.00
Sewer Utility Operating Fund	2015	\$ 803,466.44	\$ 200,000.00
	2014	543,169.12	120,000.00
	2013	497,766.55	319,293.00
	2012	375,682.61	283,743.25
	2011	514,602.45	345,020.50
	2010	649,700.34	369,601.00
	2009	746,622.45	338,948.00
	2008	842,590.00	235,945.25
	2007	759,500.96	291,881.50
	2006	787,805.55	270,204.11

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
William Muller	Mayor	
Anthony Suriano	President of Council	
Gianpaolo Caminiti	Councilman	
Mark A. Corigliano	Councilman	
Gerald Gunning	Councilman	
T. William Simpson	Councilman	
Royal Smith	Councilman	
Hector A. Herrera	Administrator	\$ 10,000.00
	Clerk	
	Qualified Purchasing Agent	
	Assessment Search Officer	
Donna Bassman	Deputy Clerk	
Mary P. Robinson	Chief Financial Officer	
	Collector of Taxes	200,000.00
	Treasurer	
	Tax Search Officer	
Edward L. Kerwin, Jr.	Tax Assessor	
Theresa M. Kelly	Payroll Clerk	50,000.00
	Deputy Treasurer	
Hollyann Robinson	Assistant Treasurer	100,000.00
	Deputy Collector	
John E. Bruder	Attorney	
Miles S. Winder, III	Municipal Prosecutor	
James Fania	Construction Code Official	
Rodney McCatharn	Public Works Supervisor	
Katharine Howse	Judge	Blanket (1)
Vicki Mangulson	Court Administrator	Blanket (1)

(1) Public Employees Faithful Performance Position Bond B-127619 issued by the Selective Insurance Company of America with coverage for Municipal Court personnel in the amount of \$10,000.00 is in force.

There is Employee Theft Insurance coverage written with Fidelity and Deposit Company of Maryland through the Statewide Insurance Fund in the amount of \$1,000,000.00.

All of the bonds were examined and properly executed.

The surety bonds for Tax Collector, Sewer Clerk and the Municipal Court personnel were in accordance with the Local Finance Board promulgated schedule.

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 4,102,606.56
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 544,672.68	
Garden Club Donations	A-2	800.00	
Tax Collector	A-5	13,327,696.96	
Petty Cash Returned	A-7	125.00	
Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	14,000.00	
Revenue Accounts Receivable	A-12	451,257.76	
Interfund Accounts Receivable	A-13	130,658.81	
Interfund Accounts Payable	A-18	155,594.56	
Reserve for Funds - Unappropriated	A-23	9,425.00	
Other Liabilities	A-24	<u>6,753.40</u>	
			<u>14,640,984.17</u>
			18,743,590.73
Decreased by Disbursements :			
Refund of Prior Year Revenue	A-1	-	
2015 Budget Appropriations	A-3	4,360,963.70	
Change Fund	A-6	25.00	
Petty Cash	A-7	125.00	
Interfund Accounts Receivable	A-13	5,755.00	
2014 Appropriation Reserves	A-16	365,279.54	
Interfund Accounts Payable	A-18	610,888.62	
Tax Overpayments Refunded	A-20	13,487.16	
Appropriated Reserves	A-22	7,848.64	
Other Liabilities	A-24	13,217.28	
Local Open Space, Regional School District and County Taxes	A-25	<u>9,298,469.87</u>	
			<u>14,676,059.81</u>
Balance December 31, 2015	A		<u>\$ 4,067,530.92</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Increased by Receipts :			
Miscellaneous Revenue	A-2	\$ 41,402.97	
Tax Receivable	A-9	13,156,657.65	
Prepaid Taxes	A-19	119,999.20	
Tax Overpayments	A-20	<u>9,637.14</u>	
			<u>\$ 13,327,696.96</u>
Decreased by Disbursements :			
Paid to Treasurer	A-4		<u>\$ 13,327,696.96</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Municipal Court	\$ 100.00	\$ -	\$ 100.00
Tax Collector	25.00		25.00
Clerk	<u>-</u>	<u>25.00</u>	<u>25.00</u>
	<u>\$ 125.00</u>	<u>\$ 25.00</u>	<u>\$ 150.00</u>
	Ref. A	A-4	A

A-7

SCHEDULE OF PETTY CASH

Increased by:	<u>Ref.</u>	
Received in 2015	A-4	<u>\$ 125.00</u>
Decreased by:		
Returned in 2015	A-4	<u>\$ 125.00</u>

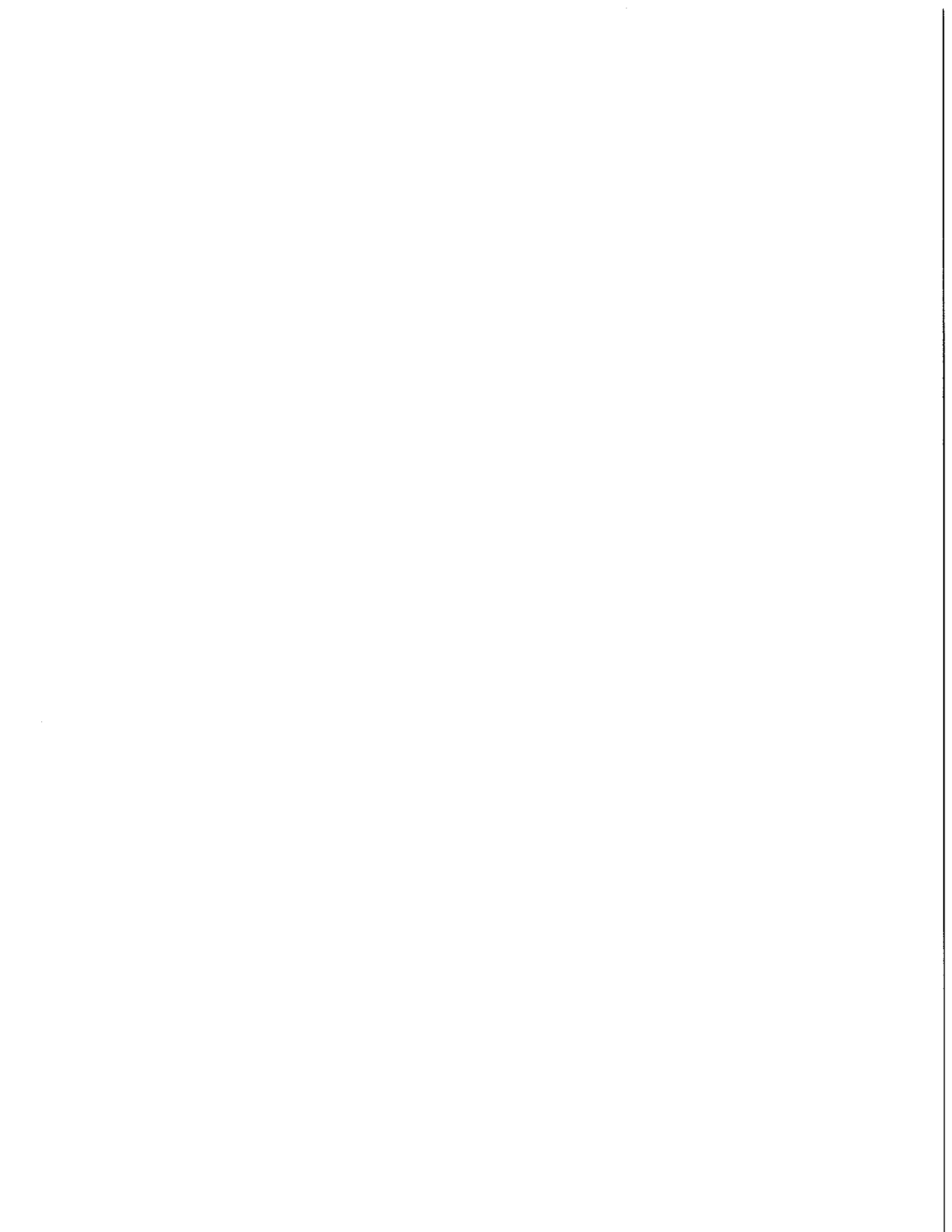
BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM STATE OF NEW JERSEY
FOR SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 3,456.22
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 1,000.00
Veterans' Deductions Per Tax Billings	A-8	13,000.00
Senior Citizens' Deductions Allowed by Tax Collector	A-8	<u>500.00</u>
		<u>14,500.00</u>
		17,956.22
Decreased by :		
Received in Cash from State of New Jersey	A-4	14,000.00
Veterans' Deductions Disallowed by Tax Collector	A-8	<u>500.00</u>
		<u>14,500.00</u>
Balance December 31, 2015	A	<u>\$ 3,456.22</u>

Calculation of State's Share of
Senior Citizens' and Veterans' Deductions

Senior Citizens' Deductions per Tax Billings	A-8	\$ 1,000.00
Veterans' Deductions per Tax Billings	A-8	13,000.00
Senior Citizens' Deductions Allowed by Tax Collector	A-8	500.00
Veterans' Deductions Disallowed by Tax Collector	A-8	<u>(500.00)</u>
	A-9	<u>\$ 14,000.00</u>



BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2015 PROPERTY TAX LEVY

Year	Balance Dec. 31, 2014	Added Taxes	2015 Levy	2014 Collections	2015 Collections	State's Share of Senior Citizens' and Veterans' Deductions	Tax Overpayments Applied	Canceled	Balance Dec. 31, 2015
2014	\$ 130,305.11	\$ -	\$ 13,324,440.38	\$ 71,154.78	\$ 130,305.11	\$ -	\$ -	\$ -	\$ -
2015	-	-	13,324,440.38	71,154.78	13,026,352.54	14,000.00	2,480.82	3,250.47	207,201.77
	\$ 130,305.11	\$ -	\$ 13,324,440.38	\$ 71,154.78	\$ 13,156,657.65	\$ 14,000.00	\$ 2,480.82	\$ 3,250.47	\$ 207,201.77

