

BOROUGH OF PEAPACK AND GLADSTONE

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2014**

INDEPENDENT AUDITOR'S REPORT

BOROUGH OF PEAPACK AND GLADSTONE

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets – regulatory basis of the various funds and account groups of the Borough of Peapack and Gladstone as of December 31, 2014 and December 31, 2013, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2014 and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by Borough of Peapack and Gladstone on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, the budget laws of New Jersey, which is a basis of accounting other than accounting principals generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Peapack and Gladstone as of December 31, 2014, or the results of its operations for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note of the financial statements, the Borough of Peapack and Gladstone participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$411,098.34 and \$368,858.40 for 2014 and 2013 respectively were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account groups of the Borough of Peapack and Gladstone as of December 31, 2014 and December 31, 2013, and the results of operations and changes in fund balances – regulatory basis of such funds for the years then ended and the statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2014, in accordance with financial reporting provisions described in Note 1.

Other Matters

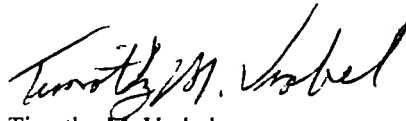
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements Of the Borough of Peapack and Gladstone, in the County of Somerset, State of New Jersey, taken as a whole. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and supplemental schedules presented in the Supplementary Data Section are presented for purposes of additional analysis and are not required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have issued our report dated April 21, 2015 on our consideration of the Borough of Peapack and Gladstone's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Borough of Peapack and Gladstone's internal control over financial reporting and compliance.



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



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

Montville, New Jersey
April 21, 2015

SECTION A
CURRENT FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
General Fund:			
Cash - Treasurer	A-4	\$ 4,102,606.56	\$ 3,899,414.14
Change Fund	A-6	125.00	125.00
Amount Due from State of New Jersey for Senior Citizens and Veterans Deductions	A-8	<u>3,456.22</u>	<u>3,456.22</u>
		<u>4,106,187.78</u>	<u>3,902,995.36</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	130,305.11	284,786.89
Property Acquired for Taxes - Assessed Valuation	A-11	139,900.00	139,900.00
Revenue Accounts Receivable	A-12	6,161.22	8,535.87
Interfunds Accounts Receivable	A-13	<u>26,018.28</u>	<u>22,309.43</u>
		<u>302,384.61</u>	<u>455,532.19</u>
Deferred Charges :			
Special Emergency Authorization	A-15	<u>85,000.00</u>	<u>-</u>
		<u>4,493,572.39</u>	<u>4,358,527.55</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-26	90,496.86	80,458.95
Federal and State Aid Receivable	A-27	<u>46,750.00</u>	<u>43,150.00</u>
		<u>137,246.86</u>	<u>123,608.95</u>
		<u>\$ 4,630,819.25</u>	<u>\$ 4,482,136.50</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Liabilities :			
Appropriation Reserves	A-3,16	\$ 312,740.39	\$ 359,677.15
Reserve for Encumbrances	A-17	295,714.00	291,794.79
Interfunds Accounts Payable	A-18	959,621.45	696,833.95
Prepaid Taxes	A-19	71,154.78	71,255.33
Tax Overpayments	A-20	13,998.45	20,738.60
Reserve for Funds - Appropriated	A-22	66,655.67	-
Reserve for Funds - Unappropriated	A-23	3,075.00	5,998.77
Other	A-24	6,513.88	50.00
Regional School District Taxes Payable	A-25	1,263.14	1,262.14
County Taxes Payable	A-25	11,206.70	36,940.55
		<u>1,741,943.46</u>	<u>1,484,551.28</u>
Reserve for Receivables and Other Assets		302,384.61	455,532.19
Fund Balance	A-1	<u>2,449,244.32</u>	<u>2,418,444.08</u>
		<u>4,493,572.39</u>	<u>4,358,527.55</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-28	114,059.95	107,265.41
Unappropriated Reserves	A-29	12,336.91	6,939.99
Reserves for Encumbrances	A-30	10,850.00	9,403.55
		<u>137,246.86</u>	<u>123,608.95</u>
		<u>\$ 4,630,819.25</u>	<u>\$ 4,482,136.50</u>

