

*BOROUGH OF  
PEAPACK AND GLADSTONE*

*COUNTY OF SOMERSET*

*REPORT OF AUDIT*

*2019*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF PEAPACK AND GLADSTONE

COUNTY OF SOMERSET

REPORT OF AUDIT

2019

BOROUGH OF PEAPACK AND GLADSTONE  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2019

<u>PART I – Financial Statements and Supplementary Data</u>	Page
Independent Auditors' Report	1-3
<u>Financial Statements</u>	Exhibit
<u>Current Fund</u>	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Fund Balance - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of General Capital Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u> (Not Applicable)	
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance - Sewer Utility	
Operating Fund – Regulatory Basis	E-1
Statement of Sewer Capital Fund Balance - Sewer Utility Capital Fund – Regulatory Basis	E-1A
Statement of Revenue - Sewer Utility Operating Fund – Regulatory Basis	E-2
Statement of Expenditures - Sewer Utility Operating Fund – Regulatory Basis	E-3
<u>Public Assistance Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
<u>Bond and Interest Fund</u> (Not Applicable)	
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	H
	Page
<u>Notes to Financial Statements</u>	1-29
<u>Supplementary Data</u>	Schedule
Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash-Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Grant Fund (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens (Not Applicable)	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Consumer Accounts Receivable (Not Applicable)	A-10
Schedule of 2018 Appropriation Reserves	A-11
Schedule of Regional High School Taxes Payable	A-12
Schedule of Federal and State Grants Receivable – Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves – Federal and State Grant Fund	A-14
Schedule of Appropriated Reserves – Federal and State Grant Fund	A-15

BOROUGH OF PEAPACK AND GLADSTONE  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

PART I (Cont'd)

Supplementary Data (Cont'd)

Schedule

Trust Funds

Schedule of Cash - Treasurer	B-4
Analysis of Assessment Trust Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Fund	B-6

General Capital Fund

Schedule of General Capital Cash - Treasurer	C-2
Analysis of General Capital Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of NJ Department of Environmental Protection Loan Payable	C-9
Schedule of Bonds and Notes Authorized But Not Issued	C-10

Water Utility Fund (Not Applicable)

Sewer Utility Fund

Schedule of Cash - Treasurer - Sewer Utility Fund	E-4
Schedule of Cash - Collector - Sewer Utility Operating Fund (Not Applicable)	E-4A
Analysis of Sewer Capital Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2018 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-13
Schedule of Bond Anticipation Notes Payable - Sewer Utility Capital Fund (Not Applicable)	E-14
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund (Not Applicable)	E-15
Schedule of Bonds and Notes Authorized But Not Issued - Sewer Utility Capital Fund (Not Applicable)	E-16

Public Assistance Fund

Schedule of Cash	F-1
------------------	-----

PART II – Single Audit

Page

Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
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	4-5
Schedule of Findings and Responses	6-7
Summary Schedule of Prior Audit Findings	8

PART III – Comments and Recommendations

Comments and Recommendations	9-13
Summary of Recommendations	14

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2019



200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973.298.8500

11 Lawrence Road  
Newton, NJ 07860  
973.383.6699

[nisivoccia.com](http://nisivoccia.com)

Independent Member  
BKR International

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the financial statements - *regulatory basis* - of the various funds of the Borough of Peapack and Gladstone in the County of Somerset (the "Borough") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough'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.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Peapack and Gladstone  
Page 2

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund and account group of the Borough as of December 31, 2019 and 2018, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds and account group of the Borough as of December 31, 2019 and 2018, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Peapack and Gladstone  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Peapack and Gladstone's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
June 12, 2020

NISIVOCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb  
Certified Public Accountant  
Registered Municipal Accountant No. 481



BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
CURRENT FUND

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

		December 31,	
	Ref.	2019	2018
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	\$ 3,946,468.30	\$ 5,422,209.37
Change Fund		150.00	150.00
		3,946,618.30	5,422,359.37
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions		2,456.22	2,456.22
		3,949,074.52	5,424,815.59
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	86,484.62	112,057.10
Property Acquired for Taxes at Assessed Valuation		139,900.00	139,900.00
Revenue Accounts Receivable	A-9	5,861.42	6,134.90
Refunds Receivable		61,987.00	
Due from State of New Jersey:			
Marriage License Fees		225.00	
Due from County of Somerset - Overpayment of County Taxes			30.00
Due from Other Trust Funds	B	190,271.80	
Due from Animal Control Fund	B	5,654.85	4,706.97
Due from Net Payroll and Payroll Agency Accounts		4,757.95	4,757.95
Total Receivables and Other Assets With Full Reserves		495,142.64	267,586.92
Total Regular Fund		4,444,217.16	5,692,402.51
Federal and State Grant Fund:			
Grants Receivable	A-13	107,340.54	46,067.08
Due from Current Fund	A	262,512.99	123,421.96
Total Federal and State Grant Fund		369,853.53	169,489.04
<u>TOTAL ASSETS</u>		<u>\$ 4,814,070.69</u>	<u>\$ 5,861,891.55</u>

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 263,254.14	\$ 279,988.89
Unencumbered	A-3;A-11	513,114.74	622,280.07
		<u>776,368.88</u>	<u>902,268.96</u>
Prepaid Taxes		84,333.17	147,522.12
Accounts Payable	A-11	15,200.00	
Tax Overpayments		15,837.51	
Due to Insurance Company for Claim Restitution		200.00	2,602.00
Regional School Taxes Payable	A-12	1,264.12	1,263.14
Due to State of New Jersey:			
Marriage License Fees			475.00
Due to Federal and State Grant Fund	A	262,512.99	123,421.96
Due to Other Trust Funds	B		834,802.18
Due to General Capital Fund	C	308,386.84	308,490.98
Due to Sewer Utility Operating Fund	E	2,742.46	
Reserve for:			
Master Plan		5,087.16	5,087.16
Police Donations		7,575.00	7,075.00
		<u>1,479,508.13</u>	<u>2,333,008.50</u>
Reserve for Receivables and Other Assets	A	495,142.64	267,586.92
Fund Balance	A-1	<u>2,469,566.39</u>	<u>3,091,807.09</u>
Total Regular Fund		<u>4,444,217.16</u>	<u>5,692,402.51</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-14	24,637.79	19,157.20
Appropriated Reserves	A-15	<u>345,215.74</u>	<u>150,331.84</u>
Total Federal and State Grant Fund		<u>369,853.53</u>	<u>169,489.04</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,814,070.69</u>	<u>\$ 5,861,891.55</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>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2019</u>	<u>2018</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 2,150,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated		901,650.17	692,560.06
Receipts from:			
Delinquent Taxes		111,720.66	183,206.96
Current Taxes		13,765,450.06	13,783,313.45
Nonbudget Revenue		147,805.65	147,562.47
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		581,864.33	528,717.84
Interfunds Returned		30.00	9,307.62
Cancellation of:			
Tax Overpayments			3.90
Total Income		<u>17,658,520.87</u>	<u>16,944,672.30</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		6,112,573.01	5,425,370.27
County Taxes		2,956,416.62	2,933,261.25
Open Space Taxes		222,350.61	222,073.28
Regional School District Taxes		6,580,108.00	6,556,015.00
Prior Year Veterans and Senior Citizen Deduction Disallowed		250.00	13.01
Return of Prior Year Revenue		5,631.65	
Interfunds and Other Receivables Advanced		253,431.68	4,737.75
Total Expenditures		<u>16,130,761.57</u>	<u>15,141,470.56</u>
Excess in Revenue		1,527,759.30	1,803,201.74
<u>Fund Balance</u>			
Balance January 1		<u>3,091,807.09</u>	<u>2,888,605.35</u>
		4,619,566.39	4,691,807.09
Decreased by:			
Utilized as Anticipated Revenue		<u>2,150,000.00</u>	<u>1,600,000.00</u>
Balance December 31	A	<u><u>\$ 2,469,566.39</u></u>	<u><u>\$ 3,091,807.09</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONECURRENT FUNDSTATEMENT OF REVENUE - REGULATORY BASISYEAR ENDED DECEMBER 31, 2019

	Budget	Added by N.J.S.A 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 2,150,000.00		\$ 2,150,000.00	
Miscellaneous Revenue:				
Alcoholic Beverage Licenses	12,500.00		12,500.00	
Fees and Permits	58,700.00		79,993.71	\$ 21,293.71
Municipal Court - Fines and Costs	87,000.00		94,156.52	7,156.52
Interest and costs on Taxes	40,000.00		40,894.34	894.34
Energy Receipts Taxes	251,059.00		251,059.00	
Uniform Construction Code Fees	90,000.00		153,398.00	63,398.00
Rental of Borough Property	42,600.00		43,943.41	1,343.41
Recycling Tonnage Grant	12,220.85		12,220.85	
Reserve for Clean Communities Program	6,936.35		6,936.35	
Body Armor Replacement Fund	1,227.99		1,227.99	
New Jersey Department of Transportation 2019 Municipal Aid Program		\$ 194,000.00	194,000.00	
Somerset County DWI Grant	1,500.00		1,500.00	
Green Community Forestry Management Plan		3,000.00	3,000.00	
Distracted Driving	1,100.00	5,720.00	6,820.00	
	604,844.19	202,720.00	901,650.17	94,085.98
Receipts from Delinquent Taxes	100,000.00		111,720.66	11,720.66
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	4,087,009.14		4,976,574.83	889,565.69
Budget Totals	6,941,853.33	202,720.00	8,139,945.66	995,372.33
Nonbudget Revenue			147,805.65	147,805.65
	\$ 6,941,853.33	\$ 202,720.00	\$ 8,287,751.31	\$ 1,143,177.98

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 13,765,450.06
--	------------------

Allocated to:

Regional School District	\$ 6,580,108.00	
County of Somerset	2,956,416.62	
Municipal Open Space Taxes	<u>222,350.61</u>	
		<u>9,758,875.23</u>

Balance for Support of Municipal Budget	4,006,574.83
---	--------------

Add: Appropriation "Reserve for Uncollected Taxes"	<u>970,000.00</u>
--	-------------------

Realized for Support of Municipal Budget	<u><u>\$ 4,976,574.83</u></u>
--	-------------------------------

Uniform Construction Code Fees:

Due from Other Trust Funds	<u><u>\$ 153,398.00</u></u>
----------------------------	-----------------------------

Analysis of Fees and Permits:

Municipal Clerk	\$ 50,263.69	
Board of Health	11,762.00	
Police	509.02	
Assessor	60.00	
Uniform Fire Safety Fees	5,724.00	
Zoning Officer	<u>11,675.00</u>	
		<u><u>\$ 79,993.71</u></u>

Analysis of Nonbudget Revenue:

Interest on Investments - Due from Other Funds:

Due from General Capital Fund	\$ 104.14	
Due from Animal Control Fund	4.68	
Due from Other Trust Funds	<u>229.95</u>	
Total Interest on Investments - Due from Other Funds		\$ 338.77

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF REVENUE  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Analysis of Nonbudget Revenue: (Cont'd)

Treasurer:

Interest on Investments

Collected by the Treasurer	\$ 75,177.85
----------------------------	--------------

Administrative Fee - Veterans and Senior Citizens Deductions	220.00
--	--------

In Lieu of Taxes	10,402.50
------------------	-----------

Fire LEA Rebates	7,292.68
------------------	----------

Other Miscellaneous	23,655.10
---------------------	-----------

	\$ 116,748.13
--	---------------

Tax Collector:

Miscellaneous Revenue Not Anticipated	840.55
---------------------------------------	--------

Due from Other Trust Funds:

Police Outside Service Administrative Fees	28,935.00
--	-----------

Due from Animal Control Fund:

Statutory Excess in Reserve for Animal Control Expenditures	943.20
---	--------

	\$ 147,805.65
--	---------------

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  
YEAR ENDED DECEMBER 31, 2019

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT:					
General Administration:					
Salaries & Wages	\$ 92,700.00	\$ 92,700.00	\$ 89,574.41	\$ 3,125.59	
Other Expenses	90,000.00	95,500.00	93,424.33	2,075.67	
Mayor and Council:					
Salaries & Wages	15,500.00	15,500.00	15,500.00		
Other Expenses	33,850.00	36,050.00	35,569.97	480.03	
Municipal Clerk:					
Salaries & Wages	79,400.00	79,400.00	78,995.10	404.90	
Other Expenses	41,850.00	41,850.00	35,225.35	6,624.65	
Financial Administration:					
Salaries & Wages	101,300.00	92,300.00	91,185.61	1,114.39	
Other Expenses	12,180.00	12,180.00	9,259.41	2,920.59	
Annual Audit	20,000.00	20,000.00	19,000.00	1,000.00	
Computer Information Technology					
Other Expenses	45,500.00	45,500.00	35,265.62	10,234.38	
Revenue Administration (Tax Collection):					
Salaries & Wages	68,000.00	48,000.00	44,629.80	3,370.20	
Other Expenses	5,750.00	5,750.00	4,865.95	884.05	
Tax Assessment Administration:					
Salaries & Wages	35,400.00	35,400.00	30,191.76	5,208.24	
Other Expenses	9,925.00	9,925.00	2,397.96	7,527.04	
Legal Services and Costs:					
Other Expenses - Fees	115,000.00	115,000.00	61,810.70	53,189.30	
Engineering Services and Costs:					
Other Expenses	37,500.00	37,500.00	17,588.42	19,911.58	



BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
GENERAL GOVERNMENT (Continued):						
Cultural Heritage						
Other Expenses	\$ 1,750.00	\$	1,750.00	\$ 1,400.00	\$ 350.00	
LAND USE ADMINISTRATION:						
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Land Use Board:						
Salaries & Wages	7,700.00		7,700.00	4,719.04	2,980.96	
Other Expenses	40,484.00		40,484.00	16,680.28	23,803.72	
Zoning Cost:						
Salaries & Wages	16,500.00		23,800.00	23,722.40	77.60	
INSURANCE:						
Group Insurance Plans for Employees	500,000.00		500,000.00	473,603.58	26,396.42	
General Liability Insurance	101,200.00		101,200.00	87,367.00	13,833.00	
Workers' Compensation Insurance	32,500.00		32,500.00	24,883.00	7,617.00	
Health Benefit Waiver	18,000.00		18,000.00	15,790.58	2,209.42	
PUBLIC SAFETY:						
Police:						
Salaries & Wages	807,300.00		807,300.00	788,913.72	18,386.28	
Other Expenses	131,800.00		131,800.00	114,959.01	16,840.99	
Emergency Management Services:						
Salaries & Wages	1,600.00		1,600.00	1,599.88	0.12	
Other Expenses	10,750.00		10,750.00	9,203.92	1,546.08	
Aid to Volunteer Ambulance Company:						
Salaries & Wages	7,500.00		4,500.00	3,812.50	687.50	
Other Expenses	60,000.00		60,000.00	60,000.00		

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
PUBLIC SAFETY:						
Fire:						
Salaries & Wages	\$ 8,100.00	\$	8,600.00	\$ 8,600.00		
Other Expenses	95,300.00		95,300.00	74,649.43	\$ 20,650.57	
Fire Safety Official:						
Salaries & Wages	21,400.00		21,400.00	21,340.04	59.96	
Other Expenses	2,050.00		2,050.00	1,939.66	110.34	
Fire Hydrant Services	90,000.00		90,000.00	88,122.88	1,877.12	
PUBLIC WORKS:						
Streets and Road Repairs and Maintenance:						
Salaries & Wages	179,200.00		149,200.00	138,066.52	11,133.48	
Other Expenses	141,300.00		141,300.00	120,477.01	20,822.99	
Shade Tree Commission:						
Other Expenses	3,200.00		3,200.00	3,200.00		
Garbage and Trash Removal:						
Other Expenses	98,500.00		98,500.00	95,932.20	2,567.80	
Public Building and Grounds:						
Salaries & Wages	229,300.00		197,100.00	187,738.91	9,361.09	
Other Expenses	127,850.00		127,850.00	64,485.61	63,364.39	
Vehicle Maintenance:						
Other Expenses	43,200.00		43,200.00	22,540.93	20,659.07	

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2019

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries & Wages	\$ 1,500.00	\$ 1,500.00	\$ 1,499.94	\$ 0.06	
Other Expenses	27,900.00	27,900.00	27,861.36	38.64	
Environmental Commission:					
Other Expenses	8,625.00	8,625.00	8,611.20	13.80	
Animal Control:					
Other Expenses	6,400.00	6,400.00	4,753.83	1,646.17	
PARK AND RECREATION:					
Recreation Services and Programs:					
Salaries & Wages	36,600.00	36,600.00	36,539.92	60.08	
Other Expenses	7,750.00	7,750.00	5,706.22	2,043.78	
Senior Citizen Center Transportation:					
Other Expenses	8,000.00	8,000.00	6,955.00	1,045.00	
OTHER COMMON OPERATING FUNCTIONS:					
Accumulated Leave Compensation:					
Salaries & Wages	50,000.00	50,000.00	50,000.00		
UNIFORM CONSTRUCTION CODE:					
State Uniform Construction Code:					
Construction Official:					
Salaries & Wages	59,500.00	60,500.00	60,496.51	3.49	
Other Expenses	14,300.00	14,300.00	6,687.35	7,612.65	
UNCLASSIFIED					
Electricity	37,500.00	37,500.00	31,927.94	5,572.06	
Street Lighting	26,000.00	26,000.00	20,329.78	5,670.22	
Telephone	22,000.00	22,000.00	16,495.86	5,504.14	

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
UNCLASSIFIED (Continued)					
Water	\$ 5,200.00	\$ 5,200.00	\$ 4,917.66	\$ 282.34	
Gasoline	37,500.00	37,500.00	36,500.00	1,000.00	
Natural Gas	30,000.00	30,000.00	21,172.34	8,827.66	
Landfill/Solid Waste Disposal Costs	85,000.00	85,000.00	68,510.66	16,489.34	
Total Operations Within "CAPS"	4,044,114.00	3,966,414.00	3,527,198.06	439,215.94	
Contingent	2,000.00	2,000.00		2,000.00	
Total Operations including Contingent within "CAPS"	4,046,114.00	3,968,414.00	3,527,198.06	441,215.94	
Detail:					
Salaries & Wages	1,818,500.00	1,733,100.00	1,677,126.06	55,973.94	
Other Expenses	2,227,614.00	2,235,314.00	1,850,072.00	385,242.00	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"; Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	90,285.34	90,285.34	90,285.34		
Police and Firemen's Retirement System of New Jersey	219,697.00	219,697.00	219,697.00		
Social Security System (O.A.S.I.)	146,000.00	146,000.00	130,508.56	15,491.44	

BOROUGH OF PEAPACK AND GLADSTONECURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISYEAR ENDED DECEMBER 31, 2019

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS": Statutory Expenditures: Contribution to:					
Unemployment Insurance	\$ 2,000.00	\$ 2,000.00		\$ 2,000.00	
Defined Contribution Retirement Fund	2,000.00	3,000.00	\$ 2,744.54	255.46	
	459,982.34	460,982.34	443,235.44	17,746.90	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	4,506,096.34	4,429,396.34	3,970,433.50	458,962.84	
Total General Appropriations for Municipal Purposes Within "CAPS"					
Operations Excluded from "CAPS"					
Aid to Library (N.J.S.A. 40:54-35)	400.00	400.00	296.98	103.02	
Recycling Tax	4,500.00	4,500.00	3,526.89	973.11	
Shared Service Agreements: Municipal Court:					
Other Expenses - Contractual	75,000.00	89,700.00	89,624.23	75.77	
Length of Service Awards Program (N.J.S.A. 40A:4-453)					
Fire Department	36,000.00	36,000.00		36,000.00	
First Aid Squad	17,000.00	17,000.00		17,000.00	
State and Federal Programs Offset by Revenues:					
Clean Communities	6,936.35	6,936.35	6,936.35		
Recycling Tonnage Grant	12,220.85	12,220.85	12,220.85		
Body Armor Replacement Fund	1,227.99	1,227.99	1,227.99		
Somerset County DWI Grant	1,500.00	1,500.00	1,500.00		
Green Community Forestry Management Plan (N.J.S.A. 40A:4-87 + \$3,000.00)		3,000.00	3,000.00		

BOROUGH OF PEAPACK AND GLADSTONECURRENT FUNDSTATEMENT OF EXPENDITURES - REGULATORY BASISYEAR ENDED DECEMBER 31, 2019

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued)					
State and Federal Programs Offset by Revenues: (Continued)					
Distracted Driving (N.J.S.A. 40A:4-87 + \$5,720.00)	\$ 1,100.00	\$ 6,820.00	\$ 6,820.00		
Matching Funds for Grants: Municipal Alliance	726.80	726.80	726.80		
Total Operations Excluded from "CAPS"	156,611.99	180,031.99	125,880.09	\$ 54,151.90	
Detail:					
Other Expenses	156,611.99	180,031.99	125,880.09	54,151.90	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	400,000.00	400,000.00	400,000.00		
New Jersey Department of Transportation Trust Fund Authority Act: 2019 Municipal Aid Program (N.J.S.A. 40A:4-87 + \$194,000.00)		194,000.00	194,000.00		
Total Capital Improvements - Excluded from "CAPS"	400,000.00	594,000.00	594,000.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	303,050.00	334,050.00	303,050.00		\$ 31,000.00
Payment of Bond Anticipation Notes and Capital Notes	535,000.00	535,000.00	535,000.00		
Interest on Notes	13,375.00	13,375.00	13,374.99		0.01
Interest on Bonds	57,720.00	88,720.00	57,719.69		31,000.31
Total Municipal Debt Service - Excluded from "CAPS"	909,145.00	971,145.00	909,144.68		62,000.32



BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	<u>Ref.</u>	Analysis of	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 6,941,853.33	
Added by N.J.S.A. 40A:4-87		<u>202,720.00</u>	
		<u>\$ 7,144,573.33</u>	
Reserve for Uncollected Taxes			\$ 970,000.00
Reserve for Encumbrances	A		263,254.14
Transfer to Appropriated Grant Reserves:			
Federal and State Grants			225,705.19
Local Match			726.80
Cash Disbursed			<u>5,246,837.63</u>
			6,706,523.76
Less: Appropriation Refunds - Cash Received			75,078.49
Less: Appropriation Refunds - Receivable			<u>61,987.00</u>
			<u>\$ 6,569,458.27</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
TRUST FUNDS

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 13,931.45	\$ 11,345.17
Due from State of New Jersey		94.60	94.60
		<u>14,026.05</u>	<u>11,439.77</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	4,779,514.73	2,641,203.86
Due from Current Fund	A		834,802.18
		<u>4,779,514.73</u>	<u>3,476,006.04</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,793,540.78</u>	<u>\$ 3,487,445.81</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to Current Fund	A	\$ 5,654.85	\$ 4,706.97
Reserve for Animal Control Expenditures	B-6	8,371.20	6,732.80
		<u>14,026.05</u>	<u>11,439.77</u>
Other Trust Funds:			
Due to Current Fund	A	190,271.80	
Due to General Capital Fund - Open Space Trust Fund	C	150,000.00	
Due to State of New Jersey - DCA Fees		7,454.00	2,050.00
Reserve for Open Space		2,407,383.92	2,017,219.86
Reserve for Housing Trust		695,361.60	277,253.97
Reserve for Unemployment Compensation Insurance		44,177.23	41,223.73
Reserve for Council on Affordable Housing		450,294.18	450,069.11
Reserve for Developers Escrow		234,118.67	265,600.96
Reserve for Recreation Commission		136,324.31	140,138.51
Reserve for Forfeited Assets		2,665.91	2,665.11
Reserve for Fire Prevention		1,343.05	1,343.05
Reserve for Flexible Spending		1,692.26	1,442.26
Reserve for Escrow Deposits		15,708.44	16,708.44
Reserve for Parking Offense Adjudication Act		440.00	432.00
Reserve for Accumulated Leave		194,117.60	161,752.78
Reserve for Recycling		1,253.85	1,190.85
Reserve for Tax Sale Premiums		152,600.00	21,450.00
Reserve for Police Outside Services		35,900.75	25,763.25
Reserve for Historic Preservation Commission		1,325.00	1,120.00
Reserve for Storm Recovery		27,632.16	27,632.16
Reserve for Friends of the Library		20,950.00	20,950.00
Reserve for Donations from Garden Club		3,500.00	
Reserve for Liberty Park Renovations		5,000.00	
		<u>4,779,514.73</u>	<u>3,476,006.04</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,793,540.78</u>	<u>\$ 3,487,445.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE  
ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
GENERAL CAPITAL FUND

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

		December 31,	
	Ref.	2019	2018
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 387,105.08	\$ 637,927.07
Due from State of New Jersey:			
Department of Transportation Grant		250,500.00	250,500.00
Due from Current Fund	A	308,386.84	308,490.98
Due from Open Space Recreation Trust	B	150,000.00	
Deferred Charges to Future Taxation:			
Funded		3,621,631.36	4,067,659.17
Unfunded	C-4	238,000.00	773,000.00
<u>TOTAL ASSETS</u>		<u>\$ 4,955,623.28</u>	<u>\$ 6,037,577.22</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 3,591,000.00	\$ 4,007,000.00
NJDEP Open Space Acquisition Loan	C-9	30,631.36	60,659.17
Bond Anticipation Notes Payable	C-7		535,000.00
Improvement Authorizations:			
Funded	C-5	530,652.97	541,640.45
Unfunded	C-5	223,923.41	509,313.56
Capital Improvement Fund	C-6	545,017.79	349,566.29
Fund Balance	C-1	34,397.75	34,397.75
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,955,623.28</u>	<u>\$ 6,037,577.22</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 34,397.75
Balance December 31, 2019	C	<u><u>\$ 34,397.75</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
SEWER UTILITY FUND