Ref. A A-2,19 A-2,5 A-2,8 A-2,20 A-2 A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 13,273,167.77
Business Personality Tax	-
Added Taxes (54:4-63.1 et seq.)	\$ 13,273,167.77
	\$ 51,272.61
	\$ 13,324,440.38

Tax Levy:

Regional School District Tax (Abstract)	
County Taxes (Abstract)	\$ 2,269,928.56
County Library Taxes (Abstract)	333,371.90
County Open Space Preservation (Abstract)	214,503.56
Amount Due to County for Added Taxes (54:4-63.1 et seq.)	10,938.15
	2,828,742.17

Local Tax for Municipal Purposes (Abstract)

Municipal Open Space	3,778,807.42
Amount Due to Municipal Open Space for Added Taxes	211,356.18
	816.22
Add : Additional Tax Levied	46,197.39
	4,037,177.21
	\$ 13,324,440.38

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

NOT APPLICABLE

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>	
Balance December 31, 2014	A	<u>\$ 139,900.00</u>
Balance December 31, 2015	A	<u>\$ 139,900.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2014	Accrued in 2015	Collected in 2015	Balance Dec. 31, 2015
Clerk:					
A.B.C. Licenses	A-2	\$ -	\$ 12,563.00	\$ 12,563.00	\$ -
Fees and Permits	A-2	-	43,564.29	43,564.29	-
Registrar of Vital Statistics:					
Fees and Permits	A-2	-	2,008.00	2,008.00	-
Board of Health:					
Fees and Permits	A-2	-	4,385.00	4,385.00	-
Police Chief:					
Fees and Permits	A-2	-	536.30	536.30	-
Municipal Court:					
Fines and Costs	A-2	6,160.83	90,638.16	89,245.07	7,553.92
Interest on Deposits	A-2	0.31	5.14	5.02	0.43
Interest on Deposits - Bail Account	A-2	0.08	0.25	0.27	0.06
Tax Assessor	A-2	-	180.00	180.00	-
Uniform Fire Safety Bureau	A-2	-	2,476.00	2,476.00	-
Zoning Official	A-2	-	1,600.00	1,600.00	-
Rentals	A-2	-	39,043.43	39,043.43	-
Interest on Deposits	A-2	-	4,592.38	4,592.38	-
Energy Receipts Tax	A-2	-	251,059.00	251,059.00	-
		<u>\$ 6,161.22</u>	<u>\$ 452,650.95</u>	<u>\$ 451,257.76</u>	<u>\$ 7,554.41</u>

Ref. A A-4 A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Accrued in in 2015	Paid in 2015	Received in 2015	Balance Dec. 31, 2015
Animal Control Fund:					
Interest	\$ 0.25	\$ 3.30	-	\$ 3.33	\$ 0.22
Statutory Excess	784.00	-	-	784.00	-
	<u>784.25</u>	<u>3.30</u>	-	<u>787.33</u>	<u>0.22</u>
Other Trust Funds:					
Recreation Commission - Interest	2.98	35.37	-	35.51	2.84
Recreation Capital - Interest	0.38	1.49	-	1.49	0.38
Developer's Escrow - Interest	7.12	81.73	-	82.22	6.63
SUI	4,450.85	-	5,755.00	-	10,205.85
General Trust Escrow - Interest	7.90	84.19	-	84.92	7.17
Police Special Services - Administrative Fees	1,210.00	23,590.00	-	21,945.00	2,855.00
Uniform Construction Code - Fees	8,543.00	110,449.00	-	107,597.00	11,395.00
Uniform Construction Code - Interest	1.40	19.41	-	18.01	2.80
Uniform Fire Safety Act Penalty Monies - Interest	0.04	0.40	-	0.40	0.04
Cafeteria Plan Section 125 - Advance	1,000.00	-	-	-	1,000.00
Cafeteria Plan Section 125 - Interest	0.05	0.82	-	0.79	0.08
	<u>15,223.72</u>	<u>134,262.41</u>	<u>5,755.00</u>	<u>129,765.34</u>	<u>25,475.79</u>
General Capital Fund:					
Interest	7.98	88.64	-	92.66	3.96
Payroll Fund:					
Interest	0.60	7.05	-	7.10	0.55
Advance	10,000.00	-	-	-	10,000.00
	<u>10,000.60</u>	<u>7.05</u>	-	<u>7.10</u>	<u>10,000.55</u>
Payroll Agency Fund:					
Interest	1.73	5.03	-	6.38	0.38
	<u>\$ 26,018.28</u>	<u>\$ 134,366.43</u>	<u>\$ 5,755.00</u>	<u>\$ 130,658.81</u>	<u>\$ 35,480.90</u>
Ref.	A		A-1,4	A-4	A
Statutory Excess - Animal Control Fund			Ref.		
Administrative Fees - Police Outside Duty			A-2	\$ 784.00	
Interest on Investments			A-2	21,945.00	
Construction Code Official			A-2	332.81	
			A-2	107,597.00	
				<u>\$ 130,658.81</u>	

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>Raised in 2015 Budget</u>	<u>Balance Dec. 31, 2015</u>
5/27/14	Special Emergency (N.J.S.A. 40A:4-55): Revision of Master Plan	85,000.00	17,000.00	\$ 85,000.00	\$ 17,000.00	\$ 68,000.00
	Ref.				A-3	A

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
OPERATIONS WITHIN "CAP"						
Salaries and Wages :						
General Administration	\$ 5,281.23	\$ -	\$ -	\$ 5,281.23	\$ -	\$ 5,281.23
Borough Clerk	982.42			982.42		982.42
Computer Information Technology	0.09			0.09		0.09
Collection of Taxes	1,198.91			1,198.91		1,198.91
Assessment of Taxes	1,503.60			1,503.60	363.00	1,140.60
Municipal Court	3,186.25			3,186.25	278.07	2,908.18
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Land Use Board	3,418.15			3,418.15	322.87	3,095.28
Zoning Costs	266.92			266.92		266.92
Police	2,205.54			2,205.54	1,452.99	752.55
Emergency Management Services	585.55			585.55		585.55
Fire Official	582.75			582.75		582.75
Road Repairs and Maintenance	8,425.30			8,425.30	7,600.00	825.30
Garbage and Trash Removal	268.65			268.65		268.65
Public Buildings and Grounds	4,433.94			4,433.94	335.80	4,098.14
Recreation	3.00			3.00		3.00
Senior Citizen Program	4,684.61			4,684.61	235.08	4,449.53
Uniform Construction Code:						
Construction Official	7,796.54			7,796.54	218.72	7,577.82
Other Expenses :						
General Administration	17,744.50	(13,000.00)	969.00	5,713.50	1,949.00	3,764.50
Mayor and Borough Council	23,956.89		1,067.81	25,024.70	1,416.68	23,608.02
Borough Clerk	4,112.15		5,299.88	9,412.03	1,923.24	7,488.79
Financial Administration	69.16		70.00	139.16	70.00	69.16
Audit Services			25,000.00	25,000.00	24,950.00	50.00
Computer Information Technology	22,902.92		1,198.63	24,101.55	10,519.00	13,582.55
Collection of Taxes	1,014.94		1,081.46	2,096.40	794.33	1,302.07
Assessment of Taxes	1,344.86		119.40	1,464.26	119.40	1,344.86

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Legal Services and Costs	\$ 18,713.09	\$ -	\$ -	\$ 18,713.09	\$ 11,034.00	\$ 7,679.09
Municipal Court	1,430.07		2,512.25	3,942.32	776.60	3,165.72
Public Defender	2,975.00			2,975.00	850.00	2,125.00
Engineering Services and Costs	10,990.45	1,000.00	544.00	12,494.45	11,993.63	500.82
Cultural Heritage	903.03		665.00	1,568.03	665.00	903.03
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Land Use Board	12,261.04	11,000.00	22.44	23,283.48	21,303.92	1,979.56
Zoning Costs	500.00			500.00		500.00
Insurance:						
General Liability	9,653.03			9,653.03		9,653.03
Group Insurance - Hospital and Medical	31,265.20		35,150.22	66,415.42	35,150.22	31,265.20
Police	5,122.43		10,750.02	15,872.45	10,105.45	5,767.00
Emergency Management Services	3,572.24		4,090.70	7,662.94	3,966.73	3,696.21
Fire	195.60		26,466.32	26,661.92	26,098.58	563.34
Fire Official	609.34			609.34		609.34
Fire Hydrant Service		1,000.00	6,629.86	7,629.86	7,336.98	292.88
Road Repairs and Maintenance	11,504.15		44,396.64	55,900.79	43,425.62	12,475.17
Shade Tree Commission			1,600.00	1,600.00	1,600.00	-
Garbage and Trash Removal	3,868.64		10,970.34	14,838.98	10,970.34	3,868.64
Public Buildings and Grounds	9,563.97		33,269.00	42,832.97	28,237.27	14,595.70
Vehicle Maintenance	1,236.06		11,318.57	12,554.63	11,184.79	1,369.84
Board of Health	1,127.56			1,127.56		1,127.56
Environmental Commission	0.46		5,075.29	5,075.75	5,075.29	0.46
Animal Control Regulations	0.40			0.40		0.40
Recreation Services and Programs	67.21		150.00	217.21	130.84	86.37
Celebration of Public Events	1,000.00			1,000.00		1,000.00
Uniform Construction Code:						
Construction Official	157.11		1,912.00	2,069.11	1,912.00	157.11