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

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Fund Balance Utilized	A-2	\$ 2,000,000.00	\$ 2,160,000.00
Miscellaneous Revenue Anticipated	A-2	598,102.05	498,200.74
Receipts from Delinquent Taxes	A-2	285,036.89	129,089.98
Receipts from Current Taxes	A-2	12,935,886.43	12,632,638.66
Non - Budget Revenue	A-2	266,130.24	347,447.34
Other Credits to Income :			
Unexpended Balance of Appropriation			
Reserves Lapsed	A-16	319,764.50	397,604.04
Grant Reserves Canceled		-	1,100.00
Total Income		<u>16,404,920.11</u>	<u>16,166,080.76</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	1,965,838.00	1,990,621.00
Other Expenses	A-3	2,248,330.00	2,103,477.00
Deferred Charges and Statutory Expenditures	A-3	397,062.00	390,496.00
Appropriations Excluded from "CAP"			
Operations:			
Salaries and Wages	A-3	28,515.00	
Other Expenses	A-3	81,397.21	83,753.50
Capital Improvements	A-3	40,000.00	40,000.00
Debt Service	A-3	337,607.34	332,361.00

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

BOROUGH OF PEAPACK AND GLADSTONE

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

<u>Expenditures (Continued)</u>	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Refund of Prior Year Revenue	A-4	\$ 600.00	\$ -
Prior Year Tax Appeals Granted			2,828.59
Prior Year Senior Citizen Deduction Disallowed	A-8	250.00	250.00
Reimbursement Due to Taxation Audit		-	2,250.00
Prior Year Tax Appeals Granted	A-20	5,482.48	
Local Open Space Tax	A-25	205,665.63	201,155.79
Local Open Space Share of Added Taxes	A-25	833.96	2,742.25
Regional School District Tax	A-25	6,381,832.00	6,327,217.00
County Taxes	A-25	2,754,499.55	2,679,897.03
County Share of Added and Omitted Taxes	A-25	11,206.70	36,940.55
Total Expenditures		<u>14,459,119.87</u>	<u>14,193,989.71</u>
Excess in Revenue		1,945,800.24	1,972,091.05
Adjustments to Income Before Fund Balance:			
Expenditures included above which are by statute deferred charges to budgets of succeeding years	A-15	<u>85,000.00</u>	<u>-</u>
		2,030,800.24	1,972,091.05
Fund Balance January 1	A	<u>2,418,444.08</u>	<u>2,606,353.03</u>
		4,449,244.32	4,578,444.08
Decreased by :			
Utilized as Anticipated Revenue	A-1	<u>2,000,000.00</u>	<u>2,160,000.00</u>
Fund Balance December 31	A	<u>\$ 2,449,244.32</u>	<u>\$ 2,418,444.08</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS

	Ref.	Anticipated	Added by 40A-4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 2,000,000.00	\$ -	\$ 2,000,000.00	\$ -
Miscellaneous Revenues :					
Licenses :					
Alcohol Beverages	A-12	12,563.00		12,563.00	-
Fees and Permits :					
Construction Code Official	A-13	60,000.00		101,765.00	41,765.00
Fines and Costs:					
Municipal Court	A-12	60,000.00		87,376.29	27,376.29
Energy Receipts Tax	A-12	251,059.00		251,059.00	-
Public and Private Revenues Off-Set with Appropriations:					
Recycling Tonnage Grant	A-18	4,198.11		4,198.11	-
Clean Communities Program	A-18	800.81		800.81	-
Alcohol Education and Rehabilitation Fund	A-18	527.75		527.75	-
Body Armor Replacement Fund	A-18	1,413.32		1,413.32	-
Drive Sober or Get Pulled Over Grant	A-18		12,500.00	12,500.00	-
Click It or Ticket Grant	A-18		4,000.00	4,000.00	-
Distracted Driving Crackdown Grant	A-18		4,400.00	4,400.00	-
ANJEC Grant	A-18		1,500.00	1,500.00	-
Donations:					
Police Equipment	A-23	5,000.00		5,000.00	-
Historical Commission	A-23	80.00		80.00	-
Library	A-23	918.77		918.77	-
Other Special Items:					
General Capital Fund Balance	A-4	110,000.00		110,000.00	-
Total Miscellaneous Revenues	A-1	506,560.76	22,400.00	598,102.05	69,141.29
Receipts from Delinquent Taxes	A-1,2	100,000.00		285,036.89	185,036.89
Amount to be raised by Taxes for Support of Municipal Budget :					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,680,362.01		4,877,327.15	1,196,965.14
Budget Totals		6,286,922.77	22,400.00	7,760,466.09	1,451,143.32
Non-Budget Revenues				266,130.24	266,130.24
		\$ 6,286,922.77	\$ 22,400.00	\$ 8,026,596.33	\$ 1,717,273.56