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

		December 31,	
	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 1,273,185.29	\$ 1,340,871.88
Due from Current Fund Fund	A	2,742.46	
Due from Sewer Utility Capital Fund	E		17.85
		<u>1,275,927.75</u>	<u>1,340,889.73</u>
Receivable with Full Reserve:			
Consumer Accounts Receivable	E-6	<u>54,324.66</u>	<u>46,209.93</u>
Total Operating Fund		<u>1,330,252.41</u>	<u>1,387,099.66</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,080,482.82	889,417.67
Due from Sewer Utility Operating Fund	E	24,734.05	
Fixed Capital	E-7	8,317,748.85	8,317,748.85
Fixed Capital Authorized and Uncompleted	E-8	<u>164,600.00</u>	<u>164,600.00</u>
Total Capital Fund		<u>9,587,565.72</u>	<u>9,371,766.52</u>
<u>TOTAL ASSETS</u>		<u>\$ 10,917,818.13</u>	<u>\$ 10,758,866.18</u>

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

		December 31,	
	Ref.	2019	2018
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-3;E-9	\$ 83,660.64	\$ 92,627.46
Unencumbered	E-3;E-9	303,492.74	348,958.77
		387,153.38	441,586.23
Sewer Rent Overpayments		1,317.20	1,831.11
Due to Sewer Utility Capital Fund	E	24,734.05	
		413,204.63	443,417.34
Reserve for Receivables	E	54,324.66	46,209.93
Fund Balance	E-1	862,723.12	897,472.39
Total Operating Fund		1,330,252.41	1,387,099.66
Capital Fund:			
Improvement Authorizations:			
Funded	E-10	70,616.72	79,799.67
Due to Sewer Utility Operating Fund	E		17.85
Capital Improvement Fund	E-11	951,486.27	751,486.27
Deferred Reserve for Amortization	E-12	164,600.00	164,600.00
Reserve for Amortization	E-13	8,317,748.85	8,317,748.85
Reserve for Contribution in Aid of Construction		29,359.57	29,359.57
Reserve for Sewer Pump		9,000.00	9,000.00
Reserve for Capital Improvements – Shared Services		25,000.00	
Fund Balance	E-1A	19,754.31	19,754.31
Total Capital Fund		9,587,565.72	9,371,766.52
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 10,917,818.13	\$ 10,758,866.18

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

		Year Ended December 31,	
	Ref.	2019	2018
<u>Revenue and Other Income Realized</u>			
Surplus Anticipated		\$ 300,000.00	\$ 340,000.00
Rents		1,106,226.34	1,139,995.13
Sewer Rents - Bedminster Township			37,806.93
Sewer Rents - Far Hills Township			20,642.28
Contracted Sewer Operations - Bedminster Township			17,100.00
Miscellaneous Revenue Not Anticipated		30,851.74	35,935.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		307,965.65	33,568.68
Total Income		1,745,043.73	1,625,048.53
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,193,650.00	1,260,500.00
Capital Improvements		225,000.00	225,000.00
Deferred Charges and Statutory Expenditures		61,143.00	60,500.00
Total Expenditures		1,479,793.00	1,546,000.00
Excess in Revenue		265,250.73	79,048.53
<u>Fund Balance</u>			
Balance January 1		897,472.39	1,158,423.86
		1,162,723.12	1,237,472.39
Decreased by:			
Utilized as Anticipated Revenue		300,000.00	340,000.00
Balance December 31	E	\$ 862,723.12	\$ 897,472.39

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 19,754.31
Balance December 31, 2019	E	<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 REVENUE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Surplus Anticipated	\$ 300,000.00	\$ 300,000.00	
Rents	1,110,000.00	1,106,226.34	\$ 3,773.66 *
Sewer Rents - Bedminster Township	30,475.00		30,475.00 *
Sewer Rents - Far Hills Township	10,159.00		10,159.00 *
Contracted Sewer Operations - Bedminster Township	10,159.00		10,159.00 *
	<u>1,460,793.00</u>	<u>1,406,226.34</u>	<u>(54,566.66)</u>
Miscellaneous Revenue	\$ 19,000.00	30,851.74	11,851.74
	<u>\$ 1,479,793.00</u>	<u>\$ 1,437,078.08</u>	<u>\$ (42,714.92)</u>
Analysis of Sewer Rents Revenue:			
Collected in Sewer Utility Operating Fund		\$ 1,104,395.23	
Overpayments Applied		<u>1,831.11</u>	
		<u>\$ 1,106,226.34</u>	
Analysis of Miscellaneous Revenue:			
Treasurer:			
Interest on Deposits	\$ 18,391.07		
Connection Fees	4,650.00		
Other Sewer Fees	635.36		
Interest on Delinquent Rents	<u>4,184.75</u>		
		\$ 27,861.18	
Interest on Investments -			
Due from Sewer Utility Capital Fund		248.10	
Due from Current Fund - Tax Sale Cost and Interest		<u>2,742.46</u>	
		<u>\$ 30,851.74</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 EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

	<u>Appropriations</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 220,100.00	\$ 220,100.00	\$ 155,343.19	\$ 64,756.81
Other Expenses	973,550.00	973,550.00	739,035.66	234,514.34
Capital Improvements:				
Capital Improvement Fund	200,000.00	200,000.00	200,000.00	
Reserve for Capital Improvements - Shared Services	25,000.00	25,000.00	25,000.00	
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	45,143.00	45,143.00	45,142.66	0.34
Social Security System (O.A.S.I.)	16,000.00	16,000.00	11,778.75	4,221.25
	<u>\$ 1,479,793.00</u>	<u>\$ 1,479,793.00</u>	<u>\$ 1,176,300.26</u>	<u>\$ 303,492.74</u>

Ref.

E

Analysis of Paid or Charged

Cash Disbursed		\$ 1,067,639.62
Due to Sewer Utility Capital Fund	E	25,000.00
Encumbered		<u>83,660.64</u>
		<u>\$ 1,176,300.26</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
PUBLIC ASSISTANCE FUND

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

		December 31,	
	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 3,445.73	\$ 3,444.69
<u>TOTAL ASSETS</u>		<u>\$ 3,445.73</u>	<u>\$ 3,444.69</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		\$ 3,445.73	\$ 3,444.69
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 3,445.73</u>	<u>\$ 3,444.69</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	2019	2018
<u>ASSETS</u>		
Land	\$ 5,437,362.00	\$ 5,437,362.00
Land Improvements	192,873.00	192,873.00
Buildings	1,347,855.00	1,347,855.00
Machinery and Equipment	4,218,964.79	4,163,452.57
<u>TOTAL ASSETS</u>	<u>\$ 11,197,054.79</u>	<u>\$ 11,141,542.57</u>
 <u>RESERVES</u>		
Investment in General Fixed Assets	<u>\$ 11,197,054.79</u>	<u>\$ 11,141,542.57</u>
<u>TOTAL RESERVES</u>	<u>\$ 11,197,054.79</u>	<u>\$ 11,141,542.57</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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 volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Peapack and Gladstone conform to the accounting principles applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

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

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. The operations of the State funded welfare program were transferred to the County in a prior year.

General Fixed Assets Account Group - These accounts were established with estimated values of land, building and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Grant revenue is realized in the Operating and Trust Funds on the cash basis, and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality which are susceptible of accrual are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when budgeted; inventories would not be reflected as expenditures at the time of purchase, fixed assets purchased by the Sewer Utility Capital Fund would be depreciated, investments would generally be stated at fair value and the Borough's net pension liability and net OPEB liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans or by capital leases.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awarded less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amounts awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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

General Fixed Assets Account Group - General fixed assets are recorded at historical cost or estimated historical cost.

The total value recorded for general fixed assets is offset by an "Investment in General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly.

Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, and Sewer Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

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

F. Budget/Budgetary Controls

Annual appropriated budgets are prepared in the 1<sup>st</sup> quarter for the Current, Open Space Trust, and Sewer Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2019	2018	2017
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 3,621,631.36	\$ 4,602,659.17	\$ 4,814,095.30
Net Debt Issued	3,621,631.36	4,602,659.17	4,814,095.30
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	238,000.00	238,000.00	260,200.00
Total Authorized but not Issued	238,000.00	238,000.00	260,200.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 3,859,631.36</u>	<u>\$ 4,840,659.17</u>	<u>\$ 5,074,295.30</u>

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 0.524%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	\$ 5,180,185.58	\$ 5,180,185.58	
General Debt	3,859,631.36		\$ 3,859,631.36
	<u>\$ 9,039,816.94</u>	<u>\$ 5,180,185.58</u>	<u>\$ 3,859,631.36</u>

Net Debt \$3,859,631.36 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$737,233,643.33= 0.524%.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property \$ 25,803,177.52

Net Debt 3,859,631.36

Remaining Borrowing Power \$ 21,943,546.16

Calculation of "Self-Liquidating Purpose", Sewer Utility  
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year \$ 1,437,078.08

Deductions:

Operating and Maintenance Cost 1,254,793.00

Excess in Revenue \$ 182,285.08

Note: If there is a deficit in revenue, sewer utility debt is not deductible to the extent of 20 times of said deficit or total debt service, whichever is smaller (40A:2-48).

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2018	Additions	Retirements	Balance 12/31/2019
Serial Bonds:				
General Capital Fund	\$ 4,007,000.00		\$ 416,000.00	\$ 3,591,000.00
Bond Anticipation Notes:				
General Capital Fund	535,000.00		535,000.00	
NJDEP Loans Payable:				
General Capital Fund	60,659.17		30,027.81	30,631.36
Total	<u>\$ 4,602,659.17</u>	<u>\$ -0-</u>	<u>\$ 981,027.81</u>	<u>\$ 3,621,631.36</u>



BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2017	Additions	Retirements	Balance 12/31/2018
Serial Bonds:				
General Capital Fund	\$ 4,407,000.00		\$ 400,000.00	\$ 4,007,000.00
Bond Anticipation Notes:				
General Capital Fund	317,000.00	\$ 535,000.00	317,000.00	535,000.00
NJDEP Loans Payable:				
General Capital Fund	90,095.30		29,436.13	60,659.17
Total	<u>\$ 4,814,095.30</u>	<u>\$ 535,000.00</u>	<u>\$ 746,436.13</u>	<u>\$ 4,602,659.17</u>

Analysis of Debt Issued and Outstanding at December 31, 2019

General Capital Serial Bonds Payable

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
General Improvement Bonds of 2015	07/15/23	2.00%	\$ 805,000.00
Refunding Bonds 2017	12/01/29	2.20%	<u>2,786,000.00</u>
			<u>\$ 3,591,000.00</u>

General Capital NJ Department of Environmental Protection (NJDEP) Loans

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2019
Open Space Acquisition Loan	10/9/2020	2.00%	<u>\$ 30,631.36</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 3,621,631.36</u>

General Capital New Jersey Department of Environmental Protection Loan

In 2001, the Borough of Peapack and Gladstone entered into a loan agreement with the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, in the aggregate amount of \$500,000.00 which represents direct obligations of the Borough. The loan agreement was obtained for the acquisition of open space.

Principal payments on the Loan will continue on an annual basis until 2020 at 2.00% interest. The Borough will be responsible for all such interest and principal payments. The balance of the loan as of December 31, 2019 was \$30,631.36.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Refunding Bonds

The Borough issued \$2,882,000 of refunding bonds with interest rates of 2.200% dated October 24, 2017 to refund \$2,634,000 of the General Improvement Bonds of 2009 with interest rates of 3.625% to 4.000%. The refunding bonds mature on December 1, 2017 through December 1, 2029. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds were called on December 1, 2019. The refunding met the requirements of an in-substance debt defeasance and the bonds were removed from the Borough's financial statements.

As a result of the refunding Borough will realize on a net present value basis savings equating to \$121,652.77 over the life of the bond issue.

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonds and Loans Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 471,631.36	\$ 77,852.23	\$ 549,483.59
2021	459,000.00	68,050.00	527,050.00
2022	481,000.00	58,342.00	539,342.00
2023	493,000.00	48,180.00	541,180.00
2024	563,000.00	69,410.00	632,410.00
2025-2029	1,154,000.00	63,822.00	1,217,822.00
	<u>\$ 3,621,631.36</u>	<u>\$ 385,656.23</u>	<u>\$ 4,007,287.59</u>

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2019, which is included in the adopted budget for the Current and Sewer Utility Operating Funds for the year ending December 31, 2020 is as follows:

Current Fund	\$ 1,650,000.00
Sewer Utility Operating Fund	150,000.00

Note 4: Regional School Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the respective school district.

The Borough of Peapack and Gladstone has not elected to defer school taxes.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 5: Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019, there were no deferred charges to be raised in succeeding year's budgets.