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	Balance Dec. 31, 2014	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
<u>Utilities:</u>						
Electricity	\$ 11,259.14	\$ -	\$ 3.25	\$ 11,262.39	\$ 2,674.22	\$ 8,588.17
Street Lighting	8,765.27		1,760.76	10,526.03	3,528.78	6,997.25
Telephone	3,508.59		1,241.11	4,749.70	1,277.66	3,472.04
Water	250.72		243.21	493.93	373.45	120.48
Natural Gas	7,237.07		1,319.53	8,556.60	5,842.57	2,714.03
Gasoline	4,100.00		1,925.34	6,025.34	2,014.18	4,011.16
Landfill/Solid Waste Disposal Costs	11,197.51		6,623.08	17,820.59	12,779.54	5,041.05
Contingent	2,000.00			2,000.00		2,000.00
Public Employees Retirement System	997.00			997.00	996.67	0.33
Social Security System (O.A.S.I.)	7,652.41			7,652.41	22.95	7,629.46
Police and Firemen's Retirement System of N.J.	5,941.00			5,941.00	5,940.81	0.19
Defined Contribution Retirement Plan	3,703.55			3,703.55		3,703.55
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
<u>Length of Service Awards Program:</u>						
Fire Department			34,000.00	34,000.00	29,507.52	4,492.48
First Aid Squad			15,000.00	15,000.00	12,294.80	2,705.20
Maintenance of Library (N.J.S.A. 40:54-35)	1,625.01		6.97	1,631.98	33.30	1,598.68
Recycling Tax	858.27		393.45	1,251.72	759.18	492.54
<u>Donations:</u>						
Police Equipment	1.13		2,868.47	2,869.60	2,868.47	1.13
Historical Commission	80.00			80.00		80.00
Library	918.77			918.77		918.77
	\$ 312,740.39	\$ -	\$ 295,714.00	\$ 608,454.39	\$ 365,279.54	\$ 243,174.85

Ref. A A-17 A-4 A-1

BOROUGH OF PEAPACK AND GLADSTONE
 CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 295,714.00
Increased by :		
2015 Budget Charges	A-3	<u>238,696.70</u>
		534,410.70
Decreased by :		
Transferred to 2014 Appropriation Reserves	A-16	<u>295,714.00</u>
Balance December 31, 2015	A	<u>\$ 238,696.70</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Federal and State Grants Funds	\$ 90,496.86	\$ 28,094.56	\$ 673.14	\$ 24,671.66	\$ 94,592.90
Other Trust Funds - Open Space	822,864.59		212,172.40	412,466.96	622,570.03
Other Trust Funds - General Trust	10.00				10.00
General Capital Fund	46,250.00	127,500.00	-	173,750.00	-
	<u>\$ 959,621.45</u>	<u>\$ 155,594.56</u>	<u>\$ 212,845.54</u>	<u>\$ 610,888.62</u>	<u>\$ 717,172.93</u>

Ref. A A-4 A-4 A

Ref.

2015 Budget Revenue - Grants	A-2	(28,255.34)
2015 Budget Appropriations - Grants	A-3	28,928.48
2015 Open Space Levy and Added Assessment	A-25	212,172.40
		<u>\$ 212,845.54</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 71,154.78
Increased by :		
2016 Taxes Paid	A-5	<u>119,999.20</u>
		191,153.98
Decreased by :		
Applied to Taxes Receivable	A-9	<u>71,154.78</u>
Balance December 31, 2015	A	<u>\$ 119,999.20</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 13,998.45
Increased by:		
Taxes Overpaid in 2015	A-5	<u>9,637.14</u>
		<u>9,637.14</u>
		23,635.59
Decreased by:		
Refunded in 2015	A-4	13,487.16
Applied to Taxes Receivable	A-9	<u>2,480.82</u>
		<u>15,967.98</u>
Balance December 31, 2015	A	<u>\$ 7,667.61</u>
<u>Analysis of Balance December 31, 2015</u>		
2015 Taxes		<u>\$ 7,667.61</u>
		<u>\$ 7,667.61</u>

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
SCHEDULE OF RESERVES FOR FUNDS - APPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Master Plan</u>
Increased by:			
2015 Budget Appropriations	A-3	\$ 66,655.67	\$ 66,655.67
Decreased by:			
Paid in 2015	A-4	<u>7,848.64</u>	<u>7,848.64</u>
Balance December 31, 2015	A	<u>\$ 58,807.03</u>	<u>\$ 58,807.03</u>

A-23

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Donations</u>		
			<u>Historical Commission</u>	<u>Library</u>	<u>Police Equipment</u>
Balance December 31, 2014	A	\$ 3,075.00	\$ -	\$ -	\$ 3,075.00
Increased by:					
Received in 2015	A-4	<u>9,425.00</u>	<u>-</u>	<u>-</u>	<u>9,425.00</u>
		12,500.00	-	-	12,500.00
Decreased by :					
Realized Revenue in 2015	A-2	<u>3,075.00</u>	<u>-</u>	<u>-</u>	<u>3,075.00</u>
Balance December 31, 2015	A	<u>\$ 9,425.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,425.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
 CURRENT FUND
SCHEDULE OF OTHER LIABILITIES AND RESERVES

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received</u> <u>in 2015</u>	<u>Paid</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Amount Due to State of N.J. - Marriage License Fees	\$ 25.00	\$ 525.00	\$ 500.00	\$ 50.00
Amount Due to Outside Lienholders	<u>6,488.88</u>	<u>6,228.40</u>	<u>12,717.28</u>	<u>-</u>
	<u>\$ 6,513.88</u>	<u>\$ 6,753.40</u>	<u>\$ 13,217.28</u>	<u>\$ 50.00</u>
Ref.	A	A-4	A-4	A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF LOCAL OPEN SPACE, REGIONAL SCHOOL DISTRICT AND COUNTY TAXES

	Ref.	Balance Dec. 31, 2014	2015 Levy	Paid in 2015	Balance Dec. 31, 2015
Local Open Space	A-2	\$ -	\$ 211,356.18	\$ 211,356.18	\$ -
Amount Due Local Open Space for Added and Omitted Taxes - 2015	A-2	-	816.22	816.22	-
Regional School District Tax	A-2	1,263.14	6,458,521.00	6,458,521.00	1,263.14
County Tax	A-2	-	2,269,928.56	2,269,928.56	-
County Library Tax	A-2	-	333,371.90	333,371.90	-
County Open Space Preservation Tax	A-2	-	214,503.56	214,503.56	-
Amount Due County for Added and Omitted Taxes - 2015	A-2	11,206.70	10,938.15	10,938.15	-
-2014			-	11,206.70	-
		\$ 12,469.84	\$ 9,499,435.57	\$ 9,510,642.27	\$ 1,263.14

A

A-1

A-4

A

A-4

A-18

Ref.

Ref.

Disbursed

Interfund Accounts Payable

\$ 9,298,469.87

212,172.40

\$ 9,510,642.27

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
 SCHEDULE OF AMOUNT DUE FROM CURRENT FUND
TO FEDERAL AND STATE GRANTS FUND

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 90,496.86
Increased by :			
Received in Current Fund			
- State Aid Receivable	A-27	\$ 15,093.43	
- Unappropriated Reserves	A-29	13,001.13	
2015 Budget Appropriations	A-28	<u>28,928.48</u>	
			<u>64,848.04</u>
			155,344.90
Decreased by :			
2015 Budget Revenues			
- State Aid Receivable	A-27	15,918.43	
- Unappropriated Reserves	A-29	12,336.91	
Expended in Current Fund			
- Appropriated Reserves	A-28	15,596.66	
- Reserve for Encumbrances	A-30	<u>9,075.00</u>	
			<u>60,752.00</u>
Balance December 31, 2015	A		<u>\$ 94,592.90</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	Balance Dec. 31, 2014	2015 Budget Revenues	Received in Current Fund	Receivables Canceled	Balance Dec. 31, 2015
Drunk Driving Enforcement Fund	\$ -	\$ 4,118.43	\$ 4,118.43	\$ -	\$ -
County Municipal Planning Grant	14,250.00				14,250.00
N.J. Highlands Council Planning Grant	7,500.00				7,500.00
Smart Growth Planning Assistance Grant	6,500.00				6,500.00
Sustainable New Jersey Grant	7,500.00				7,500.00
Green Community Grant	3,000.00		3,000.00		-
Drive Sober or Get Pulled Over Grant	7,500.00	5,000.00	5,600.00	6,900.00	-
Distracted Driving Crackdown Grant	-	2,400.00	1,475.00	925.00	-
Somerset County DWI Grant		4,400.00	400.00		4,000.00
ANJEC Grant	500.00		500.00		-
	<u>\$ 46,750.00</u>	<u>\$ 15,918.43</u>	<u>\$ 15,093.43</u>	<u>\$ 7,825.00</u>	<u>\$ 39,750.00</u>
Ref.	A	A-26	A-26	A-28	A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	2015 Budget Appropriations	Expenditures in Current Fund	Reserves Canceled	Encumbrances Canceled	Encumbrances	Balance Dec. 31, 2015
Recycling Tonnage Grant	\$ 9,005.75	\$ 4,309.05	\$ 167.00	\$ -	\$ -	\$ -	\$ 13,147.80
Drunk Driving Enforcement Fund	17.48	4,118.43	1,797.00	-	-	95.95	2,242.96
Clean Communities Program	5,541.14	6,144.09	1,990.52	-	-	-	9,694.71
Alcohol Education and Rehabilitation Fund	2,104.68	708.96	-	-	-	-	2,813.64
Municipal Alliance on Alcoholism and Drug Abuse - Matching	175.00	673.14	673.14	-	-	-	175.00
Body Armor Replacement Fund	4,325.82	1,174.81	944.00	-	-	-	4,556.63
Federal Bulletproof Vest Program	22.25	-	-	-	-	-	22.25
Somerset County Youth Athletic and Recreation	15,000.00	-	-	-	-	-	15,000.00
County Cross Acceptance Grant	2,000.00	-	-	-	-	-	2,000.00
Municipal Stormwater Regulation Program	5.39	-	-	-	-	-	5.39
Domestic Violence Training Program	1,597.43	-	-	-	-	-	1,597.43
Somerset County Chief's Association	1,000.00	-	-	-	-	-	1,000.00
County Municipal Planning Grant	14,250.00	-	-	-	-	-	14,250.00
N.J. Highlands Council Planning Grant	1,472.16	-	-	-	-	-	1,472.16
N.J. Forestry Management Grant	1,972.18	-	-	-	-	-	1,972.18
N.J. Forestry Management Grant - Matching	916.67	-	-	-	-	-	916.67
Space Study Grant	1,944.00	-	-	-	-	-	1,944.00
Gov. Connect Municipal Clerk	0.45	-	-	-	-	-	0.45
N.J. Local Library Aid Grant	25,000.00	-	-	-	-	-	25,000.00
Smart Growth Planning Assistance Grant	6,500.00	-	-	-	-	-	6,500.00
Smart Growth Planning Assistance Grant - Matching	6,500.00	-	-	-	-	-	6,500.00
Sustainable New Jersey Grant	7,686.00	-	-	-	-	-	7,686.00
Help America Vote Grant	523.55	-	-	-	-	-	523.55
Green Community Grant	-	-	-	-	-	-	-
Green Community Grant - Matching	6,500.00	5,000.00	4,600.00	6,900.00	400.00	400.00	400.00
Drive Sober or Get Pulled Over Grant	-	2,400.00	1,475.00	925.00	-	-	-
Distracted Driving Crackdown Grant	-	4,400.00	3,950.00	-	-	-	-
Somerset County DWI Grant	-	-	-	-	-	-	-
	<u>\$ 114,059.95</u>	<u>\$ 28,928.48</u>	<u>\$ 15,596.66</u>	<u>\$ 7,825.00</u>	<u>\$ 800.00</u>	<u>\$ 95.95</u>	<u>\$ 120,270.82</u>