Ref. A-3 A-3 A-3

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

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

<u>Analysis of Realized Revenue</u>	<u>Ref.</u>		
Allocation of Current Tax Collections :			
2014 Taxes Collected in 2013	A-9	\$	71,255.33
2014 Taxes Collected in 2014	A-9		12,842,928.00
State's Share of Senior Citizens' and Veterans' Deductions	A-9		15,500.00
Prior Year Tax Appeals Applied	A-9		<u>6,203.10</u>
	A-1		12,935,886.43
Allocated to School and County Taxes	A-25		<u>9,354,037.84</u>
			3,581,848.59
Add : Reserve for Uncollected Taxes	A-3		<u>1,295,478.56</u>
Amount for Support of Municipal Budget	A-2	\$	<u>4,877,327.15</u>
Receipts from Delinquent Taxes :			
Prior Year Taxes Collected	A-9		<u>285,036.89</u>
	A-2	\$	<u>285,036.89</u>

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
(CONCLUDED)

<u>Analysis of Non-Budget Revenue</u>	<u>Ref.</u>		
Treasurer :			
Administrative Fee for Senior Citizens' and Veterans' Deductions		\$ 305.00	
LEA Rebate		7,073.30	
DMV Inspection Fines		6,005.00	
Payments In Lieu of Taxes		2,452.22	
FEMA		44,123.10	
Sale of Assets		6,623.08	
Reimbursements		9,009.63	
Prior Years Checks Voided		3,592.59	
Miscellaneous		<u>977.97</u>	
	A-4		\$ 80,161.89
Tax Collector:			
Tax Searches		471.44	
Interest and Costs on Taxes		<u>68,792.16</u>	
	A-5		69,263.60
Revenue Accounts Receivable:			
Fees and Permits:			
Clerk	A-12	43,842.34	
Registrar of Vital Statistics	A-12	1,785.00	
Board of Health	A-12	6,845.00	
Police Chief	A-12	578.59	
Tax Assessor	A-12	250.00	
Uniform Fire Safety Bureau	A-12	4,565.00	
Zoning Official	A-12	3,400.00	
Rentals	A-12	37,715.01	
Interest on Deposits - Treasurer	A-12	3,948.85	
Interest on Deposits - Municipal Court - Regular	A-12	4.54	
Interest on Deposits - Municipal Court - Bail	A-12	<u>0.98</u>	
			102,935.31
Interfunds Accounts Receivable:			
Statutory Excess - Animal Control Fund	A-13	2,061.50	
Administrative Fees - Police Outside Duty	A-13	11,310.00	
Interest on Investments	A-13	<u>397.94</u>	
			<u>13,769.44</u>
	A-2		<u>\$ 266,130.24</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP"							
GENERAL GOVERNMENT :							
General Administration		\$ 46,000.00	\$ 46,000.00	\$ 40,718.77	\$ 5,281.23	\$ -	\$ -
Salaries and Wages		54,376.00	19,376.00	1,631.50	17,744.50		
Other Expenses		15,500.00	15,500.00	15,500.00			
Mayor and Borough Council		50,400.00	30,400.00	6,443.11	23,956.89		
Salaries and Wages							
Other Expenses							
Borough Clerk		129,000.00	129,000.00	128,017.58	982.42		
Salaries and Wages		28,000.00	28,000.00	23,887.85	4,112.15		
Other Expenses		99,000.00	99,000.00	99,000.00			
Financial Administration		10,830.00	10,830.00	10,760.84	69.16		
Salaries and Wages		25,000.00	25,000.00	25,000.00			
Other Expenses		2,500.00	2,500.00	2,499.91	0.09		
Audit Services		47,750.00	47,750.00	24,847.08	22,902.92		
Computer Information Technology		78,000.00	78,000.00	76,801.09	1,198.91		
Salaries and Wages		6,750.00	6,750.00	5,735.06	1,014.94		
Other Expenses		36,000.00	36,000.00	34,486.40	1,503.60		
Collection of Taxes		10,675.00	10,675.00	9,330.14	1,344.86		
Salaries and Wages		106,000.00	106,000.00	87,286.91	18,713.09		
Other Expenses		78,930.00	78,930.00	75,743.75	3,186.25		
Assessment of Taxes		8,821.00	8,821.00	7,390.93	1,430.07		
Salaries and Wages		4,250.00	4,250.00	1,275.00	2,975.00		
Other Expenses		30,400.00	30,400.00	19,449.55	10,950.45		
Legal Services and Costs		1,750.00	1,750.00	846.97	903.03		
Other Expenses		11,000.00	11,000.00	7,581.85	3,418.15		
Municipal Court		29,415.00	69,415.00	57,153.96	12,261.04		
Salaries and Wages		10,000.00	10,000.00	9,733.08	266.92		
Other Expenses		500.00	500.00	500.00	500.00		
Public Defender (P.L. 1997, c.256)		119,000.00	119,000.00	109,346.97	653.03		
Engineering Services and Costs		29,360.00	29,360.00	29,360.00			
Other Expenses		570,000.00	570,000.00	538,734.80	31,265.20		
Cultural Heritage		2,000.00	2,000.00	2,000.00			
Other Expenses							
Municipal Land Use Law (N.J.S.A. 40:55D-1)							
Land Use Board							
Salaries and Wages							
Other Expenses							
Zoning Costs							
Salaries and Wages							
Other Expenses							
Revision of Master Plan (N.J.S.A. 40A: 4-55)							
INSURANCE:							
General Liability							
Worker's Compensation Insurance							
Group Insurance - Hospital and Medical							
Unemployment Compensation Insurance							