Note 6: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at: [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

Benefits Provided

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$135,428 for 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2019, the Borough's liability was \$2,434,788 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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 members, actuarially determined. At June 30, 2019, the Borough's proportion was .01341%, which was an increase of 0.0001% from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Borough recognized actual pension expense in the amount of \$135,428.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 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 upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, 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 collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
Borough's proportionate share of the Net Pension Liability	\$ 3,075,533	\$ 2,434,788	\$ 1,894,870

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/treasury/pensions/financial-reports.shtml).

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 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.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation (Cont'd)

plan (except for employer specific funded amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. The June 30, 2019 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ended June 30, 2019 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Borough contributions to PFRS amounted to \$219,697 for the year ended December 31, 2019. During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$24,135 to the PFRS for normal pension benefits on behalf of the Borough, which is less than the contractually required contribution of \$41,619.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2019, the Borough's liability for its proportionate share of the net pension liability was \$2,268,437. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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 members, actuarially determined. At June 30, 2019, the Borough's proportion was .01853%, which was a decrease of .003% from its proportion measured as of June 30, 2018.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$358,191 as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the Borough 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 members, actuarially determined. At June 30, 2019, the State's proportion was .01853%, which was a decrease of .003% from its proportion measured as of June 30, 2018 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 2,268,437
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>358,191</u>
Total Net Pension Liability	<u>\$ 2,626,628</u>



BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

For the year ended December 31, 2019, the Borough recognized total pension expense of \$219,697.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through all future years	3.25 – 15.25% based on years of service
--------------------------	---

Investment Rate of Return	7.00%
---------------------------	-------

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies Cash	3.00%	4.67%
Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 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 and the nonemployer contributing entity will be made based on 70% of the actuarially contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (5.85%)	At Current Discount Rate (6.85%)	At 1% Increase (7.85%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 3,550,244	\$ 2,626,628	\$ 1,862,203

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of \$2,744.54 for the year ended December 31, 2019. Employee contributions to DCRP amounted to \$3,727.16 for the year ended December 31, 2019.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019

(Continued)

Note 7: Accrued Vacation and Compensatory Time Benefits

The Borough of Peapack and Gladstone has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$270,328.36 at December 31, 2019. 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's budget operating expenditures in the year in which it is used. This amount is partially funded in the Reserve for Accumulated Leave of \$194,117.60 reflected on the Other Trust Funds' balance sheet as of December 31, 2019.

Note 8: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Tax Rate</u>	\$ 1.870	\$ 1.878	\$ 1.902
<u>Apportionment of Tax Rate</u>			
Municipal (Including Open Space)	.581	.584	.588
County	.401	.397	.404
Regional School	.888	.897	.910
<u>Assessed Valuations</u>			
2019	\$ 740,676,735.00		
2018		\$ 729,105,637.00	
2017			\$ 717,071,287.00

Comparison of Tax Levies and Collections 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.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 8: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently (Cont'd)

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2019	\$ 13,859,854.13	\$ 13,765,450.06	99.31%
2018	13,901,870.30	13,783,313.45	99.14%
2017	13,895,676.07	13,700,622.98	98.59%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding creases in budgeted expenditures.

Note 9: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed on the following pages.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Deposits: (Cont'd)

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types of securities:

- (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, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (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. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 9: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

- (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.

As of December 31, 2019, cash and cash equivalents of the Borough of Peapack and Gladstone consisted of the following:

Fund	Cash on Hand	Checking Accounts	New Jersey Cash Management	Totals
			Fund	
Current	\$ 150.00	\$ 1,716,821.24	\$ 2,229,647.06	\$ 3,946,618.30
Animal Control		13,931.45		13,931.45
Other Trust		4,779,514.73		4,779,514.73
General Capital		277,105.08	110,000.00	387,105.08
Sewer Utility Operating		732,566.87	540,618.42	1,273,185.29
Sewer Utility Capital		1,020,482.82	60,000.00	1,080,482.82
Public Assistance		3,445.73		3,445.73
	<u>\$ 150.00</u>	<u>\$ 8,543,867.92</u>	<u>\$ 2,940,265.48</u>	<u>\$ 11,484,283.40</u>

The Borough did not hold any investments during the year ended December 31, 2019. The carrying amount of the Borough's cash and cash equivalents at year end was \$11,484,283.40 and the bank balance was \$10,270,879.61. The \$2,940,265.48 in the New Jersey Cash Management Fund is uninsured and unregistered.

Note 10: Risk Management

The Borough 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. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Borough of Peapack and Gladstone is a member of the Statewide Insurance Fund (the "Fund"). This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 10: Risk Management (Cont'd)

As a member of this Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Funds were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are 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 Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2019 audit report for the fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2018 is as follows:

	<u>Statewide Insurance Fund</u>
Total Assets	<u>\$ 48,828,931</u>
Net Position	<u>\$ 13,407,234</u>
Total Revenue	<u>\$ 25,482,958</u>
Total Expenses	<u>\$ 25,415,027</u>
Change in Net Position	<u>\$ 67,931</u>
Members Dividends	<u>\$ -0-</u>

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

Statewide Insurance Fund  
One Sylvan Way  
Parsippany, NJ 07054  
(862) 260-2050

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

On the following page is a summary of Borough and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years.



BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Year</u>	<u>Borough Contribution</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019		\$ 21.99	\$ 3,135.42	\$ 203.91	\$ 44,177.23
2018	\$ 25,000.00	15.33	18,289.23	11,727.51	41,223.73
2017	2,000.00	5.54	1,488.08	4,319.28	9,646.68

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current - Regular	\$ 173,796.65	\$ 573,642.29
Current - Federal and State Grant	262,512.99	
Animal Control		5,654.85
Other Trust		318,141.80
General Capital	458,386.84	
Sewer Utility Operating	2,742.46	24,734.05
Sewer Utility Capital	24,734.05	
Public Assistance		
	<u>\$ 922,172.99</u>	<u>\$ 922,172.99</u>

The interfund receivable in the Current Fund from the Animal Control Fund is comprised of the current year statutory excess in the Reserve for Animal Control Fund Expenditures due from the Animal Control Fund and December interest earnings due from the Animal Control Fund as well as a prior year interfund that was not liquidated. Additionally, the interfund receivable in the Current Fund from the Other Trust Funds is primarily comprised of the Borough share of uniform construction code fees and police outside service administrative fees and Open Space Trust expenditures paid by the Current Fund offset by offset by tax sale premium collections in the Current Fund as well as a prior year interfund that was not fully settled. The interfund receivable in the Federal and State Grant Fund reflects the net of Federal and State Grant Fund receipts collected in the Current Fund offset by expenditures paid by the Current Fund. The interfund receivable in the Sewer Utility Operating Fund from the Current Fund is for tax sale funds received and not transferred over as of the end of the year. The interfund in the Sewer Utility Capital Fund is due to a budget appropriation for the Reserve for Capital Improvements – Shared Services not turned over by year end offset by interest earnings due to the Sewer Utility Operating Fund. The interfund receivable in the General Capital Fund is comprised of a prior year interfund not settled due from the Current Fund offset by December interest earnings due to the Current Fund. Finally, the interfund receivable in the General Capital Fund due from the Other Trust Funds is for Open Space funds used to fund an ordinance in the General Capital Fund not transferred over as of the end of the year.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 12: Economic Dependency

The Borough of Peapack and Gladstone receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Contingent Liabilities

The Borough is occasionally involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 14: Fixed Assets

The following is a summarization of general fixed assets for the years ended December 31, 2019 and 2018:

	Balance Dec. 31, 2018	Additions	Deletions	Balance Dec. 31, 2019
Land	\$ 5,437,362.00			\$ 5,437,362.00
Land Improvements	192,873.00			192,873.00
Buildings	1,347,855.00			1,347,855.00
Machinery and Equipment	4,163,452.57	\$ 117,499.22	\$ 61,987.00	4,218,964.79
	<u>\$ 11,141,542.57</u>	<u>\$ 117,499.22</u>	<u>\$ 61,987.00</u>	<u>\$ 11,197,054.79</u>
	Balance Dec. 31, 2017	Additions	Deletions	Balance Dec. 31, 2018
Land	\$ 5,437,362.00			\$ 5,437,362.00
Land Improvements	192,873.00			192,873.00
Buildings	1,347,855.00			1,347,855.00
Machinery and Equipment	4,040,075.57	\$ 123,377.00		4,163,452.57
	<u>\$ 11,141,542.57</u>	<u>\$ 123,377.00</u>	<u>\$ -0-</u>	<u>\$ 11,141,542.57</u>

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 15: Postemployment Benefits Other Than Pensions

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

Upon retirement, full time Borough employees hired before April 1, 2017 who retire with twenty-five (25) or more years of service, and fifteen (15) years of service with the employer will receive full benefits. The coverage applies to the employee and their dependents. In the event of an employee's death, coverage ceases.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 15: Postemployment Benefits Other Than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

At June 30, 2019, the Borough had a liability of \$4,724,057 for its proportionate share of the net OPEB liability. At June 30, 2019, the Borough's proportion was .03487% which was a decrease of .0056% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019 the Borough's OPEB benefit as determined by the State of New Jersey Division of Pensions and Benefits was -\$246,373.

The Borough's actual post retirement payments in 2019 for 16 retiree employees were \$194,879.50.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
----------------	-------

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 15: Postemployment Benefits Other Than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Salary Increases\*:

Public Employees' Retirement System (PERS)

Initial fiscal year applied

Rate through 2026 2.00% - 6.00%

Rate thereafter 3.00% to 7.00%

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 15.25%

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

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially is 5.7% and decreases to a 4.5% long term trend rate after eight years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 15: Postemployment Benefits Other Than Pensions (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Sensitivity of the Net OPEB Liability Attributable to the Borough to Changes in the Discount Rate

The following presents the net OPEB Liability of the Borough as of June 30, 2019, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Borough would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Net OPEB Liability Attributable to the Borough	\$ 3,986,522	\$ 4,724,057	\$ 5,664,907

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

The following presents the net OPEB Liability of the Borough as of June 30, 2017, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Borough would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Borough	\$ 3,986,522	\$ 4,724,057	\$ 5,664,907

Note 16: Deferred Compensation

The Borough of Peapack and Gladstone offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 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.

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 17: Open Space Trust Reserve

The Borough established an Open Space Trust Fund in 1998. The Borough has levied a tax equal to 3 cents per \$100 of assessed valuation. The Borough is currently using the funds primarily for the payment of debt service related to open space.

Note 18: Subsequent Event

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the Borough's normal financial operations with the municipal office closed to the public and minimal staff working on site. Though the impact on the Borough's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on tax collections as well as other revenue in the Operating Funds.

# SUPPLEMENTARY DATA



BOROUGH OF PEAPACK AND GLADSTONE  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2019

Name	Title	Amount of Bond	Name of Corporate Surety
William Muller	Mayor		
Mark A. Corigliano	Council President		
Gianpaolo Caminiti	Councilmember		
Amy Dietrich	Councilmember		
Donald R. Lemma	Councilmember		
T. William Simpson	Councilmember		
Royal Smith	Councilmember		
Christopher Tietjen	Administrator (to 12/17/19)	Blanket (1)	
Randy Bahr	Acting Administrator (from 12/17/19 )		
Nancy Bretzger	Clerk /Assistant Administrator	Blanket (1)	
Elizabeth Peterson	Deputy Clerk (to 12/17/19)	Blanket (1)	
Mary P. Robinson	Chief Financial Officer; Tax Collector; Treasurer; Tax Search Officer	\$ 200,000	Selective Insurance
Edward L. Kerwin, Jr.	Tax Assessor	Blanket (1)	
Peter George	Payroll Clerk; Deputy Treasurer	50,000	Selective Insurance
Hollyann Dominguez	Sewer Collector	Blanket (1)	
John E. Bruder	Attorney		
Miles S. Winder, III	Municipal Prosecutor		
Frank La Gaurino	Construction Code Official	Blanket (1)	
Scott Hanna	Public Works Supervisor	Blanket (1)	
Katherine Howes	Magistrate	(A)	
Terri VanAllen	Court Administrator	(A)	
Sandy Henderson	Deputy Court Administrator	(A)	

(1) 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

(A) Municipal Court Employees are employees of Bedminster Township who are not specifically bonded and are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Suburban Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively. Peapack and Gladstone Borough is in a joint municipal court with Township of Bedminster.