Ref.

A

A-26

A-26

A-27

A-30

A-30

A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2014	Received in Current Fund	Utilized as 2015 Budget Revenue	Balance Dec. 31, 2015	
Recycling Tonnage Grant	\$ 4,309.05	\$ 4,211.48	\$ 4,309.05	\$ 4,211.48	
Clean Communities Program	6,144.09	7,464.56	6,144.09	7,464.56	
Alcohol Education and Rehabilitation Fund	708.96	235.73	708.96	235.73	
Body Armor Replacement Fund	1,174.81	1,089.36	1,174.81	1,089.36	
	<u>\$ 12,336.91</u>	<u>\$ 13,001.13</u>	<u>\$ 12,336.91</u>	<u>\$ 13,001.13</u>	
Ref.	A	A-26	A-26	A	A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 10,850.00
Increased by :		
Accrued in 2015	A-28	<u>95.95</u>
		10,945.95
Decreased by :		
Paid in 2015	A-26	9,075.00
Canceled in 2015	A-28	<u>800.00</u>
Balance December 31, 2015	A	<u>\$ 1,070.95</u>
 <u>Analysis of Balance December 31, 2015</u>		
2015 Purchase Orders:		
Drunk Driving Enforcement Fund		\$ 95.95
2014 Purchase Orders:		
Body Armor Replacement Fund		<u>975.00</u>
		<u>\$ 1,070.95</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control	Other Funds
Balance December 31, 2014	B	\$ 8,612.45	\$ 1,885,131.67
Increased by Receipts :			
Interfund Accounts Receivable	B-2		412,466.96
Interfund Accounts Payable	B-3	3.30	140,017.41
2015 Dog License Fees	B-4	3,699.20	
Late Fees	B-4	190.00	
Amount Due to State Board of Health	B-5	670.80	
Amount Due to State of New Jersey	B-7		9,703.00
Reserve for Special Funds	B-8	-	287,677.83
		<u>4,563.30</u>	<u>849,865.20</u>
		<u>13,175.75</u>	<u>2,734,996.87</u>
Decreased by Disbursements :			
Interfund Accounts Payable	B-3	787.33	129,765.34
Expenditures Per R.S. 4:19-15.11	B-4	3,971.00	
Amount Due to State Board of Health	B-5	661.80	
Amount Due to State of New Jersey	B-7		9,673.00
Reserve for Special Funds	B-8	-	556,760.31
		<u>5,420.13</u>	<u>696,198.65</u>
Balance December 31, 2015	B	\$ <u>7,755.62</u>	\$ <u>2,038,798.22</u>

BOROUGH OF PEAPACK AND GLADSTONE

B-2

TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid in 2015	Accrued in 2015	Received in 2015	Balance Dec. 31, 2015
Other Trust Funds:					
Current Fund:					
General Trust	\$ 10.00	\$ -	\$ -	\$ -	\$ 10.00
Open Space	822,864.59	-	212,172.40	412,466.96	622,570.03
	<u>\$ 822,874.59</u>	<u>\$ -</u>	<u>\$ 212,172.40</u>	<u>\$ 412,466.96</u>	<u>\$ 622,580.03</u>
Ref.	B		B-8	B-1	B

B-3

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2014	Received in 2015	Accrued in 2015	Paid in 2015	Balance Dec. 31, 2015
Animal Control Fund:					
Current Fund:					
Interest	\$ 0.25	\$ 3.30	\$ -	\$ 3.33	\$ 0.22
Statutory Excess	784.00	-	-	784.00	-
	<u>784.25</u>	<u>3.30</u>	<u>-</u>	<u>787.33</u>	<u>0.22</u>
Other Trust Funds:					
Current Fund:					
Recreation Commission - Interest	2.98	35.37		35.51	2.84
Recreation Capital - Interest	0.38	1.49		1.49	0.38
Developer's Escrow - Interest	7.12	81.73		82.22	6.63
Unemployment Compensation Insurance	4,450.85	5,755.00			10,205.85
General Trust Escrow - Interest	7.90	84.19		84.92	7.17
Police Special Services - Administrative Fees	1,210.00	23,590.00		21,945.00	2,855.00
Uniform Construction Code - Fees	8,543.00	110,449.00		107,597.00	11,395.00
Uniform Construction Code - Interest	1.40	19.41		18.01	2.80
Uniform Fire Safety Act Penalty Monies - Interest	0.04	0.40		0.40	0.04
Cafeteria Plan Section 125	1,000.05	0.82		0.79	1,000.08
	<u>15,223.72</u>	<u>140,017.41</u>	<u>-</u>	<u>129,765.34</u>	<u>25,475.79</u>
	<u>\$ 16,007.97</u>	<u>\$ 140,020.71</u>	<u>\$ -</u>	<u>\$ 130,552.67</u>	<u>\$ 25,476.01</u>
Ref.	B	B-1		B-1	B

BOROUGH OF PEAPACK AND GLADSTONE
 TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 7,927.60
Increased by :		
2015 Dog License Fees	B-1	\$ 3,699.20
Late Fees	B-1	<u>190.00</u>
		<u>3,889.20</u>
		11,816.80
Decreased by :		
Expenditures Per R.S. 4:19-15.11	B-1	3,971.00
Statutory Excess	B-3	<u>-</u>
		<u>3,971.00</u>
Balance December 31, 2015	B	<u>\$ 7,845.80</u>

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2013	4,783.60
2014	<u>4,560.40</u>
	<u>\$ 9,344.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
 TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE BOARD OF HEALTH

	<u>Ref.</u>			
Balance December 31, 2014	B		\$	(99.40)
Increased by :				
Fees Collected in 2015	B-1			<u>670.80</u>
				571.40
Decreased by :				
Paid to State Board of Health	B-1			<u>661.80</u>
Balance December 31, 2015	B		\$	<u>(90.40)</u>

	<u>Dec. 31, 2014</u>		<u>Dec. 31, 2015</u>
Amount Due to State Board of Health	\$ 7.80	\$	16.80
Amount Due from State Board of Health	<u>(107.20)</u>	<u>(107.20)</u>	<u>(107.20)</u>
	<u>\$ (99.40)</u>	<u>\$</u>	<u>(90.40)</u>

SCHEDULE OF PREPAID LICENSE FEES

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
 TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY

	<u>Ref.</u>	<u>Total</u>	Code Enforcement <u>Fees</u>
Balance December 31, 2014	B	\$ 2,317.00	\$ 2,317.00
Increased by :			
Received in 2015	B-1	<u>9,703.00</u>	<u>9,703.00</u>
		12,020.00	12,020.00
Decreased by :			
Paid to State of New Jersey in 2015	B-1	<u>9,673.00</u>	<u>9,673.00</u>
Balance December 31, 2015	B	<u>\$ 2,347.00</u>	<u>\$ 2,347.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND
RESERVE FOR SPECIAL DEPOSITS

	Balance Dec. 31, 2014	Received in 2015	Interest Earnings	Interfund Accounts Receivable	Paid in in 2015	Balance Dec. 31, 2015
Recreation Commission	\$ 114,229.10	\$ 78,531.87			\$ 85,206.65	\$ 107,554.32
Recreation Capital	2,980.17					2,980.17
Developer's Escrow	275,005.06	59,859.57	14.39		78,843.35	256,021.28
State Unemployment Compensation Insurance	23,825.31	2,000.00			5,755.00	20,084.70
Recycling	813.85	109.00				922.85
Police Special Services	14,198.25	78,165.00			74,760.00	17,603.25
Parking Offenses Adjudication Act Fines	310.00	8.00				318.00
Tax Sale Premium	1,200.00	4,600.00			2,300.00	3,500.00
In Lieu of Sidewalks	5,000.00					5,000.00
Accumulated Absences	260,546.94	10,000.00			66,123.31	204,423.63
Tenant Security	8,116.51	123.89				8,240.40
Matherly School	2,000.00	1,000.00			3,000.00	
Special Use	2,000.00	12,686.22				2,000.00
Storm Recovery Trust	395.00	80.00				12,686.22
Historic Preservation Commission	1,415,657.74					475.00
Open Space	111,525.76	37,854.75		212,172.40	239,517.00	1,388,469.32
Housing Trust	772.96					149,444.60
Disposal of Forfeited Assets						773.20
Uniform Fire Safety Act Penalty Monies	1,343.05					1,343.05
Cafeteria Plan Section 125	1,375.92				1,255.00	2,320.92
COAH-Administrative Cost Fund	36,977.72	2,200.00	18.50			36,996.22
COAH-Municipal Acquisition of Land for Affordable Housing Projects	296,652.01		148.35			296,800.36
COAH-Affordability Assistance Fund	55,466.59		27.74			55,494.33
COAH-Rehabilitation Fund	60,073.60		30.04			60,103.64
	\$ 2,690,465.54	\$ 287,218.30	\$ 459.53	\$ 212,172.40	\$ 556,760.31	\$ 2,633,555.46

Ref.