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP" (CONTINUED)							
PUBLIC SAFETY :							
Police							
Salaries and Wages		\$ 870,110.00	\$ 873,110.00	\$ 870,904.46	\$ 2,205.54	\$ -	
Other Expenses		67,575.00	60,075.00	54,952.57	5,122.43		
Emergency Management Services							
Salaries and Wages		2,200.00	2,200.00	1,614.45	585.55		
Other Expenses		8,000.00	8,000.00	4,427.76	3,572.24		
Fire							
Salaries and Wages		6,600.00	6,600.00	6,600.00	-		
Other Expenses		84,500.00	84,500.00	84,304.40	195.60		
Aid to Volunteer Ambulance Company		60,000.00	60,000.00	60,000.00	-		
Fire Official							
Salaries and Wages		14,200.00	14,200.00	13,617.25	582.75		
Other Expenses		2,295.00	2,295.00	1,685.66	609.34		
Fire Hydrant Service		87,000.00	87,000.00	87,000.00	-		
Municipal Prosecutor							
Other Expenses		22,000.00	22,000.00	22,000.00	-		
PUBLIC WORKS FUNCTIONS:							
Road Repairs and Maintenance							
Salaries and Wages		213,500.00	213,500.00	205,074.70	8,425.30		
Other Expenses		127,500.00	142,500.00	130,995.85	11,504.15		
Shade Tree Commission							
Other Expenses		3,000.00	3,000.00	3,000.00	-		
Garbage and Trash Removal							
Salaries and Wages		1,740.00	1,740.00	1,471.35	268.65		
Other Expenses		90,000.00	90,000.00	86,131.36	3,868.64		
Public Buildings and Grounds							
Salaries and Wages		204,000.00	204,000.00	199,566.06	4,433.94		
Other Expenses		112,100.00	107,100.00	97,536.03	9,563.97		
Vehicle Maintenance							
Other Expenses		30,000.00	39,500.00	38,263.94	1,236.06		
HEALTH AND WELFARE :							
Board of Health							
Salaries and Wages		2,200.00	2,200.00	2,200.00	-		
Other Expenses		27,861.00	27,861.00	26,733.44	1,127.56		
Environmental Commission							
Other Expenses		10,100.00	10,100.00	10,089.54	0.46		
Animal Control Regulations							
Other Expenses		5,972.00	5,972.00	5,971.60	0.40		