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
CURRENT FUND

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 5,422,209.37
Increased by Receipts:		
Tax Collector	\$ 13,996,965.96	
Third Party Tax Title Liens	56,043.98	
Revenue Accounts Receivable	481,652.64	
Due from State of New Jersey:		
Marriage License Fees	150.00	
Veterans' and Senior Citizens' Deductions	11,000.00	
Due from County of Somerset:		
Overpayment of Prior Year County Taxes	30.00	
Miscellaneous Revenue Not Anticipated	116,748.13	
Due to/from Other Trust Funds:		
Partial Settlement of Prior Year Interfund	25,227.51	
Due to Sewer Utility Operating Fund:		
Tax Sale Costs and Fees	2,742.46	
Appropriation Refunds	75,078.49	
Reserve for Police Donations	500.00	
Due to Federal and State Grant Fund:		
Unappropriated Grant Reserves	24,637.79	
Grant Receivables	145,274.53	
	<hr/>	14,936,051.49
		<hr/> 20,358,260.86
Decreased by Disbursements:		
2019 Appropriation Expenditures	5,246,837.63	
2018 Appropriation Reserves	305,204.63	
Regional School Taxes	6,580,107.02	
County Taxes	2,956,416.62	
Third Party Tax Title Liens	56,043.98	
Tax Overpayments	4,061.79	
Due from Federal and State Grant Fund:		
Appropriated Grant Expenditures	31,548.09	
Due to State of New Jersey:		
Marriage License Fees	850.00	
Due to/from Other Trust Funds:		
Open Space Tax Levy	222,203.02	
Partial Settlement of Prior Year Interfund	871,655.57	
Open Space Expenditures	128,626.65	
Unemployment Trust Expenditures	203.91	
Insurance Company for Claim Restitution	2,402.00	
Return of Prior Year Revenue	5,631.65	
	<hr/>	16,411,792.56
		<hr/> <hr/>
Balance December 31, 2019	A	\$ 3,946,468.30

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2019

## Increased by Receipts:

Taxes Receivable	\$ 13,718,398.60	
2020 Prepaid Taxes	84,333.17	
Interest and Costs on Taxes	40,894.34	
Tax Overpayments	19,899.30	
Due to Other Trust Funds:		
Tax Sale Premiums	132,600.00	
Miscellaneous Revenue Not Anticipated	840.55	
	<hr/>	<hr/>
		\$ 13,996,965.96

## Decreased by:

Payments to Municipal Treasurer		<hr/> <hr/>
		\$ 13,996,965.96

SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Balance Dec. 31, 2019
	Dec. 31, 2018	2018	2019			
2018	\$ 112,057.10		\$ 111,720.66	\$ (250.00)	\$ 586.44	
2019		\$ 147,522.12	13,606,677.94	11,250.00	7,919.45	\$ 86,484.62
	<u>\$ 112,057.10</u>	<u>\$ 147,522.12</u>	<u>\$ 13,718,398.60</u>	<u>\$ 11,000.00</u>	<u>\$ 8,505.89</u>	<u>\$ 86,484.62</u>

Ref.           A

Analysis of 2019 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 13,850,655.00
Added and Omitted Taxes	<u>9,199.13</u>
	<u>\$ 13,859,854.13</u>

Tax Levy:

Regional School District Taxes	\$ 6,580,108.00
County Taxes	\$ 2,954,444.39
Due County for Added and Omitted Taxes	<u>1,972.23</u>
	<u>2,956,416.62</u>
	<u>9,536,524.62</u>

Local Tax for Municipal Purposes Levied  
 Additional Taxes Levied  
 Open Space Tax Levy

	4,087,009.14
	13,969.76
	<u>222,350.61</u>
	<u>4,323,329.51</u>
	<u>\$ 13,859,854.13</u>

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Accrued in</u> <u>2019</u>	<u>Received in</u> <u>2019</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Clerk:				
Alcoholic Beverage Licenses		\$ 12,500.00	\$ 12,500.00	
Fees and Permits		79,993.71	79,993.71	
Municipal Court:				
Fines and Costs	\$ 6,134.90	93,883.04	94,156.52	\$ 5,861.42
Uniform Construction Code Fees		153,398.00	153,398.00	
Rental of Borough Property		43,943.41	43,943.41	
Energy Receipts Taxes		251,059.00	251,059.00	
	<u>\$ 6,134.90</u>	<u>\$ 634,777.16</u>	<u>\$635,050.64</u>	<u>\$ 5,861.42</u>
<u>Ref.</u>	A			A
		Cash Receipts in Current Fund	\$481,652.64	
		Due from Other Trust Funds	<u>153,398.00</u>	
			<u>\$635,050.64</u>	

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE



BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2019

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries & Wages	\$ 3,767.02	\$ 3,767.02		\$ 3,767.02
Other Expenses	24,813.92	24,813.92	\$ 17,838.75	6,975.17
Mayor and Council:				
Other Expenses	2,475.95	22,725.95	15,459.04	7,266.91
Municipal Clerk:				
Salaries & Wages	580.52	180.52		180.52
Other Expenses	9,366.70	9,766.70	9,393.49	373.21
Financial Administration:				
Salaries & Wages	158.03	158.03		158.03
Other Expenses	4,329.71	4,329.71	475.00	3,854.71
Computer Information Technology:				
Other Expenses	4,681.80	4,681.80	256.86	4,424.94
Revenue Administration (Tax Collection):				
Salaries & Wages	3,235.90	3,235.90		3,235.90
Other Expenses	2,082.58	2,082.58	281.52	1,801.06
Tax Assessment Administration:				
Salaries & Wages	3,678.12	3,678.12		3,678.12
Other Expenses	3,900.00	3,900.00	2,618.19	1,281.81
Legal Services and Costs:				
Other Expenses - Fees	81,470.24	61,220.24	33,201.00	28,019.24
Engineering Services and Costs:				
Other Expenses	12,050.19	12,050.19	1,825.80	10,224.39
Cultural Heritage:				
Other Expenses	1,750.00	1,750.00	1,744.87	5.13
Municipal Land Use Law:				
Land Use Board:				
Salaries & Wages	1,408.85	1,408.85	120.00	1,288.85
Other Expenses	20,578.15	20,578.15	462.28	20,115.87
Zoning Cost:				
Salaries & Wages	1.16	1.16		1.16
Other Expenses	218.50	218.50		218.50
Insurance:				
Group Insurance Plans for Employees	43,735.77	43,735.77	38,052.86	5,682.91
General Liability Insurance	40,552.79	40,552.79		40,552.79
Health Benefit Waiver	200.20	200.20		200.20
PUBLIC SAFETY:				
Police:				
Salaries & Wages	79,397.52	79,397.52	2,084.95	77,312.57
Other Expenses	36,531.30	36,531.30	20,091.15	16,440.15

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	Balance Dec. 31, 2018	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY: (Cont'd)				
Emergency Management Services:				
Salaries & Wages	\$ 400.00	\$ 400.00	\$ 400.00	
Other Expenses	4,781.89	4,781.89	990.51	\$ 3,791.38
Fire:				
Salaries & Wages	83.40	83.40		83.40
Other Expenses	77,968.82	77,968.82	50,456.97	27,511.85
Fire Prevention Program:				
Salaries & Wages	2,160.94	2,160.94		2,160.94
Other Expenses	917.00	917.00	136.00	781.00
Fire Hydrant Services	9,591.25	9,591.25	7,484.40	2,106.85
Municipal Court:				
Salaries & Wages	1,801.18	1,801.18		1,801.18
PUBLIC WORKS:				
Streets and Roads:				
Salaries & Wages - Streets and Roads	9,702.82	9,702.82		9,702.82
Other Expenses - Maintenance and Repairs	63,550.26	63,550.26	12,011.22	51,539.04
Shade Tree Commission:				
Other Expenses	3,100.00	3,100.00	3,100.00	
Garbage and Trash Removal:				
Other Expenses	11,874.33	11,874.33	11,741.89	132.44
Public Building and Grounds:				
Salaries & Wages	7,996.77	7,996.77	27.41	7,969.36
Other Expenses	71,451.75	71,451.75	5,300.34	66,151.41
Vehicle Maintenance:				
Other Expenses	34,454.17	34,454.17	4,502.79	29,951.38
HEALTH AND WELFARE:				
Board of Health:				
Salaries & Wages	423.41	423.41		423.41
Other Expenses	338.64	338.64		338.64
Environmental Commission:				
Other Expenses	7,630.00	7,630.00	7,615.00	15.00
Animal Control:				
Other Expenses	61.57	61.57		61.57
PARKS AND RECREATION:				
Recreation Services and Programs:				
Salaries & Wages	0.99	0.99		0.99
Other Expenses	421.66	421.66	142.80	278.86
Senior Citizen Center Transportation:				
Other Expenses	1,725.00	1,725.00	210.00	1,515.00

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Uniform Construction Code:				
Construction Official:				
Salaries & Wages	\$ 11,036.00	\$ 11,036.00	\$ 268.00	\$ 10,768.00
Other Expenses	41,824.33	41,824.33	9,816.00	32,008.33
Unclassified:				
Telephone	7,347.18	7,347.18	1,242.27	6,104.91
Water	827.25	827.25	385.81	441.44
Gasoline	6,394.81	6,394.81	3,641.66	2,753.15
Electricity	13,178.92	13,178.92	4,867.93	8,310.99
Street Lighting	6,884.44	6,884.44	1,712.68	5,171.76
Natural Gas	22,284.47	22,284.47	2,042.84	20,241.63
Landfill Settlement Costs	26,788.15	26,788.15	12,028.24	14,759.91
Deferred Charges and Statutory Expenditures:				
Contributions to:				
Public Employees' Retirement System	542.28	542.28		542.28
Social Security System (O.A.S.I.)	10,472.23	10,472.23		10,472.23
Police and Fireman's Retirement System of NJ	58.00	58.00		58.00
Defined Contribution Retirement Fund	1.03	1.03		1.03
Unemployment Compensation Insurance	5,000.00	5,000.00		5,000.00
Contingent	2,000.00	2,000.00		2,000.00
Shared Service Agreements:				
Municipal Court:				
Other Expenses: Contractual	1,392.00	1,392.00		1,392.00
Operations Excluded from "CAPS":				
Maintenance of Library:				
Other Expenses	693.50	693.50	15.46	678.04
Recycling Tax	1,143.60	1,143.60	644.37	499.23
LOSAP - Fire Company	36,000.00	36,000.00	35,714.28	285.72
LOSAP - First Aid Squad	17,000.00	17,000.00		17,000.00
	<u>\$ 902,268.96</u>	<u>\$ 902,268.96</u>	<u>\$ 320,404.63</u>	<u>\$ 581,864.33</u>
	<u>Ref.</u>			
Encumbered	A	\$ 279,988.89		
Unencumbered	A	<u>622,280.07</u>		
		<u>\$ 902,268.96</u>		
			\$ 305,204.63	
Cash Disbursed			15,200.00	
Accounts Payable			<u>\$ 320,404.63</u>	

BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2018	A	\$ 1,263.14
Increased by:		
Levy - Calendar Year 2019		6,580,108.00
		<u>6,581,371.14</u>
Decreased by:		
Payments to Regional School District		6,580,107.02
		<u>6,580,107.02</u>
Balance December 31, 2019	A	<u>\$ 1,264.12</u>

BOROUGH OF PEAPACK AND GLADSTONE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2018	2019 Budget Revenue Realized	Grant Funds Received in Current Fund	Transferred from Unappropriated Reserves	Balance Dec. 31, 2019
Body Armor Replacement Fund		\$ 1,227.99	\$ 1,227.99		
Somerset County DWI Grant - 2019		1,500.00	1,500.00		
=		6,936.35		\$ 6,936.35	
Bulletproof Vest Grant	\$ 1,152.08				\$ 1,152.08
Recycling Tonnage Grant		12,220.85		12,220.85	
Click It or Ticket Grant	1,870.00				1,870.00
New Jersey Department of Transportation:					
2019 Municipal Aid Program		194,000.00	139,486.54		54,513.46
Distracted Driving Grant		6,820.00			6,820.00
Green Community Forestry Management Plan		3,000.00			3,000.00
County Municipal Planning Grant	14,250.00				14,250.00
NJ Highlands Plan Conformance Grant	7,500.00				7,500.00
Smart Growth Planning Assistance Grant	6,500.00				6,500.00
Sustainable Jersey Small Grant	7,500.00				7,500.00
Somerset County DWI Grant	7,295.00		3,060.00		4,235.00
	\$ 46,067.08	\$ 225,705.19	\$ 145,274.53	\$ 19,157.20	\$ 107,340.54

Ref.