B

B-1

B-1

B-2

B-1

B

BOROUGH OF PEAPACK AND GLADSTONE
TRUST FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 543,673.78
Increased by Receipts:			
Premium on Sale of Bonds	C-1	\$ 8,841.90	
Interfund Accounts Receivable	C-8	173,750.00	
Capital Improvement Fund	C-11	80,000.00	
Interfund Accounts Payable	C-13	88.64	
Serial Bonds	C-15	1,400,000.00	
Bond Anticipation Notes	C-17	<u>97,000.00</u>	
			<u>1,759,680.54</u>
			2,303,354.32
Decreased by Disbursements :			
Improvement Authorizations	C-9	561,211.92	
Reserve for Encumbrances	C-10	132,957.22	
Interfund Accounts Payable	C-13	92.66	
Bond Anticipation Notes	C-17	<u>1,191,000.00</u>	
			<u>1,885,261.80</u>
Balance December 31, 2015	C		<u>\$ 418,092.52</u>

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2014	Receipts				Disbursements				Transfers To	From	Balance or (Deficit) Dec. 31, 2015
		Bonds and Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous					
Improvement Authorizations:												
791 Various Improvements:												
Police and Fire Equipment												
810/824/848 Various Improvements:												
Renovations to the Firehouse	19,276.51											13,276.5
946 Various Improvements:												
Improvements to Borough Complex	26,500.00											26,500.0
947 Improvements to Liberty Park Pond	73,829.05											73,829.0
955/956 Various Improvements:												
Purchase of Computer Network System	570.48	57,000.00										
Purchase of Police Equipment	3,487.23	184,000.00										
Purchase of Fire Equipment		14,000.00										
Improvements to Highland Ave. and Trimmer Lane	14.56	7,500.00										
Purchase of HVAC System	1,000.00	9,000.00										
957 Acquisition of Police Records Management System	8,006.00											
962 Purchase of 2011 DPW Ford Truck												
968 Acquisition of Fire Equipment	1,212.00											
972 Various Acquisitions and Improvements:												
Lights, Air Conditioner and Windows in Municipal Building	19,850.95											
Acquisition of Police and OEM Equipment	4,149.89											
Acquisition of DPW Pick-up Truck	2,382.40											
973 Various Acquisitions and Improvements:												
Acquisition of Generator for First Aid Squad	1,560.31	57,000.00										
Acquisition of Generator for DPW Building	1,168.64	50,000.00										
Improvements to Overlook Avenue and Municipal Building												
Parking Lot	1,049.66	63,500.00										
979 Reconstruction and Paving of Branch Road	4,223.81	47,500.00										
982 Purchase of DPW Equipment	97.52											
991 Purchase of Police and OEM Equipment and Sidewalk Installation	10,324.59											
992 Various Capital Improvements:												
Purchase of Police Vehicle	2,075.11	35,000.00										
Resurfacing of Willow Avenue	35,767.14	136,500.00										
Branch Road Guide Rail Improvements		36,000.00										
Crosswalk Improvements at Highland Ave. and Main St	148.57	25,500.00										
Replacement of Boiler	500.00											

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2014	Receipts				Disbursements				Transfers From	To	Balance or (Deficit) Dec. 31, 2014
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	Transfers To				
Improvement Authorizations : (Continued)												
1002 Replacement of Sidewalks	\$ 41,186.57	\$ -	\$ -	\$ -	\$ -	\$ 39,594.45	\$ -	\$ -	\$ -	\$ 1,498.12	\$ -	\$ 94,183.04
1003 Purchase of Police Vehicle and Salt Spreader	5,840.28	-	-	-	-	3,010.26	-	-	-	-	-	2,830.02
1004 Various Capital Improvements:												
Renovation of Firehouse	75,000.00	71,000.00					71,000.00					75,000.00
Purchase of Fire Vehicle	375.00	37,000.00					37,000.00					375.00
Reconstruction and Paving of Branch Road (Phase II)	263,620.50	99,500.00					99,500.00					263,620.50
Reconstruction and Paving of Holland Road and Todd Avenue	16,578.16	147,500.00					161,500.00					16,578.16
Purchase of a Dump Truck	(57,000.00)	57,000.00										
1007 Acquisition of Emergency Generators		97,000.00						41,265.78				33,734.22
1010 Purchase of Radios		189,000.00						92,786.98				1,043.02
1012 Milling/Paving Improvements to Various Roads								120,627.97				68,372.03
Reserve for Encumbrances	143,185.55											143,185.55
Capital Improvement Fund	30,130.82				80,000.00							30,130.82
Capital Reserves	13,838.75											13,838.75
Interfund Accounts Payable	7.98											7.98
Fund Balance	2,860.01											2,860.01
Federal and State Aid Receivable	(170,000.00)											(170,000.00)
Interfund Accounts Receivable	(48,250.00)											(48,250.00)
	\$ 543,673.78	\$ 1,487,000.00	\$ 80,000.00	\$ 182,680.54	\$ 1,191,000.00	\$ 561,211.92	\$ 133,049.88	\$ 272,606.34	\$ 272,606.34	\$ 418,092.51	\$ 418,092.51	

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 3,978,969.15
Increased by:		
Serial Bonds Issued	C-5	<u>1,400,000.00</u>
		5,378,969.15
Decreased by:		
Serial Bonds Paid by 2015 Budget Appropriation	C-15	\$ 330,000.00
Loans Paid by Open Space Trust Fund	C-16	<u>27,730.18</u>
		<u>357,730.18</u>
Balance December 31, 2015	C	<u>\$ 5,021,238.97</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Canceled	Serial Bonds Issued	Balance Dec. 31, 2015	Bond Anticipation Notes	Analysis of Balance December 31, 2015	
								Expenditures	Unexpended Balance
955/956	Various Improvements: Purchase of Computer Network System Purchase of Police Equipment Purchase of Fire Equipment Improvements to Highland Ave. and Trimmer Lane Purchase of HVAC System	\$ 57,000.00 184,000.00 14,000.00 167,000.00 9,000.00	\$ - - - - -	\$ - - - - -	57,000.00 184,000.00 14,000.00 7,500.00 9,000.00	\$ - - - 159,500.00 -	- - - - -	\$ - - - - -	\$ - - - 159,500.00 -
973	Various Acquisitions and Improvements: Acquisition of Generator for First Aid Squad Acquisition of Generator for DPW Building Improvements to Overlook Avenue and Municipal Building Parking Lot	57,000.00 50,000.00 63,500.00 47,500.00	- - - -	- - - -	57,000.00 50,000.00 63,500.00 47,500.00	- - - -	- - - -	- - - -	- - - -
979	Reconstruction and Paving of Branch Road	35,000.00	-	-	35,000.00	-	-	-	-
992	Various Capital Improvements: Purchase of Police Vehicle Resurfacing of Willow Avenue Branch Road Guide Rail Improvements Crosswalk Improvements at Highland Ave. and Main St Replacement of Boiler Purchase of Backhoe	161,500.00 36,000.00 25,500.00 7,500.00 83,500.00	- - - - -	25,000.00 7,000.00	136,500.00 36,000.00 25,500.00 7,500.00 76,500.00	- - - - 7,500.00	- - - - -	- - - - -	- - - - 7,500.00
1004	Various Capital Improvements: Renovation of Firehouse Purchase of Fire Vehicle Reconstruction and Paving of Branch Road (Phase II) Reconstruction and Paving of Holland Road and Todd Avenue Purchase of a Dump Truck Purchase of Radios	71,000.00 37,000.00 99,500.00 161,500.00 57,000.00	- - - - -	- - - 14,000.00 -	71,000.00 37,000.00 99,500.00 147,500.00 57,000.00	- - - - -	- - - - 97,000.00	- - - - -	- - - - 97,000.00
1013	Milling/Paving Improvements to Various Roads	-	97,000.00 189,000.00	-	189,000.00	-	-	-	-
		\$ 1,424,000.00	\$ 286,000.00	\$ 46,000.00	\$ 1,400,000.00	\$ 264,000.00	\$ 97,000.00	\$ -	\$ 167,000.00
		C	C-9	C-9	C-4	C			
			Improvement Authorizations - Unfunded						\$ 168,044
			Less: Unexpended Proceeds of Notes Issued						
			Ordinance No. 1012					1,043.62	
									\$ 167,000

C-6

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELED FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

C-7

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 170,000.00
Increased by :		
Appropriated to Finance		
Improvement Authorizations	C-9	<u>75,000.00</u>
		245,000.00
Decreased by :		
Received in Current Fund in 2015	C-8	<u>127,500.00</u>
Balance December 31, 2015	C	<u>\$ 117,500.00</u>

Analysis of Balance December 31, 2015

State Aid:		
NJDOT (Ord. No. 1004)		\$ 42,500.00
OEM Hazardous Mitigation Grant (Ord. No. 1010)		<u>75,000.00</u>
		<u>\$ 117,500.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2014	Paid in 2015	Accrued in 2015	Received in 2015	Canceled in 2015	Balance Dec. 31, 2015
Current Fund - NJDOT Grant	\$ 46,250.00	\$ -	\$ 127,500.00	\$ 173,750.00	\$ -	\$ -
	\$ 46,250.00	\$ -	\$ 127,500.00	\$ 173,750.00	\$ -	\$ -