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
OPERATIONS WITHIN "CAP" (CONTINUED)							
RECREATION AND EDUCATION :							
Recreation Services and Programs							
Salaries and Wages		\$ 32,700.00	\$ 32,700.00	\$ 32,697.00	\$ 3.00	\$ -	
Other Expenses		5,000.00	5,000.00	4,932.79	67.21		
Senior Citizen Program							
Salaries and Wages		14,000.00	14,000.00	9,315.39	4,684.61		
Other Expenses		7,000.00	7,000.00	7,000.00			
OTHER COMMON OPERATING FUNCTIONS:							
Accumulated Leave Compensation							
Salaries and Wages		10,000.00	10,000.00	10,000.00			
Celebration of Public Events:							
Other Expenses		1,000.00	1,000.00		1,000.00		
UTILITY EXPENSES AND BULK PURCHASES:							
Electricity		40,000.00	40,000.00	28,740.86	11,259.14		
Street Lighting		30,000.00	30,000.00	21,234.73	8,765.27		
Telephone and Telegraph		28,000.00	28,000.00	24,491.41	3,508.59		
Water		4,500.00	4,500.00	4,249.28	250.72		
Natural Gas		38,000.00	38,000.00	30,762.93	7,237.07		
Gasoline		60,000.00	60,000.00	55,900.00	4,100.00		
		72,500.00	72,500.00	61,302.49	11,197.51		
LANDFILL/SOLID WASTE DISPOSAL COSTS							
CODE ENFORCEMENT AND ADMINISTRATION:							
State Uniform Construction Code:							
Construction Official							
Salaries and Wages		85,658.00	85,658.00	77,861.46	7,796.54		
Other Expenses		5,150.00	5,150.00	4,992.89	157.11		
		<u>4,127,168.00</u>	<u>4,212,168.00</u>	<u>3,923,204.75</u>	<u>288,963.25</u>		
TOTAL OPERATIONS WITHIN "CAP"		<u>2,000.00</u>	<u>2,000.00</u>		<u>2,000.00</u>		
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		<u>4,129,168.00</u>	<u>4,214,168.00</u>	<u>3,923,204.75</u>	<u>290,963.25</u>		
DETAIL :							
Salaries and Wages	A-1	1,962,838.00	1,965,838.00	1,921,014.55	44,823.45		
Other Expenses	A-1	2,166,330.00	2,248,330.00	2,002,190.20	246,139.80		
		<u>4,129,168.00</u>	<u>4,214,168.00</u>	<u>3,923,204.75</u>	<u>290,963.25</u>		

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"								
STATUTORY EXPENDITURES :								
Contribution to:								
Public Employees Retirement System		\$ 74,575.00	\$ 74,575.00	\$ 74,575.00	\$ 73,578.00	\$ 997.00	\$ -	\$ -
Social Security System (O.A.S.I.)		157,000.00	157,000.00	157,000.00	149,347.59	7,652.41		
Police and Firemen's Retirement System of N.J.		160,487.00	160,487.00	160,487.00	154,546.00	5,941.00		
Defined Contribution Retirement Plan		5,000.00	5,000.00	5,000.00	1,296.45	3,703.55		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"	A-1	397,062.00	397,062.00	397,062.00	378,768.04	18,293.96		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"								
		4,526,230.00	4,611,230.00	4,611,230.00	4,301,972.79	309,257.21		
OPERATIONS EXCLUDED FROM "CAP"								
Length of Service Awards Program								
Fire Department		34,000.00	34,000.00	34,000.00	34,000.00	-		
First Aid Squad		15,000.00	15,000.00	15,000.00	15,000.00	-		
Declared State of Emergency Costs for Snow Removal								
Road Repairs and Maintenance		7,615.00	7,615.00	7,615.00	7,615.00	-		
Salaries and Wages		10,335.00	10,335.00	10,335.00	10,335.00	-		
Other Expenses		2,100.00	2,100.00	2,100.00	474.99	1,625.01		
Maintenance of Library (N.J.S.A. 40:54-35)		4,500.00	4,500.00	4,500.00	3,641.73	858.27		
Recycling Tax		4,198.11	4,198.11	4,198.11	4,198.11	-		
Public and Private Programs Offset by Revenues:								
Recycling Tonnage Grant		800.81	800.81	800.81	800.81	-		
Drunk Driving Enforcement Fund		527.75	527.75	527.75	527.75	-		
Clean Communities Program		1,413.32	1,413.32	1,413.32	1,413.32	-		
Alcohol Education and Rehabilitation Fund								
Body Armor Replacement Fund								
Drive Sober or Get Pulled Over Grant (N.J.S.A. 40A: 4-87)								
Click It or Ticket Grant (N.J.S.A. 40A: 4-87)								
Distracted Driving Crackdown Grant (N.J.S.A. 40A: 4-87)								
ANJEC Grant (N.J.S.A. 40A: 4-87)								
Donations:								
Police Equipment		5,000.00	5,000.00	5,000.00	4,998.87	1.13		
Historical Commission		80.00	80.00	80.00		80.00		
Library		918.77	918.77	918.77		918.77		
Matching Funds For Grants:								
Municipal Alliance on Alcoholism and Drug Abuse		1,023.45	1,023.45	1,023.45	1,023.45	-		
TOTAL OPERATIONS EXCLUDED FROM "CAP"		87,512.21	106,912.21	106,912.21	106,429.03	3,483.18		
DETAIL :								
Salaries and Wages	A-1	7,615.00	28,515.00	28,515.00	28,515.00	-		
Other Expenses	A-1	79,897.21	81,397.21	81,397.21	77,914.03	3,483.18		
		87,512.21	109,912.21	109,912.21	106,429.03	3,483.18		