A

A

BOROUGH OF PEAPACK AND GLADSTONE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2018	Grant Funds Received	Transferred to 2019 Budget Revenue	Balance Dec. 31, 2019
Recycling Tonnage Grant	\$ 12,220.85	\$ 2,010.77	\$ 12,220.85	\$ 2,010.77
Somerset County Distracted Driver Grant		8,427.50		8,427.50
Somerset County Drive Sober or Get Pulled Over Grant		3,600.00		3,600.00
Somerset County Click It or Ticket Grant		1,870.00		1,870.00
Clean Communities Grant	6,936.35	7,845.40	6,936.35	7,845.40
Alcohol Education and Rehabilitation Fund		884.12		884.12
	<u>\$ 19,157.20</u>	<u>\$ 24,637.79</u>	<u>\$ 19,157.20</u>	<u>\$ 24,637.79</u>
<u>Ref.</u>	A			A
	Federal	\$ 13,897.50		
	State	<u>10,740.29</u>		
		<u>\$ 24,637.79</u>		

BOROUGH OF PEAPACK AND GLADSTONE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2018	Transferred from Budget Appropriations	Expended in Current Fund	Balance Dec. 31, 2019
NJ Forestry Management Grant	\$ 1,972.18			\$ 1,972.18
NJ Forestry Management Grant - Matching	916.67			916.67
Space Study Grant	1,944.00			1,944.00
Municipal Court Alcohol Education and Rehabilitation Fund - 2015	2,813.64			2,813.64
Municipal Court Alcohol Education and Rehabilitation Fund - 2016	235.73			235.73
Municipal Court Alcohol Education and Rehabilitation Fund - 2018	579.06			579.06
Recycling Tonnage Grant -Prior Years	6,247.80	\$	6,247.80	
Recycling Tonnage Grant -2016	4,211.48		4,211.48	
Recycling Tonnage Grant -2017	3,878.82		3,878.82	
Recycling Tonnage Grant -2018	783.23		570.25	212.98
Recycling Tonnage Grant -2019		\$ 12,220.85		12,220.85
Body Armor Replacement Fund - Prior Years	4,089.08		1,836.80	2,252.28
Body Armor Replacement Fund - 2016	1,089.36			1,089.36
Body Armor Replacement Fund - 2017	360.95			360.95
Body Armor Replacement Fund - 2018		1,227.99		1,227.99
New Jersey Highlands Council Planning Grant	1,472.16			1,472.16
Drunk Driving Enforcement Fund - 2015	382.00			382.00
Clean Communities Grant - Prior Years	5,525.88		1,071.14	4,454.74
Clean Communities Grant - 2016	7,464.56			7,464.56
Clean Communities Grant - 2017	8,536.90			8,536.90
Clean Communities Grant - 2018	7,252.64			7,252.64
Clean Communities Grant - 2019		6,936.35		6,936.35

BOROUGH OF PEAPACK AND GLADSTONE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

(Continued)

	Balance Dec. 31, 2018	Transferred from Budget Appropriations	Expended in Current Fund	Balance Dec. 31, 2019
Somerset County Chief's Association	\$ 1,000.00			\$ 1,000.00
Somerset County DWI Grant - 2017	3,455.00		\$ 3,455.00	
Somerset County DWI Grant - 2018	1,276.20		1,276.20	
Somerset County DWI Grant - 2019		\$ 1,500.00	1,453.80	46.20
Municipal Alliance on Alcoholism and Drug Abuse:				
Municipal Share 2017	175.00		175.00	
Municipal Share 2018		726.80	551.80	175.00
Distracted Driving Grant		6,820.00	6,820.00	
Domestic Violence Training Program	1,597.43			1,597.43
New Jersey Department of Transportation:				
2019 Municipal Aid Program		194,000.00		194,000.00
Federal Bulletproof Vest Grant	22.25			22.25
Bulletproof Vest Program	1,152.08			1,152.08
Somerset County Youth Athletic and Recreation	15,000.00			15,000.00
Police Donations	632.35			632.35
Municipal Stormwater Regulation Program	5.39			5.39
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 Jersey Small Grant	9,686.00			9,686.00
Garden Club Somerset Hills	1,000.00			1,000.00



BOROUGH OF PEAPACK AND GLADSTONE  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES  
(Continued)

	Balance Dec. 31, 2018	Transferred from Budget Appropriations	Expended in Current Fund	Balance Dec. 31, 2019
County Municipal Planning Grant	\$ 14,250.00			\$ 14,250.00
County Cross Acceptance Grant	2,000.00			2,000.00
Help America Vote Grant	523.55			523.55
Green Community Forestry Management Plan		\$ 3,000.00		3,000.00
Green Community Grant	400.00			400.00
Green Community Grant - Matching	400.00			400.00
	<u>\$ 150,331.84</u>	<u>\$ 226,431.99</u>	<u>\$ 31,548.09</u>	<u>\$ 345,215.74</u>
<u>Ref.</u>	A			A
Federal	\$ 202,320.00	\$ 13,005.00		
State	23,385.19	17,816.29		
Local Match	726.80	726.80		
	<u>\$ 226,431.99</u>	<u>\$ 31,548.09</u>		

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
TRUST FUNDS

BOROUGH OF PEAPACK AND GLADSTONE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
<u>Ref.</u>		
Balance December 31, 2018	B \$ 11,345.17	\$ 2,641,203.86
Increased by Receipts:		
Borough Dog License Fees	\$ 5,029.20	
Penalties on Dog License Fees	420.00	
State Dog License Fees	484.80	
Due to Current Fund:		
Uniform Construction Code Fees		\$ 153,398.00
Police Outside Service Administrative Fees		28,935.00
Interest Earned	4.68	229.95
Partial Settlement of Prior Year Interfund		871,655.57
Due to State of New Jersey:		
DCA Fees		12,388.00
Reserve for:		
Open Space:		
Green Acres Grant Reimbursement		500,000.00
Tax Levy		222,203.02
Interest Earned		8,985.03
Housing Trust		418,107.63
Unemployment Compensation Insurance:		
Employee Contributions		3,135.42
Interest Earned		21.99
Council on Affordable Housing		225.07
Developers Escrow		57,470.69
Recreation Commission		70,221.30
Forfeited Assets		0.80
Flexible Spending		300.00
Parking Offense Adjudication Act		8.00
Accumulated Leave		50,000.00
Recycling		63.00
Police Outside Services		72,332.50
Historic Preservation Commission		205.00
Liberty Park Renovations		5,000.00
Donations from Garden Club		3,500.00
	<u>5,938.68</u>	<u>2,478,385.97</u>
	17,283.85	5,119,589.83

BOROUGH OF PEAPACK AND GLADSTONE  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
	<u>Ref.</u>	
Decreased by Disbursements:		
Due to State of New Jersey Board of Health	\$ 484.80	
Administrative Expenses (R.S. 4:19-15.11)	2,867.60	
Due to Current Fund:		
Prior Year Interfund Returned		\$ 25,227.51
Reserve for:		
Open Space		62,544.93
Developers Escrow		88,952.98
Recreation Commission		74,035.50
Flexible Spending		50.00
Escrow Deposits		1,000.00
Accumulated Leave		17,635.18
Tax Sale Premiums		1,450.00
Police Outside Services		62,195.00
Due to State of New Jersey:		
DCA Fees		6,984.00
	<u>\$ 3,352.40</u>	<u>\$ 340,075.10</u>
Balance December 31, 2019	B <u>\$ 13,931.45</u>	<u>\$ 4,779,514.73</u>

BOROUGH OF PEAPACK AND GLADSTONE  
ASSESSMENT TRUST FUND  
ANALYSIS OF ASSESSMENT TRUST FUND CASH  
YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

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

	<u>Ref.</u>	
Balance December 31, 2018	B	\$ 6,732.80
Increased by:		
Dog License Fees Collected	\$ 5,029.20	
Penalties on Dog Licenses	<u>420.00</u>	
		<u>5,449.20</u>
		12,182.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11	2,867.60	
Statutory Excess Due to Current Fund	<u>943.20</u>	
		<u>3,810.80</u>
Balance December 31, 2019	B	<u>\$ 8,371.20</u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2017	\$ 3,302.40
2018	<u>5,068.80</u>
Maximum Allowable Reserve	<u>\$ 8,371.20</u>

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
GENERAL CAPITAL FUND

BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

Balance December 31, 2018	<u>Ref.</u> C	\$ 637,927.07
Increased by:		
2019 Budget Appropriation:		
Capital Improvement Fund	\$ 400,000.00	
Payment of Bond Anticipation Notes	535,000.00	
Due to Current Fund:		
Interest Earned	104.14	
		<u>935,104.14</u>
		1,573,031.21
Decreased by:		
Improvement Authorization Expenditures	650,926.13	
Bond Anticipation Notes	535,000.00	
		<u>1,185,926.13</u>
Balance December 31, 2019	C	<u>\$ 387,105.08</u>



BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

[illegible]

BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

Ord. Date	Improvement Description	Balance/ (Deficit) Dec. 31, 2018	Receipts		Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2019
			Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	From	To		
1010	Acquisition of Emergency Generators									
1012	Purchase of Radios									
1013	Milling/Paving Improvements to Various Roads	\$ 78,372.03				\$ 79,000.00	\$ 78,372.03			
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	10,312.27	\$ 79,000.00							\$ 10,312.27
1022	Acquisition of Landscape Trailer	16.00								
1028	Milling/Paving Portion of Willow Ave	199,171.70			\$ 198,892.39			16.00		
1039	Improvements to the Buildings & Grounds and the Purchase of Mower, Purchase of Police SUV/Equipment, and Replacement of Guardrail on Willow Ave.	119,616.85								279.31
1041	Various Capital Improvements	44,495.03	238,000.00				238,000.00	25,656.85		93,960.00
1046	Improvements to Liberty Park	52,471.88								44,495.03
1055	Improvements to Administrative Offices, Purchase of Police Equipment and DPW Equipment	190.93						190.93		272,865.49
1057	Various Road and Sidewalk Improvements	216,506.26	218,000.00		142,723.69		218,000.00			73,782.57
1067	Paving of Willow Avenue	30,000.00			20,480.24					9,519.76
1075	Paving of Tiger Hill Drive				173,132.27				175,000.00	1,867.73
1077	Purchase of Office Furniture				22,000.00				22,000.00	
1084	Purchase of Digital Speed Signs								10,000.00	10,000.00
		\$ 637,927.07	\$ 935,000.00	\$ 104.14	\$ 650,926.13	\$ 535,000.00	\$ 659,451.50	\$ 659,451.50	\$ 659,451.50	\$ 387,105.08

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

Ord. No.	Improvement Description	Balance Dec. 31, 2018	Funded by Budget Appropriation	Balance Dec. 31, 2019	Analysis of Balance Dec. 31, 2019	
					Expenditures	Unexpended Improvement Authorizations
955/956	Various Improvements: Improvements to Highland Ave. and Trimmer Lane	\$ 159,500.00		\$ 159,500.00	\$ 14,076.59	\$ 145,423.41
992	Various Capital Improvements- Replacement of Boiler	7,500.00		7,500.00		7,500.00
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	114,000.00	\$ 79,000.00	35,000.00		35,000.00
1041	Various Capital Improvements	238,000.00	238,000.00			
1057	Various Road and Sidewalk Improvements	254,000.00	218,000.00	36,000.00		36,000.00
		<u>\$ 773,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 238,000.00</u>	<u>\$ 14,076.59</u>	<u>\$ 223,923.41</u>
<u>Ref.</u>	<u>C</u>			<u>C</u>		
				Improvement Authorizations Unfunded		<u>\$ 223,923.41</u>

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

Ord No.	Improvement Description	Ordinance		Balance Dec. 31, 2018		2019 Authorizations		Paid or Charged	Cancelled	Balance Dec. 31, 2019	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Reserve for Open Space			Funded	Unfunded
749	Police Equipment	04/10/01	\$ 41,459.00	\$ 8,415.00				\$ 8,415.00			
791	Various Improvements- Police and Fire Equipment			320.13				320.13			
810/824/848	Various Improvements- Renovations to the Fire House	06/25/02	200,000.00	12,658.30				\$ 12,658.30			
946	Various Improvements- Improvements to Borough Complex	05/11/10	26,500.00								
947	Various Improvements- Improvements to Liberty Park	05/11/10	100,000.00	95.30				95.30			
955/956	Various Improvements:										
	Purchase of Computer Network System	08/14/11	60,000.00	30.48				30.48			
	Purchase of Police Equipment	08/14/11	234,000.00	1,680.11				1,680.11			
	Improvements to Highland Ave and Timmer Lane	08/14/11	175,000.00	14.56	\$ 159,500.00						
	Purchase of HVAC System	08/14/11	10,000.00	5,099.10							
957	Acquisition of Police Records Management System	07/12/11	15,480.00	8,006.00				5,099.10			145,423.41
968	Acquisition of Fire Equipment	07/12/11	15,480.00	8,006.00				8,006.00			
972	Various Acquisitions and Improvements:	04/24/12	15,000.00	1,212.00				1,212.00			
	Lights, Air Conditioner and Windows in Municipal Building	05/22/12	90,000.00	850.95				850.95			
	Acquisition of Police and OEM Equipment	05/22/12	55,500.00	4,149.89				4,149.89			
	Acquisition of DPW Pickup Truck	05/22/12	35,000.00	2,382.40				2,382.40			
973	Various Acquisitions and Improvements:										
	Acquisition of Generator for First Aid Squad	05/22/12	60,250.00	1,560.31				1,560.31			
	Acquisition of Generator for DPW Building	05/22/12	52,750.00	1,168.64				1,168.64			
	Improvements to Overlook Avenue and Municipal Building										
	Parking Lot	05/22/12	67,000.00	149.66				149.66			
979	Reconstruction and Paving of Branch Road	09/25/12	235,000.00	23.81				23.81			
982	Purchase of DPW Equipment	03/12/13	8,900.00	97.52				97.52			
991	Purchase of Police and OEM Equipment; Sidewalk Installation	07/23/13	38,700.00	10,324.59				10,324.59			
992	Various Capital Improvements:										
	Purchase of Police Vehicles	07/23/13	37,000.00								
	Resurfacing of Willow Avenue	07/23/13	170,000.00	17.14				17.14			
	Crosswalk Improvements at Highland Ave. and Main St.	07/23/13	27,000.00	148.57				148.57			
	Replacement Boiler	07/23/13	8,000.00	500.00	7,500.00			500.00			7,500.00
	Purchase of Backhoe	07/23/13	86,000.00	246.80							
996	Replacement of DPW Equipment	12/14/13	46,100.00	58.94				58.94			
1002	Replacement of Sidewalks	07/22/14	60,000.00	1,592.12				1,592.12			
1003	Purchase of Police Vehicles and Salt Spreader	07/22/14	57,000.00	998.74				998.74			
1010	Acquisition of Emergency Generators	05/26/15	75,000.00								
1013	Milling/Paving Improvements to Various Roads	06/09/15	199,000.00								
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	04/12/16	295,000.00								
1022	Acquisition of Landscape Trailer	04/26/16	7,000.00								
1028	Milling/Paving Portion of Willow Ave	07/19/16	203,000.00	16.00				16.00			
				199,171.70	45,312.27			198,892.39			35,000.00
										279.31	