Ref: C C-7 C-2

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Shek

Ord. Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2014		2015 Authorizations		Paid or Charged	Encumbrances	Canceled	Balance Dec. 31, 2015	
				Funded	Unfunded	Funded	Unfunded				Funded	Unfunded
791	Various Improvements: Police and Fire Equipment	4/10/01	\$ 41,459.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (320.13)	\$ -	\$ 320.13	\$ -
810/824/848	Various Improvements: Renovations to the Firehouse	6/25/02	200,000.00	19,276.51	-	-	-	5,986.50	13.50	-	13,276.51	-
946	Various Improvements	5/11/10	26,500.00	26,500.00	-	-	-	540.00	-	-	26,500.00	-
947	Improvements to Borough Complex	5/11/10	100,000.00	73,829.05	-	-	-	4,900.90	-	-	73,829.05	-
955/956	Various Improvements	6/14/11	60,000.00	-	570.48	-	-	-	-	-	30.48	-
	Purchase of Computer Network System		234,000.00	-	3,487.23	-	-	-	-	-	4,930.43	-
	Purchase of Police Equipment		175,000.00	-	159,574.56	-	-	-	-	-	14.56	-
	Improvements to Highland Ave. and Trimmer Lane		10,000.00	1,000.00	9,000.00	-	-	-	(1,463.20)	-	8,006.00	-
957	Purchase of HVAC System	7/12/11	15,480.00	8,006.00	-	-	-	19,000.00	-	-	5,099.10	-
968	Acquisition of Fire Equipment	4/24/12	15,000.00	1,212.00	-	-	-	-	-	-	8,006.00	-
972	Various Acquisitions and Improvements: Lights, Air Conditioner and Windows in Municipal Building	5/22/12	90,000.00	19,650.95	-	-	-	-	-	-	1,212.00	-
	Acquisition of Police and OEM Equipment		55,500.00	4,149.89	-	-	-	-	-	-	850.95	-
	Acquisition of DPW Pick-up Truck		35,000.00	2,382.40	-	-	-	-	-	-	4,149.89	-
973	Various Acquisitions and Improvements: Acquisition of Generator for First Aid Squad	5/22/12	60,250.00	-	1,560.31	-	-	19,000.00	-	-	850.95	-
	Acquisition of Generator for DPW Building		52,750.00	-	1,168.64	-	-	-	-	-	4,149.89	-
	Improvements to Overlook Avenue and Municipal Building Parking Lot		67,000.00	-	1,049.66	-	-	-	-	-	2,382.40	-
979	Reconstruction and Paving of Branch Road	9/25/12	235,000.00	-	4,223.81	-	-	900.00	-	-	1,560.31	-
982	Purchase of DPW Equipment	3/12/13	8,900.00	97.52	-	-	4,200.00	-	-	-	1,168.64	-
991	Purchase of Police and OEM Equipment and Sidewalk Installation	7/23/13	38,700.00	10,324.59	-	-	-	-	-	-	149.66	-
992	Various Capital Improvements: Purchase of Police Vehicle	7/23/13	37,000.00	2,075.11	-	-	-	-	(30.00)	-	23.81	-
	Resurfacing of Willow Avenue		170,000.00	-	35,767.14	-	-	10,750.00	-	25,000.00	17.14	-
	Crosswalk Improvements at Highland Ave. and Main St.		27,000.00	-	148.57	-	-	-	-	-	148.57	-
	Replacement of Boiler		8,000.00	500.00	-	-	-	-	-	-	500.00	-
	Purchase of Backhoe		88,000.00	-	7,246.80	-	-	-	-	-	246.80	-
996	Replacement of DPW Equipment	12/14/13	46,100.00	58.94	-	-	-	-	-	-	58.94	-

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
CONCLUDED

Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2014		2015 Authorizations		Paid or Charged	Encumbrances	Canceled	Balance Dec. 31, 2015	
			Funded	Unfunded	Funded	Unfunded				Funded	Unfunded
1002	Replacement of Sidewalks	7/22/14	\$ 60,000.00	\$ -	\$ -	\$ -	\$ 39,584.45	\$ -	\$ -	\$ 94.00	\$ -
1003	Purchase of Police Vehicle and Salt Spreader	7/22/14	57,000.00	5,840.28	-	-	3,010.26	-	-	2,830.02	-
1004	Various Capital Improvements:	7/22/14									
	Renovation of Fire Vehicle		75,000.00	71,000.00							
	Purchase of Fire Vehicle		39,000.00	375.00							
	Reconstruction and Paving of Branch Road (Phase II)		275,000.00	99,500.00							
	Reconstruction and Paving of Holland Road and Todd Avenue		170,000.00	16,578.16					14,000.00		
1010	Acquisition of Emergency Generators	5/26/15	75,000.00	75,000.00			217,649.68	19,772.64			
1012	Purchase of Radios	6/9/15	102,000.00		5,000.00	97,000.00	41,285.78				
1013	Milling/Paving Improvements to Various Roads	6/9/15	198,000.00		10,000.00	92,786.38	8,170.00				
					189,000.00	120,627.97	10,000.00				1,043.82
			\$ 384,410.31	\$ 418,670.36	\$ 90,000.00	\$ 286,000.00	\$ 561,211.92	\$ 37,640.93	\$ 46,000.00	\$ 366,184.20	\$ 1,66,043.62
Ref.			C	C	C	C-5	C-2	C-10	C	C	C
				Ref.				Ref.			
	State and Other Aid Receivable			C-7	75,000.00	Deferred Charges - Unfunded		C-5	46,000.00		
	Capital Improvement Fund			C-11	15,000.00						
					\$ 90,000.00					\$ 46,000.00	

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 143,185.55
Increased by :		
Improvement Authorization Charges	C-9	<u>37,640.93</u>
		180,826.48
Decreased by :		
Paid in 2015	C-2	<u>132,957.22</u>
Balance December 31, 2015	C	<u>\$ 47,869.26</u>

C-11

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 30,130.82
Increased by :		
2015 Budget Appropriation	C-2	80,000.00
Capital Reserves Canceled in 2015	C-12	<u>13,838.75</u>
		123,969.57
Decreased by :		
Appropriated to Finance Improvement Authorizations	C-9	<u>15,000.00</u>
Balance December 31, 2015	C	<u>\$ 108,969.57</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

	Ref.	Total	<u>Preliminary Engineering Expenses</u>	
			<u>Recreation Facilities</u>	<u>Highland Ave. Sidewalks</u>
Balance December 31, 2014	C	\$ 13,838.75	\$ 7,212.75	\$ 6,626.00
Decreased by:				
Canceled in 2015	C-11	<u>13,838.75</u>	<u>7,212.75</u>	<u>6,626.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2014</u>	<u>Received in 2015</u>	<u>Paid in 2015</u>	<u>Balance Dec. 31, 2015</u>
Current Fund - Interest	\$ 7.98	\$ 88.64	\$ 92.66	\$ 3.96
	<u>\$ 7.98</u>	<u>\$ 88.64</u>	<u>\$ 92.66</u>	<u>\$ 3.96</u>
Ref.	C	C-2	C-2	C

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
 GENERAL CAPITAL FUND
 SCHEDULE OF SERIAL BONDS

Purpose	Original Issue		Annual Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Issued	Paid	Balance Dec. 31, 2015
	Date	Amount	Date	Amount					
General Improvement of 2002	11/1/02	\$ 1,645,000.00		\$ -	3.00%	\$ 140,000.00	\$ 140,000.00	\$ -	
	12/1/09	\$ 4,494,000.00			3.00%	3,664,000.00	190,000.00	3,474,000.00	
General Improvement of 2015			12/1/16	200,000.00	3.00%				
			12/1/17	205,000.00	3.00%				
			12/1/18	215,000.00	3.25%				
			12/1/19	220,000.00	3.50%				
			12/1/20	230,000.00	3.63%				
			12/1/21	235,000.00	3.75%				
			12/1/22	245,000.00	3.75%				
			12/1/23	250,000.00	4.00%				
			12/1/24	260,000.00	4.00%				
			12/1/25	270,000.00	4.00%				
			12/1/26	275,000.00	4.00%				
			12/1/27	280,000.00	4.00%				
			12/1/28	290,000.00	4.00%				
		12/1/29	299,000.00	4.00%					
		7/15/16	130,000.00	2.00%		\$ 1,400,000.00		1,400,000.00	
		7/15/17	145,000.00	2.00%					
		7/15/18	155,000.00	2.00%					
		7/15/19	165,000.00	2.00%					
		7/15/20	180,000.00	2.00%					
		7/15/21	195,000.00	2.00%					
		7/15/22	210,000.00	2.00%					
		7/15/23	220,000.00	2.00%					
						\$ 3,804,000.00	\$ 1,400,000.00	\$ 330,000.00	\$ 4,874,000.00

Ref. C C-2 C-4 C

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
SCHEDULE OF NJDEP OPEN SPACE ACQUISITION LOANS

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 174,969.15
Decreased by :		
Paid by Open Space Trust Fund	C-4	<u>27,730.18</u>
Balance December 31, 2015	C	<u>\$ 147,238.97</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Notes Issued</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2015</u>
955/956	Various Improvements					
	Improvements to Highland Ave. and Trimmer Lane	\$ 159,500.00	\$ -	\$ -	\$ -	\$ 159,500.00
	Purchase of HVAC System	9,000.00			9,000.00	-
992	Various Capital Improvements:					
	Replacement of Boiler	7,500.00				7,500.00
1007	Purchase of a Dump Truck	57,000.00			57,000.00	-
1012	Purchase of Radios		97,000.00	97,000.00		-
1013	Milling/Paving Improvements to Various Roads		189,000.00		189,000.00	-
		<u>\$ 233,000.00</u>	<u>\$ 286,000.00</u>	<u>\$ 97,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 167,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