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Budget	Appropriations Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Canceled
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"							
Capital Improvement Fund	A-1	\$ 40,000.00	\$ 40,000.00	40,000.00	\$ -	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"		\$ 40,000.00	\$ 40,000.00	40,000.00	\$ -	\$ -	\$ -
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"							
Payment of Bond Principal		241,886.00	241,886.00	241,886.00			
Interest on Bonds		88,016.00	88,016.00	88,016.00			
Interest on Notes		7,800.00	7,800.00	7,705.34			94.66
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	337,702.00	337,702.00	337,607.34			94.66
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"		465,214.21	487,614.21	484,036.37		3,483.18	94.66
SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES		4,991,444.21	5,098,844.21	4,786,009.16		312,740.39	94.66
		1,295,478.56	1,295,478.56	1,295,478.56			
TOTAL GENERAL APPROPRIATIONS		\$ 6,286,922.77	\$ 6,394,322.77	\$ 6,081,487.72		\$ 312,740.39	\$ 94.66
	Ref.						
Adopted Budget	A-2		\$ 6,286,922.77				
Added by N.J.S.A. 40A:4-87	A-2		22,400.00				
Emergency Authorization (N.J.S.A. 40A: 4-55)	A-15		85,000.00				
			\$ 6,394,322.77				
Cash Disbursed			\$ 4,428,371.30				
Less: Refunds			53,439.58				
Reserve for Encumbrances	A-4			4,374,931.72			
Amount Due to Federal and State Grants Fund	A-17			295,714.00			
Reserve for Master Plan	A-18			30,363.44			
Reserve for Uncollected Taxes	A-22			85,000.00			
	A-2			1,295,478.56			
				\$ 6,081,487.72			
							\$ 6,081,487.72

SECTION B
TRUST FUND

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

		<u>December 31,</u>	
<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund :			
Cash - Treasurer	B-1	\$ 8,612.45	\$ 8,116.53
Amount Due from State Board of Health	B-5	<u>107.20</u>	<u>107.20</u>
		<u>8,719.65</u>	<u>8,223.73</u>
Other Funds :			
Cash - Treasurer	B-1	1,885,131.67	1,940,920.70
Interfunds Accounts Receivable	B-2	<u>822,874.59</u>	<u>616,375.00</u>
		<u>2,708,006.26</u>	<u>2,557,295.70</u>
		<u>\$ 2,716,725.91</u>	<u>\$ 2,565,519.43</u>
Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 411,098.34</u>	<u>\$ 368,858.40</u>