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

Ord No.	Improvement Description	Ordinance		2019 Authorizations		Paid or Charged	Cancelled	Balance Dec. 31, 2019	
		Date	Amount	Capital Improvement Fund	Reserve for Open Space			Funded	Unfunded
1039	Improvements to the Buildings & Grounds and the Purchases of Mower, Police SUV/Equipment and Replacement of Guardrail on Willow Avenue	04/25/17	\$ 213,000.00						
1041	Various Capital Improvements	06/27/17	250,000.00		\$ 44,495.03		\$ 25,656.85	\$ 93,960.00	
1046, 1073, 1080	Improvements to Liberty Park	10/24/17	68,829.05	52,471.88				44,495.03	
1055	Improvements to Administrative Offices, Purchase of Police Equipment and DPW Equipment	05/22/18	64,132.00	190.93			190.93	272,865.49	
1057	Various Road and Sidewalk Improvements	06/12/18	476,000.00		252,506.26		142,723.69	73,782.57	\$ 36,000.00
1058	Restoration of Curbing on Various Streets	06/12/18	36,000.00						
1067	Paving of Willow Avenue	12/18/18	30,000.00	30,000.00			20,480.24	9,519.76	
1075	Paving of Tiger Hill Drive	06/25/19	175,000.00			175,000.00	173,132.27	1,867.73	
1077	Purchase of Office Furniture	08/20/19	22,000.00			22,000.00	22,000.00		
1084	Purchase of Digital Speed Signs	12/17/19	10,000.00			10,000.00		10,000.00	
				\$ 541,640.45	\$ 509,313.56	\$ 357,000.00	\$ 650,926.13	\$ 530,652.97	\$ 223,923.41
			Ref.	C	C			C	C
							\$ 152,451.50		

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

	<u>Ref.</u>	
Balance December 31, 2018	C	\$ 349,566.29
Increased by:		
Current Fund Budget Appropriation	\$ 400,000.00	
Improvement Authorization Cancelled	<u>152,451.50</u>	
		<u>552,451.50</u>
		902,017.79
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>357,000.00</u>
Balance December 31, 2019	C	<u><u>\$ 545,017.79</u></u>

BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2019

Improvement Authorization	Ord. No.	Date of			Interest Rate	Balance Dec. 31, 2018	Matured
		Issue of Original Note	Issue	Maturity			
Milling/Paving of Sections 1 & 3 of Mosle Road	1021	07/31/17	07/31/18	07/31/19	2.50%	\$ 79,000.00	\$ 79,000.00
Various Capital Improvements	1041	07/31/17	07/31/18	07/31/19	2.50%	238,000.00	238,000.00
Various Road and Sidewalk Improvements	1057	07/31/18	07/31/18	07/31/19	2.50%	218,000.00	218,000.00
					<u>Ref.</u>	<u>\$ 535,000.00</u>	<u>\$ 535,000.00</u>
					C		
					Paid by Budget Appropriation	<u>\$ 535,000.00</u>	<u>\$ 535,000.00</u>

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2018	Matured	Balance Dec. 31, 2019
			Date	Amount				
General Improvement Bonds of 2009	12/01/09	\$ 4,494,000.00				\$ 220,000.00	\$ 220,000.00	
General Improvement Bonds of 2015	07/15/15	1,400,000.00	07/15/20	180,000.00	2.000%	970,000.00	165,000.00	\$ 805,000.00
			07/15/21	195,000.00	2.000%			
			07/15/22	210,000.00	2.000%			
			07/15/23	220,000.00	2.000%			
Refunding Bonds of 2017	10/24/17	2,882,000.00	12/01/20	261,000.00	2.200%	2,817,000.00	31,000.00	2,786,000.00
			12/01/21	264,000.00	2.200%			
			12/01/22	271,000.00	2.200%			
			12/01/23	273,000.00	2.200%			
			12/01/24	279,000.00	2.200%			
			12/01/25	284,000.00	2.200%			
			12/01/26	285,000.00	2.200%			
			12/01/27	285,000.00	2.200%			
			12/01/28	290,000.00	2.200%			
			12/01/29	294,000.00	2.200%			
						<u>\$ 4,007,000.00</u>	<u>\$ 416,000.00</u>	<u>\$ 3,591,000.00</u>
						<u>Ref.</u>	<u>C</u>	<u>C</u>
						Current Fund	\$ 303,050.00	
						Open Space Trust Fund	<u>112,950.00</u>	
							<u>\$ 416,000.00</u>	



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

Balance December 31, 2018	<u>Ref.</u> C	\$ 60,659.17
Decreased by:		
Loan Payments		<u>30,027.81</u>
Balance December 31, 2019	C	<u><u>\$ 30,631.36</u></u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS  
OUTSTANDING DECEMBER 31, 2019

<u>Payment Number</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
					\$ 30,631.36
38	04/09/20	2.00%	\$ 306.31	\$ 15,239.48	15,391.88
39	10/09/20	2.00%	<u>153.92</u>	<u>15,391.88</u>	
			<u><u>\$ 460.23</u></u>	<u><u>\$ 30,631.36</u></u>	

BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2018	Funded by Budget Appropriation	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2019
955/956	Various Improvements:				
	Improvements to Highland Ave. and Trimmer Lane	\$ 159,500.00			\$ 159,500.00
992	Various Capital Improvements:				
	Replacement of Boiler	7,500.00			7,500.00
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	35,000.00	\$ 79,000.00	\$ 79,000.00	35,000.00
1041	Various Capital Improvements		238,000.00	238,000.00	
1057	Various Road and Sidewalk Improvements	36,000.00	218,000.00	218,000.00	36,000.00
		<u>\$ 238,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 238,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
SEWER UTILITY FUND

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2018	E	\$ 1,340,871.88	\$ 889,417.67
Increased by Receipts:			
Consumer Accounts Receivable		\$ 1,104,395.23	
Interest on Delinquent Rents		4,184.75	
Sewer Overpayments		1,317.20	
Interest on Investments		18,391.07	
Due to Sewer Utility Operating Fund:			
Interest on Deposits		\$ 248.10	
Capital Improvement Fund:			
2019 Budget Appropriation		200,000.00	
Other Sewer Fees		5,285.36	
		<u>1,133,573.61</u>	<u>200,248.10</u>
		2,474,445.49	1,089,665.77
Decreased by Disbursements:			
2019 Budget Appropriations		1,067,639.62	
2018 Appropriation Reserves		133,620.58	
Improvement Authorizations			9,182.95
		<u>1,201,260.20</u>	<u>9,182.95</u>
	E	<u>\$ 1,273,185.29</u>	<u>\$ 1,080,482.82</u>

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER CAPITAL CASH

	Balance Dec. 31, 2018	Budget Appropriation	Miscellaneous	Improvement Authorizations		Transfers		Balance/(Deficit) Dec. 31, 2019
				From	To			
Capital Improvement Fund	\$ 751,486.27	\$ 200,000.00					\$ 951,486.27	
Due to/(from) Sewer Utility Operating Fund	17.85		\$ 248.10	\$ 25,000.00			(24,734.05)	
Reserve for Contribution in Aid of Construction	29,359.57						29,359.57	
Reserve for Sewer Pump	9,000.00						9,000.00	
Reserve for Capital Improvements – Shared Services					\$ 25,000.00		25,000.00	
Fund Balance	19,754.31						19,754.31	
Ord Date	Improvement Description							
04/08/97	Acquisition of Sewer Department Equipment		839.13					839.13
04/13/99	Acquisition of Sewer Department Equipment		2,131.04					2,131.04
05/10/05	Acquisition of Sewer Department Equipment		1,829.50					1,829.50
09/11/18	Miller Lane Pump Station		75,000.00		\$ 9,182.95			65,817.05
	\$ 889,417.67	\$ 200,000.00	\$ 248.10	\$ 25,000.00	\$ 9,182.95	\$ 25,000.00	\$ 1,080,482.82	

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 46,209.93
Increased by:		
Sewer Rents Levied		1,136,739.19
		<u>1,182,949.12</u>
Decreased by Collections:		
Sewer Rents:		
Collected in Sewer Utility Operating Fund		\$ 1,104,395.23
Sewer Rent Overpayments Applied		1,831.11
Cancelled by Resolution		22,323.08
Senior Citizen Discount Applied		75.04
		<u>1,128,624.46</u>
Balance December 31, 2019	E	<u><u>\$ 54,324.66</u></u>

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

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 8,317,748.85
Balance December 31, 2019	E	<u><u>\$ 8,317,748.85</u></u>



BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance	Balance
	Date	Amount	Dec. 31, 2018	Dec. 31, 2019
Acquisition of Sewer Department Equipment	04/08/97	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00
Purchase of Mason Dump Truck	04/13/99	11,000.00	11,000.00	11,000.00
Purchase of Mason Dump Truck	05/10/05	21,600.00	21,600.00	21,600.00
Miller Lane Pump Station	09/11/18	75,000.00	75,000.00	75,000.00
			<u>\$ 164,600.00</u>	<u>\$ 164,600.00</u>
		<u>Ref.</u>	E	E

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF 2018 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

		Balance Dec. 31, 2018	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages		\$ 36,963.68	\$ 36,963.68	\$ 328.92	\$ 36,634.76
Other Expenses		400,257.01	400,257.01	133,291.66	266,965.35
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		1,221.13	1,221.13		1,221.13
Social Security System		3,144.41	3,144.41		3,144.41
		<u>\$ 441,586.23</u>	<u>\$ 441,586.23</u>	<u>\$ 133,620.58</u>	<u>\$ 307,965.65</u>
	<u>Ref.</u>				
Encumbered	E	\$ 92,627.46			
Unencumbered	E	<u>348,958.77</u>			
		<u>\$ 441,586.23</u>			

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

Ord. No.	Improvement Description	Ordinance		Balance	Paid or Charged	Balance
		Date	Amount	Dec. 31, 2018 Funded		Dec. 31, 2019 Funded
736	Acquisition of Sewer Department Equipment	04/08/97	\$ 57,000.00	\$ 839.13		\$ 839.13
758	Acquisition of Sewer Department Equipment	04/13/99	11,000.00	2,131.04		2,131.04
862	Acquisition of Sewer Department Equipment	05/10/05	21,600.00	1,829.50		1,829.50
1062	Miller Lane Pump Station	09/11/18	75,000.00	75,000.00	\$ 9,182.95	65,817.05
				\$ 79,799.67	\$ 9,182.95	\$ 70,616.72

Ref.