D-5

SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 1,029,772.61	\$ 94,400.70
Increased by Receipts:			
Miscellaneous Revenue	D-3	20,998.91	
Sewer Collector	D-7	1,241,211.11	
Interfunds Accounts Receivable	D-8	11.80	
Interfunds Accounts Payable	D-18		14.86
Capital Improvement Fund	D-25	-	120,000.00
		<u>1,262,221.82</u>	<u>120,014.86</u>
		<u>2,291,994.43</u>	<u>214,415.56</u>
Decreased by Disbursements :			
2015 Budget Appropriations	D-4	950,399.54	
2014 Appropriation Reserves	D-16	40,636.33	
Reserve for Encumbrances	D-17,24	120,222.28	
Interfunds Accounts Payable	D-18	-	11.80
		<u>1,111,258.15</u>	<u>11.80</u>
Balance December 31, 2015	D	\$ <u>1,180,736.28</u>	\$ <u>214,403.76</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND
ANALYSIS OF SEWER CAPITAL CASH

	Balance or (Deficit) <u>Dec. 31, 2014</u>	<u>Receipts</u>		<u>Disbursements</u>		Balance or (Deficit) <u>Dec. 31, 2015</u>
		Miscellaneous	Miscellaneous	Improvement Authorizations	Miscellaneous	
	\$ 839.13	\$ -	\$ -	\$ -	\$ -	\$ 839.13
	2,131.04					2,131.04
	1,829.50					1,829.50
	0.88	14.86		11.80		3.94
	31,486.27	120,000.00				151,486.27
	29,359.57					29,359.57
	9,000.00					9,000.00
	<u>19,754.31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,754.31</u>
	\$ 94,400.70	\$ 120,014.86	\$ -	\$ 11.80	\$ -	\$ 214,403.76

Improvement Authorizations:

Ord.

No.

- 736 Acquisition of Sewer Department Equipment
- 758 Acquisition of Sewer Department Equipment
- 862 Acquisition of Sewer Department Equipment
- Interfund Accounts Payable
- Capital Improvement Fund
- Reserve for Contribution in Aid of Construction
- Reserve for Sewer Pump
- Fund Balance

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - SEWER COLLECTOR

	<u>Ref.</u>		
Increased by Receipts:			
Consumers' Accounts Receivable	D-9	\$ 1,240,806.79	
Utility Charges Overpayments	D-19	<u>404.32</u>	
			<u>\$ 1,241,211.11</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:	D-5		<u>\$ 1,241,211.11</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u> <u>in 2015</u>	<u>Received</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	\$ 0.88	\$ 14.86	\$ 11.80	\$ 3.94
	<u>\$ 0.88</u>	<u>\$ 14.86</u>	<u>\$ 11.80</u>	<u>\$ 3.94</u>

Sewer Operating Fund:
Sewer Capital Fund

Ref. D D-3 D-5 D

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY CONSUMERS' ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ 69,189.42
Increased by :			
2015 Charges			<u>1,236,583.55</u>
			1,305,772.97
Decreased by :			
Received in 2015	D-3,7	\$ 1,240,806.79	
Utility Charges Overpayments Applied in 2015	D-3,19	<u>380.15</u>	
			<u>1,241,186.94</u>
Balance December 31, 2015	D		<u>\$ 64,586.03</u>

SCHEDULE OF SEWER LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 8,293,126.17
Increased by:		
Capital Outlay Expenditures	D-27	<u>15,557.00</u>
Balance December 31, 2015	D	<u>\$ 8,308,683.17</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Amount	Balance	
	Number	Date		Dec. 31, 2014	Dec. 31, 2015
Acquisition of Sewer Department Equipment	736	4/8/97	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00
Acquisition of Sewer Department Equipment	758	4/13/99	11,000.00	11,000.00	11,000.00
Acquisition of Sewer Department Equipment	862	5/10/05	21,600.00	21,600.00	21,600.00
				<u>\$ 89,600.00</u>	<u>\$ 89,600.00</u>

Ref.

D

D

D-14

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS RECEIVABLE

NOT APPLICABLE

D-15

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - 2014

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:			
Salaries and Wages	\$ 7,207.25	\$ 1,031.88	\$ 6,175.37
Other Expenses	342,531.77	38,829.45	303,702.32
Capital Improvement:			
Capital Outlay	11,092.64	775.00	10,317.64
Statutory Expenditures:			
Contribution to:			
Public Employees' Retirement System	4,176.00		4,176.00
Social Security System (O.A.S.I.)	994.28	-	994.28
	<u>\$ 366,001.94</u>	<u>\$ 40,636.33</u>	<u>\$ 325,365.61</u>
Ref.	D	D-5	D-1

BOROUGH OF PEAPACK AND GLADSTONE
 SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 120,222.28
Increased by :		
Charges 2015 Budget Appropriations	D-4	<u>54,003.85</u>
		174,226.13
Decreased by :		
Paid in 2015	D-5	<u>120,222.28</u>
Balance December 31, 2015	D	<u>\$ 54,003.85</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Received</u> <u>in 2015</u>	<u>Paid</u> <u>in 2015</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Sewer Capital Fund:				
Sewer Operating Fund	\$ 0.88	\$ 14.86	\$ 11.80	\$ 3.94
	<u>\$ 0.88</u>	<u>\$ 14.86</u>	<u>\$ 11.80</u>	<u>\$ 3.94</u>

Ref. D D-5 D-5 D

BOROUGH OF PEAPACK AND GLADSTONE

D-19

SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 380.15
Increased by :		
Received in 2015	D-7	<u>404.32</u>
		784.47
Decreased by :		
Applied to Consumers' Accounts Receivable in 2015	D-9	<u>380.15</u>
Balance December 31, 2015	D	<u>\$ 404.32</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

D-20

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON LOANS

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014</u>		<u>Encumbered</u>	<u>Expended</u>	<u>Balance Dec. 31, 2015</u>	
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
736	Acquisition of Sewer Department Equipment	4/8/97	\$ 57,000.00	\$ 839.13	\$ -	\$ -	\$ -	\$ 839.13	\$ -
758	Acquisition of Sewer Department Equipment	4/13/99	11,000.00	2,131.04	-	-	-	2,131.04	-
862	Acquisition of Sewer Department Equipment	5/10/05	21,600.00	1,829.50	-	-	-	1,829.50	-
			\$ 4,799.67	\$ -	\$ -	\$ -	\$ -	\$ 4,799.67	\$ -

Ref. D

D

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref</u>	
Balance December 31, 2014	D	\$ 31,486.27
Increased by:		
2015 Budget Appropriation	D-5	<u>120,000.00</u>
Balance December 31, 2015	D	<u>\$ 151,486.27</u>

D-26

SCHEDULE OF CAPITAL RESERVES

	<u>Ref.</u>	<u>Total</u>	<u>Contribution in Aid of Construction</u>	<u>Purchase of Sewer Pump</u>
Balance December 31, 2014	D	<u>\$ 38,359.57</u>	<u>\$ 29,359.57</u>	<u>\$ 9,000.00</u>
Balance December 31, 2015	D	<u>\$ 38,359.57</u>	<u>\$ 29,359.57</u>	<u>\$ 9,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.	
Balance December 31, 2014	D	\$ 8,293,126.17
Increased by :		
Budget Additions to Fixed Capital	D-12	<u>15,557.00</u>
Balance December 31, 2015	D	<u>\$ 8,308,683.17</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Acquisition of Sewer Department Equipment	736	4/8/97	\$ 57,000.00	\$ 57,000.00
Acquisition of Sewer Department Equipment	758	4/13/99	11,000.00	11,000.00
Acquisition of Sewer Department Equipment	862	5/10/05	21,600.00	21,600.00
			<u>\$ 89,600.00</u>	<u>\$ 89,600.00</u>

Ref.

D

D

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS PAYABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. No. 1</u>	<u>P.A.T.F. No. 2</u>	<u>Total</u>
Balance December 31, 2014	E	\$ 3,440.56	\$ -	\$ 3,440.56
Increased by Receipts :				
Interest Earned	E-2	1.03	-	1.03
Balance December 31, 2015	E	\$ 3,441.59	\$ -	\$ 3,441.59

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>	P.A.T.F. <u>No. 1</u>	P.A.T.F. <u>No. 2</u>	<u>Total</u>
Balance December 31, 2014	E	<u>\$ 3,440.56</u>	<u>\$ -</u>	<u>\$ 3,440.56</u>
Increased by :				
Interest Earned	E-1	<u>1.03</u>	<u>-</u>	<u>1.03</u>
		<u>3,441.59</u>	<u>-</u>	<u>3,441.59</u>
Balance December 31, 2015	E	<u>\$ 3,441.59</u>	<u>\$ -</u>	<u>\$ 3,441.59</u>

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE REVENUES - 2015

	P.A.T.F. <u>No. 1</u>	P.A.T.F. <u>No. 2</u>	Fund <u>Total</u>
Interest Earned	<u>1.03</u>	<u>-</u>	<u>1.03</u>
Total Revenues (PATF)	<u>\$ 1.03</u>	<u>\$ -</u>	<u>\$ 1.03</u>

PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES - 2015

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND

NOT APPLICABLE

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Peapack and Gladstone
County of Somerset, New Jersey

We have audited the financial statements of the Borough of Peapack Gladstone as of and for the years ended December 31, 2015 and December 31, 2014, and the related notes to the financial statements and have issued our report thereon dated March 11, 2016. In our report our opinion was qualified because the Borough of Peapack Gladstone prepares its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit 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 in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Peapack Gladstone is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Peapack Gladstone's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstance 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 Peapack Gladstone's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Peapack Gladstone's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

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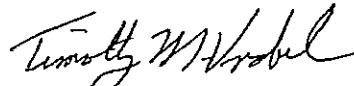
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given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

Compliance and Other Matters

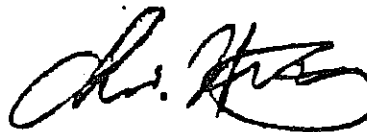
As part of obtaining reasonable assurance about whether the Borough of Peapack Gladstone's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

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



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

Montville, New Jersey
March 11, 2016

BOROUGH OF PEAPACK AND GLADSTONE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Funding Department	Federal Program	CFDA No.	Federal Grant (Award) Number	Grant Award Amount	Total Grant Period From To	Amount of Receipts		Accounts Receivable Dec. 31, 2015	Amount of Expenditures		Unexpended Balance Dec. 31, 2015
						Prior Year	Current Year		Prior Year	Current Year (1)	
Homeland Security	Federal Bulletproof Vest Program			\$ 1,147.24	2011	\$ 1,147.24	\$ -	\$ -	\$ 1,124.99	\$ -	\$ 22.25
						\$ 1,147.24	\$ -	\$ -	\$ 1,124.99	\$ -	\$ 22.25

(1) Represents total expenditures (grant activity) subject to audit.