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

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

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Animal Control Fund :			
Interfunds Accounts Payable	B-3	\$ 784.25	\$ 2,061.73
Reserve for Animal Control Fund Expenditures	B-4	7,927.60	6,151.20
Amount Due to State Board of Health	B-5	7.80	10.80
		<u>8,719.65</u>	<u>8,223.73</u>
Other Funds :			
Interfunds Accounts Payable	B-3	15,223.72	10,242.55
Amount Due to State of New Jersey	B-7	2,317.00	1,342.00
Reserve for Special Funds	B-8	2,690,465.54	2,545,711.15
		<u>2,708,006.26</u>	<u>2,557,295.70</u>
		<u>\$ 2,716,725.91</u>	<u>\$ 2,565,519.43</u>
Length of Service Award Program:			
Reserve for Qualified Participants (Unaudited)		<u>\$ 411,098.34</u>	<u>\$ 368,858.40</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other Funds</u>
Balance December 31, 2013	B	\$ 8,116.53	\$ 1,940,920.70
Increased by Receipts :			
Interfund Accounts Payable	B-3	2.60	118,353.86
2014 Dog License Fees	B-4	4,390.40	
Late Fees	B-4	170.00	
Amount Due to State Board of Health	B-5	834.60	
Amount Due to State of New Jersey	B-7		7,444.00
Reserve for Special Funds	B-8	-	637,136.56
		<u>5,397.60</u>	<u>762,934.42</u>
		13,514.13	<u>2,703,855.12</u>
Decreased by Disbursements :			
Interfund Accounts Payable	B-3	2,064.08	113,372.69
Expenditures Per R.S. 4:19-15.11	B-4	2,000.00	
Amount Due to State Board of Health	B-5	837.60	
Amount Due to State of New Jersey	B-7		6,469.00
Reserve for Special Funds	B-8	-	698,881.76
		<u>4,901.68</u>	<u>818,723.45</u>
Balance December 31, 2014	B	\$ 8,612.45	\$ 1,885,131.67

SECTION C
GENERAL CAPITAL FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Cash - Treasurer	C-2	\$ 543,673.78	\$ 834,287.92
Deferred Charges to Future Taxation:			
Funded	C-4	3,978,969.15	4,331,152.93
Unfunded	C-5	1,424,000.00	998,700.00
Federal and State Aid Receivable	C-7	170,000.00	71,760.44
Interfund Accounts Receivable	C-8	<u>46,250.00</u>	<u>-</u>
		<u>\$ 6,162,892.93</u>	<u>\$ 6,235,901.29</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 3,804,000.00	\$ 4,129,000.00
NJDEP Open Space Acquisition Loan	C-16	174,969.15	202,152.93
Bond Anticipation Notes	C-17	1,191,000.00	822,000.00
Improvement Authorizations :			
Funded	C-9	384,410.31	453,561.15
Unfunded	C-9	418,670.36	273,165.72
Reserve for Encumbrances	C-10	143,185.55	233,545.48
Capital Improvement Fund	C-11	30,130.82	80,130.82
Capital Reserves	0	13,838.75	15,212.75
Interfund Accounts Payable	C-13	7.98	4.32
Fund Balance	C-1	<u>2,680.01</u>	<u>27,128.12</u>
		<u>\$ 6,162,892.93</u>	<u>\$ 6,235,901.29</u>

There were Bonds and Notes Authorized but not Issued in the amount of \$233,000.00 at December 31, 2014.. See Schedule C-18 for analysis.

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

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

	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Fund Balance December 31	C	\$ 27,128.12	\$ 27,128.12
Increased by :			
Improvement Authorizations Canceled in 2014	C-9	<u>135,551.89</u>	<u>-</u>
		162,680.01	27,128.12
Decreased by :			
Appropriated to 2014 Budget Revenue	C-2	110,000.00	
Appropriated to Finance Improvement Authorizations	C-9	<u>50,000.00</u>	<u>-</u>
Fund Balance December 31	C	<u>\$ 2,680.01</u>	<u>\$ 27,128.12</u>

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

SECTION D
SEWER UTILITY FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Sewer Operating Fund:			
Cash - Treasurer	D-5	\$ 1,029,772.61	\$ 902,431.63
Interfunds Accounts Receivable	D-8	0.88	0.88
		<u>1,029,773.49</u>	<u>902,432.51</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	<u>69,189.42</u>	<u>71,104.50</u>
Total Sewer Operating Fund		<u>1,098,962.91</u>	<u>973,537.01</u>
Sewer Capital Fund :			
Cash - Treasurer	D-5	94,400.70	94,400.70
Fixed Capital	D-12	8,293,126.17	8,274,218.81
Fixed Capital Authorized and Uncompleted	D-13	<u>89,600.00</u>	<u>89,600.00</u>
Total Sewer Capital Fund		<u>8,477,126.87</u>	<u>8,458,219.51</u>
		<u>\$ 9,576,089.78</u>	<u>\$ 9,431,756.52</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(CONCLUDED)