E

E

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

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 751,486.27
Increased by:		
2019 Budget Appropriation		<u>200,000.00</u>
Balance December 31, 2019	E	<u><u>\$ 951,486.27</u></u>

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

<u>Ord No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2019</u>
736	Acquisition of Sewer Department Equipment	\$ 57,000.00	\$ 57,000.00
758	Acquisition of Sewer Department Equipment	11,000.00	11,000.00
862	Acquisition of Sewer Department Equipment	21,600.00	21,600.00
1062	Miller Lane Pump Station	75,000.00	75,000.00
		<u>\$ 164,600.00</u>	<u>\$ 164,600.00</u>
	<u>Ref.</u>	E	E

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

	<u>Ref.</u>	
Balance December 31, 2018	E	\$ 8,317,748.85
Balance December 31, 2019	E	<u>\$ 8,317,748.85</u>

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE



BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2019

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE  
COUNTY OF SOMERSET  
2019  
PUBLIC ASSISTANCE FUND

BOROUGH OF PEAPACK AND GLADSTONE  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>Fund Total</u>	<u>P.A.T.F. I</u>
Balance December 31, 2018	F	\$ 3,444.69	\$ 3,444.69
Increased by Receipts:			
Interest Earned		<u>1.04</u>	<u>1.04</u>
Balance December 31, 2019	F	<u>\$ 3,445.73</u>	<u>\$ 3,445.73</u>

BOROUGH OF PEAPACK AND GLADSTONE

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2019

BOROUGH OF PEAPACK AND GLADSTONE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Name of Federal Agency or Department/Pass Through Dept.	C.F.D.A. No.	Cluster Title/Name of Program	State Account #	Grant Award Amount	Grant Period From To	Current Year Receipts	Current Year Expenditures	Cumulative Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation (Passed thru NJ Department of Transportation)	20.205	Highway Planning and Construction Cluster: Transportation Trust Fund Authority Act: Municipal Aid: 2019 Municipal Aid	480-078-6320- ANP-605179	\$ 194,000.00 194,000.00	01/01/19 12/31/19	\$139,486.54 139,486.54			
Total Highway Planning and Construction Cluster									
(Passed thru NJ Department of Law and Public Safety and County of Somerset)	20.602	Highway Safety Cluster: Drive Sober or Get Pulled Over	100-066-1160- 165-030350	3,600.00	01/01/19 12/31/20	3,600.00			
	20.600	Highway Safety Cluster: Click It or Ticket Total Highway Safety Cluster	100-066-1160- 119-6120	1,870.00 5,470.00	01/01/19 12/31/20	1,870.00 5,470.00			
	20.616	Distracted Driving	100-066-1160- 158-031030	8,427.50 6,820.00 15,247.50	01/01/19 12/31/20 01/01/19 12/31/19	8,427.50 8,427.50	\$ 6,820.00 6,820.00	\$ 6,820.00 6,820.00	
	20.616	Driving While Intoxicated	100-066-1160- 165-030350	9,540.00 8,520.00 1,500.00 19,560.00	01/01/17 12/31/19 01/01/18 12/31/19 01/01/19 12/31/20	1,276.20 3,060.00 1,500.00 4,560.00	1,276.20 3,455.00 1,453.80 6,185.00	9,540.00 8,520.00 1,453.80 19,513.80	
Total U.S. Department of Transportation				234,277.50		157,944.04	13,005.00	26,333.80	
Total Federal Awards				\$ 234,277.50		\$ 157,944.04	\$ 13,005.00	\$ 26,333.80	\$ -0-

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF PEAPACK AND GLADSTONE  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2019

Name of State Agency or Department	Name of Program	Grant I.D. No.	Grant Award Amount	Grant Period		Current Year Receipts	Current Year Expenditures	Cumulative Expenditures
				From	To			
<u>Department of Law and Public Safety</u>	Body Armor Replacement Grant	718-066-1020- 001-090160	\$ 1,096.45	01/01/12	12/31/19		\$ 300.42	\$ 1,096.45
			1,200.53	01/01/13	12/31/19		1,200.53	1,200.53
			1,413.32	01/01/14	12/31/20		335.85	335.85
			1,227.99	01/01/19	12/31/20	\$ 1,227.99		
Total Department of Law and Public Safety			4,938.29			1,227.99	1,836.80	2,632.83
<u>Department and Health and Senior Services</u>	Municipal Court Alcohol Education and Rehabilitation Fund	760-098-9735 001-600000	884.12	01/01/19	12/31/20	\$ 884.12		
Total Department of Health and Senior Services								
<u>Department of Environmental Protection</u>	Clean Communities Grant	765-042-4900	800.81	01/01/14	12/31/19		800.81	800.81
			6,144.09	01/01/15	12/31/20		270.33	270.33
			7,845.40	01/01/19	12/31/20	7,845.40		
			14,790.30			7,845.40	1,071.14	1,071.14
	Recycling Tonnage Grant	100-042-4910- 224-238490	4,198.11	01/01/14	12/31/19		1,938.75	4,198.11
			4,309.05	01/01/15	12/31/19		4,309.05	4,309.05
			4,211.48	01/01/16	12/31/19		4,211.48	4,211.48
			3,878.82	01/01/16	12/31/19		3,878.82	3,878.82
			6,320.09	01/01/17	12/31/20		570.25	6,107.11
			2,010.77	01/01/19	12/31/20	2,010.77		
			24,928.32			2,010.77	14,908.35	22,704.57
	Green Trust Grant	533-042-4800- 003-852000	500,000.00	01/01/08	12/31/09	500,000.00 *		500,000.00
			539,718.62			509,856.17	15,979.49	523,775.71
			\$ 545,541.03			\$ 511,968.28	\$ 17,816.29	\$ 550,184.25
Total Department of Environmental Protection								
Total State Awards								

\* - Expended in Prior Years

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF PEAPACK AND GLADSTONE  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2019

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Borough of Peapack and Gladstone under programs of the federal and state governments for the year ended December 31, 2019. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. 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.

D. LOANS PAYABLE

At December 31, 2019, the Borough had \$30,631.36 of NJ Department of Environmental Protection Loan Payable outstanding which is recorded in the General Capital Fund.

Currently, the Borough is in the process of repaying the NJ Department of Environmental Protection Loan balance. There were no loan receipts or expenditures in the current year. The project which was financed by the loan is complete.



200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973.298.8500

11 Lawrence Road  
Newton, NJ 07860  
973.383.6699

[nisivoccia.com](http://nisivoccia.com)

Independent Member  
BKR International

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 Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Borough of Peapack and Gladstone, in the County of Somerset (the "Borough") as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated June 12, 2020. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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



The Honorable Mayor and Members  
of the Borough Council  
Borough of Peapack and Gladstone  
Page 2

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2019-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **The Borough's Response to the Finding**

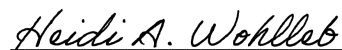
The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 result of that testing, and not to provide an opinion on the effectiveness of the Borough'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey  
June 12, 2020

NISIVOCIA LLP



---

Heidi A. Wohlleb  
Certified Public Accountant  
Registered Municipal Accountant No. 481

BOROUGH OF PEAPACK AND GLADSTONE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Borough's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey OMB's Circular 15-08 for the year ended December 31, 2019 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2019-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of utility charges and permit and license fees; and recording of collections. Also, the Chief Financial Officer posts revenue and reconciles the bank accounts for various funds and accounts and is also responsible for the collection of taxes and the preparation of the general ledger. The Deputy Treasurer, is responsible for all aspects of the payroll process, disburses funds and is the Assistant Tax Collector.

Cause

This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

BOROUGH OF PEAPACK AND GLADSTONE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2019

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

Finding 2019-001 (Cont'd)

Segregation of Duties (Cont'd)

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable – Grant expenditures were below the single audit threshold.

BOROUGH OF PEAPACK AND GLADSTONE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2019

The prior year finding 2018-001 regarding segregation of duties has not been resolved due to budgetary constraints and is included as current year Finding 2019-001.

BOROUGH OF PEAPACK AND GLADSTONE

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

BOROUGH OF PEAPACK AND GLADSTONE  
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) are \$17,500 for a contracting unit without a qualified purchasing agent and \$40,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Borough of Peapack and Gladstone has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the

BOROUGH OF PEAPACK AND GLADSTONE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4 (Cont'd)

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 noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 2, 2019, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer charges as follows:

1. "The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of delinquent taxes and 18% per annum on any amount of taxes in excess of \$1,500, in addition a penalty of 6% is to be charged on the amount of delinquency in excess of \$10,000 on December 31, 2019."
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."

BE IT FURTHER RESOLVED that

3. "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%) per annum, starting with the first day of the quarter."

It appears from an examination of the Tax Collector's and the Utility Collector's records that interest was collected in accordance with the foregoing resolution.

Tax Title Liens

There were no tax title liens as of December 31, 2019, 2018 or 2017.

Verification of Delinquent 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 detailed below:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2019 and 2020 Taxes	20
Delinquent Taxes	15
Payment of 2019 Sewer Charges	15
Delinquent Sewer Charges	20

BOROUGH OF PEAPACK AND GLADSTONE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges (Cont'd)

Verification notices were mailed to confirm balances as of December 31, 2019. The items that were returned were compared to and are in agreement with the Borough's records. For receivable items not returned, the receivable balance was agreed to the subsequent receipt. For other items not returned, alternative procedures were performed.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting and record system.

The Borough of Peapack and Gladstone is in compliance with the above accounting requirements.

Joint Municipal Court

The report of the Joint Municipal Court has been forwarded to the Division of Local Government Services and the Borough's Magistrate under separate cover. Reflected on the following page is a summary of receipts and disbursements for the year ended December 31, 2019.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance Dec. 31, 2018	Receipts	Disbursements	Balance Dec. 31, 2019
Municipal Treasurer:				
Fines and Costs	\$ 6,134.90	\$ 93,883.04	\$ 94,156.52	\$ 5,861.42
P.O.A.A. Fines		8.00	8.00	
Public Defender		250.00	250.00	
Interest:				
Regular Account	0.30	6.30	6.08	0.52
Bail Account	0.01	0.21	0.17	0.05
State Treasurer	4,137.60	79,754.81	80,035.77	3,856.64
County Treasurer	3,471.50	54,973.00	55,700.00	2,744.50
Conditional Dismissal	39.00	75.00	114.00	
Conditional Discharge		287.00	225.00	62.00
Cash Bail	165.00	12,739.00	10,604.00	2,300.00
	<u>\$ 13,948.31</u>	<u>\$ 241,976.36</u>	<u>\$ 241,099.54</u>	<u>\$ 14,825.13</u>

During our testing, we selected a number of tickets that were assigned but not issued per the tickets assigned but not issued report. The Municipal Court was not able to provide us with copies of these tickets for audit review.

Recommendation

It is recommended that every effort be made to ensure that copies of tickets on the tickets assigned but not issued report are available for audit review.



BOROUGH OF PEAPACK AND GLADSTONE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Joint Municipal Court (Cont'd)

Management's Response

The Court personnel will ensure that copies of tickets on the assigned but not issued report are available for audit review.

Segregation of Duties

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collection of utility charges and permit and license fees; and recording of collections. Also, the Chief Financial Officer posts revenue and reconciles the bank accounts for various funds and accounts, and is also responsible for the collection of taxes and the preparation of the general ledger. The Deputy Treasurer, is responsible for all aspects of the payroll process, disburses funds and is the Assistant Tax Collector. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view. It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however due to budgetary constraints no resolution can be made at this time.

Outside Office Records

During our review of the outside office records we noted that collections per the outside offices are not reconciled with the Finance Office records on a monthly basis. We noted instances where certain collections were not recorded in the various outside office cashbooks or ledgers. In addition, we noted that a formal cashbook is not prepared for the Recreation Department's collections and that these records are not maintained in the Borough's offices. Finally, we noted that collections for the Senior Club, the Happy Rockers, are sent to a separate Post Office box and not to the Borough's offices.

Recommendation

It is recommended that monthly reports for the various outside offices are prepared which are reconciled with collections per the Finance Office on a monthly basis. Also, a formal cashbook should be maintained for all Recreation Department collections and the Recreation Department records should be maintained in the Borough's offices. Finally, all Senior Club activity collections should be sent directly to the Borough's offices for deposit.

Management's Response

Monthly reports for the various outside offices will be prepared which are reconciled with collections per the Finance Office records on a monthly basis. Also, a formal cashbook will be maintained for all Recreation Department Collections and the Recreation Department records will be maintained in the Borough's offices. Finally, all Senior Club activity collections will be required to be sent directly to the Borough's offices for deposit.

BOROUGH OF PEAPACK AND GLADSTONE  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions

Federal and State Grant Reserves

There are various older appropriated reserve balances in the Federal and State Grant Fund. The balances should be reviewed for possible cancellation.

Improvement Authorization Balances

There are various older improvement authorization balances in the Sewer Utility Capital Fund which should be reviewed for possible cancellation.

Fixed Assets

We suggest that the fixed assets be tagged, where practical.

Status of Prior Year Recommendations

The prior year recommendations with respect to segregation of duties, tickets included on the tickets assigned but not issued report not being adequately controlled and accounted for, and monthly reports for the various outside offices being prepared and reconciled with collections per the Finance Office on a monthly basis were not resolved and are included in the current year recommendations. The prior year recommendation regarding additional pay to employees being authorized by Borough salary ordinance or resolution and that every effort be made to ensure that adjustments to the employee health benefit contributions are made when an employee receives a salary increase was resolved in the current year.

BOROUGH OF PEAPACK AND GLADSTONE  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Every effort be made to ensure that copies of tickets on the tickets assigned but not issued report are available for audit review.
2. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
3. Monthly reports for the various outside offices are prepared which are reconciled with collections per the Finance Office on a monthly basis. Also, a formal cashbook should be maintained for all Recreation Department collections and the Recreation Department records should be maintained in the Borough's offices. Finally, all Senior Club activity collections should be sent directly to the Borough's offices for deposit.

\* \* \* \* \*