BOROUGH OF PEAPACK AND GLADSTONE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2015

State Program	State Account Number	Grant Award Amount	Total		Amount of Receipts		Accounts Receivable Dec. 31, 2015	Amount of Expenditures		Unexpended Balance Dec. 31, 2015
			From	To	Prior Year	Current Year		Prior Year	Current Year (1)	
Department of Transportation:										
N.J. Transportation Trust Fund:										
Ord. No. 1004 - Branch Road (Phase I)										
	4800-727-042-4800	170,000.00			127,500.00		42,500.00	11,379.50	158,620.50	-
Department of Treasury:										
Garden State Green Acres Trust										
		3,019,219.15	2005	3,019,219.15			-	3,019,219.15		-
Department of Public Safety:										
Ord. No. 1010 - OEM Hazardous Mitigation Grant										
		75,000.00					75,000.00		41,265.78	33,734.22
	4800-752-178810-60	17,526.28		13,314.80	4,211.48				167.00	17,359.28
	1110-448-031020-60	4,135.91		17.48	4,118.43				1,892.95	2,242.96
	4800-765-178810-60	19,149.79		11,685.23	7,464.56				1,990.52	17,159.27
	9735-760-060000-60	3,049.37		2,813.64	235.73				944.00	3,049.37
		6,589.99		5,500.63	1,089.36					5,645.99
		6,822.00		6,822.00				6,816.61		5.39
		4,400.00		4,400.00				2,802.57		1,597.43
		7,500.00					7,500.00	6,027.84		1,472.16
		2,000.00		2,000.00				27.82		1,972.18
		52,000.00		52,000.00				50,056.00		1,944.00
		500.00		500.00				499.55		0.45
		25,000.00		25,000.00						25,000.00
		6,500.00					6,500.00	814.00		6,500.00
		8,500.00		1,000.00			7,500.00	12,926.00		7,686.00
		13,449.55		13,449.55				2,600.00		523.55
		3,000.00			3,000.00			7,500.00		400.00
		12,100.00		6,500.00	5,600.00			7,500.00	4,600.00	
		1,475.00		1,000.00	1,475.00			1,500.00	1,475.00	
		1,500.00								
TOTAL										
				\$ 3,165,222.48	\$ 155,194.56	\$ 139,000.00	\$ 3,122,169.04	\$ 210,955.75	\$ 126,292.25	

(1) Represents total expenditures (grant activity) subject to audit.
(2) Canceled \$25,510.44

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Peapack and Gladstone. The municipality is defined in Note I:B. to the Borough of Peapack and Gladstone financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting as described in Notes I:D. to the Borough of Peapack and Gladstone's financial statements.

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough of Peapack and Gladstone's financial statements. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR). Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

BOROUGH OF PEAPACK AND GLADSTONE

PART II

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2015**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRING ADVERTISEMENT FOR BIDS

Effective April 17, 2000 N.J.S.A. 40A:11-1 et seq. (Local Public Contracts Law) was revised by P.L. 1999, c.440 (originally known as Assembly bill No. 3519). The Division of Local Government Services in the Department of Community Affairs, after consultation with the Commissioner of Education, shall prescribe rules and procedures to implement the requirements of the law.

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) was \$17,500.00.

Effective July 1, 2005 the bid threshold was raised to \$21,000.00.

Effective November 8, 2005 and thereafter the Borough raised the bid threshold to \$29,000.00.

Effective July 1, 2010 and thereafter the Borough raised the bid threshold to \$36,000.00.

Effective July 1, 2015 and thereafter the Borough raised the bid threshold to \$40,000.00.

It is pointed out that the governing body of the Borough has the responsibility of determining whether commitments and expenditures are in compliance with the statutes and, where question arises as to whether any contract or agreement might result in violation of these statutes the Borough Attorney's opinion should be sought before commitment is made.

Inasmuch as the system of records is not required to provide and therefore did not provide for an accumulation of payments by 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. None were disclosed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the provision or performance of any "goods or services" in excess of the statutory limit where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 40A:11-4.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 for Auditor, Borough Attorney, Municipal Engineer, Sewer Engineer, Insurance, Bond Attorney, Codification of Borough Ordinances, Borough Planner, Public Defender, Labor Counsel and Prosecutor.

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

Garbage Collection and Road Reconstruction Project.

The system of records is not required to provide and therefore did not provide for an accumulation of purchases for which the Borough used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination revealed the following purchases were made through the use of State contracts:

Purchase of Police and Fire Radio Equipment, Fire Fighters Equipment and Asphalt.

The Borough entered into a cooperative purchasing program with the County of Somerset Pricing Council:

Fire Department Vehicle, Milling and Paving, DPW Truck, Salt and Police Vehicle.

COLLECTIONS OF INTEREST ON DELINQUENT TAXES, ASSESSMENTS AND SEWER CHARGES

The statute provides the method for authorizing interest and the maximum rates to be charges for the nonpayment of taxes or sewer charges on or before the date when they would become delinquent.

The governing body on January 2, 2015, adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer charges:

Resolution No. 4-15

WHEREAS, N.J.S.A. 54-4.67 has been amended to define a tax delinquency as the sum of all taxes and municipal charges due on a given parcel of property covering any number of quarters or years, and

WHEREAS, N.J.S.A. 54-4.67, has been amended to allow the governing body to fix a penalty not to exceed 6% to be charged to a taxpayer with a delinquency in excess of \$10,000.00 on December 31, 2014.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Peapack and Gladstone, County of Somerset, State of New Jersey, as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of delinquent taxes and 18% per annum on any amount of taxes in excess of \$1,500.00 in addition a penalty of 6% is to be charged on the amount of delinquency in excess of \$10,000.00 on December 31, 2015.

2. A ten day grace period is provided for each quarterly due date, namely February, May, August and November. Any taxes remaining unpaid after the 10th day will be subject to interest starting with the first day of the quarter.

Resolution No. 5-15

BE IT RESOLVED by the Mayor and Council of the Borough of Peapack and Gladstone that, a ten (10) day grace period with respect to interest on delinquent residential sewer accounts due and owing to the Borough of Peapack and Gladstone, shall be granted from the due date of said sewer accounts, namely, the first days of April, July, October and December of each calendar year, and

BE IT RESOLVED that, after the expiration of said ten (10) day grace period, said delinquent residential sewer account shall be assessed an interest charge at the rate of eight per cent (8%) pre annum, starting with the first day of the quarter.

Resolution No. 16-15

WHEREAS, the Borough of Peapack and Gladstone collects sewer assessments for business and bulk sewer users, and

WHEREAS, the Borough of Peapack and Gladstone wishes to establish a billing procedure for said business and bulk sewer users.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Peapack and Gladstone hereby establish the following:

1. 1st quarter assessments will be due and payable June 1st.
2. 2nd quarter assessments will be due and payable September 1st.
3. 3rd quarter assessments will be due and payable December 1st.
4. 4th quarter assessments will be due and payable March 1st.

BE IT FURTHER RESOLVED that there will be no grace period past the above stated due date for each quarter.

BE IT FURTHER RESOLVED that delinquent sewer accounts shall be assessed an interest charge at the rate of eight per cent (8%) pre annum, starting with the first day of the quarter due date.

It appears from the examination of the records that interest was being collected in accordance with the foregoing resolutions.

DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2015 are all 2015 taxes.

The last tax sale was held November 19, 2015 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2015	0
2014	0
2013	0
2012	0
2011	0
2010	0
2009	0
2008	0
2007	0
2006	0

VERIFICATION OF TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2016 Taxes	25
Payments of 2015 Taxes	25
Delinquent Taxes	10
Payments of Sewer Utility Charges	25
Delinquent Sewer Utility Charges	12

The result of the test, which was made as of December 31, 2015, is not yet fully known, however the items that were returned were checked and in agreement with the Borough's records and for items not returned either a second request was made or the open items were traced to subsequent collection. If any irregularities are discovered as a result of our second request a separate report will be issued.

OTHER COMMENTS

MUNICIPAL COURT

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Magistrate, Borough Clerk and Division of Local Government Services. Comments regarding the financial records maintained by the Court Administrator are covered in this report.

TECHNICAL ACCOUNTING DIRECTIVES

The Division of Local Government Services has established three systems which are required by all local units. They are as follows:

1. Encumbrance accounting system (N.J.A.C. 5:30-5.2)
2. Fixed asset accounting and reporting system (N.J.A.C. 5:30-5.6)
3. General Ledger accounting and record system (N.J.A.C. 5:30-5.7)

The Borough of Peapack and Gladstone has complied by implementing the three directives.

RECOMMENDATIONS

Not Applicable

Status of prior years' Audit Findings/Recommendations:

Not Applicable

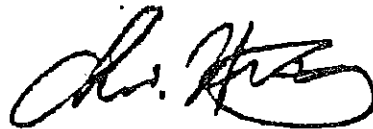
Should any questions arise as to our comments please do not hesitate to call us.

APPRECIATION

We wish to express our appreciation of the assistance and courtesies rendered by the Borough Officials during the course of the audit.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



Chris C.W. Hwang
Certified Public Accountant
License No. CC033704

March 11, 2016