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Sewer Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 366,001.94	\$ 288,336.62
Reserve for Encumbrances	D-17	120,222.28	110,028.52
Utility Charges Overpayments	D-19	380.15	900.82
Accrued Interest on Bonds	D-20	-	5,400.00
		<u>486,604.37</u>	<u>404,665.96</u>
Reserve for Receivables and Other Assets		69,189.42	71,104.50
Fund Balance	D-1	<u>543,169.12</u>	<u>497,766.55</u>
Total Sewer Operating Fund		<u>1,098,962.91</u>	<u>973,537.01</u>
Sewer Capital Fund :			
Serial Bonds	D-29	-	270,000.00
Interfund Accounts Payable	D-18	0.88	0.88
Improvement Authorizations - Funded	D-23	4,799.67	4,799.67
Capital Improvement Fund	D-25	31,486.27	31,486.27
Capital Reserves	D-26	38,359.57	38,359.57
Reserve for Amortization	D-27	8,293,126.17	8,004,218.81
Deferred Reserve for Amortization	D-28	89,600.00	89,600.00
Fund Balance	D-2	<u>19,754.31</u>	<u>19,754.31</u>
Total Sewer Capital Fund		<u>8,477,126.87</u>	<u>8,458,219.51</u>
		<u>\$ 9,576,089.78</u>	<u>\$ 9,431,756.52</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2014.

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

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

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year 2014</u>	<u>Year 2013</u>
Operating Fund Balance Utilized	D-1,3	\$ 319,293.00	\$ 283,743.25
Sewer Rents	D-3	1,266,427.14	1,251,955.56
Miscellaneous	D-3	15,828.56	63,121.43
Other Credits to Income :			
Unexpended Balance of Appropriation Reserves	D-16	<u>282,439.87</u>	<u>290,750.20</u>
Total Income		<u>1,883,988.57</u>	<u>1,889,570.44</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	D-4	1,160,928.00	1,117,233.00
Capital Improvements	D-4	30,000.00	30,000.00
Debt Service	D-4	275,400.00	286,056.25
Deferred Charges and Statutory Expenditures	D-4	<u>52,965.00</u>	<u>50,454.00</u>
Total Expenditures		<u>1,519,293.00</u>	<u>1,483,743.25</u>
Excess in Revenue		364,695.57	405,827.19
Fund Balance January 1	D	<u>497,766.55</u>	<u>375,682.61</u>
		862,462.12	781,509.80
Decreased by :			
Utilization by Sewer Operating Budget	D-1	<u>319,293.00</u>	<u>283,743.25</u>
Fund Balance December 31	D	<u>\$ 543,169.12</u>	<u>\$ 497,766.55</u>

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

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

	<u>Ref.</u>	<u>Year 2013</u>	<u>Year 2012</u>
Fund Balance December 31	C	<u>\$ 19,754.31</u>	<u>\$ 19,754.31</u>
Fund Balance December 31	C	<u>\$ 19,754.31</u>	<u>\$ 19,754.31</u>

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

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

	<u>Ref.</u>	<u>Budget Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Utilized	D-1	\$ 319,293.00	\$ 319,293.00	\$ -
Rents	D-1,3	1,200,000.00	1,266,427.14	66,427.14
Miscellaneous	D-1,3	-	15,828.56	15,828.56
	D-4	<u>\$ 1,519,293.00</u>	<u>\$ 1,601,548.70</u>	<u>\$ 82,255.70</u>

Analysis of Realized Revenue

	<u>Ref.</u>		
Rents :			
Consumer Accounts Receivable	D-9	\$ 1,265,526.32	
Prepaid Sewer Charges Applied	D-9	900.82	
	D-3		<u>\$ 1,266,427.14</u>
Miscellaneous :			
Interest on Investments - Operating		\$ 688.50	
Connection Fees		9,300.00	
Miscellaneous		66.40	
Interest on Sewer Rents		5,763.59	
	D-5		15,818.49
Interfund Accounts Receivable	D-8		10.07
	D-3		<u>\$ 15,828.56</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

D-4

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Ref.</u>	<u>Budget Appropriations</u>	<u>Transfers</u>	<u>Budget After Transfers</u>	<u>Paid or Charged</u>	<u>Expended</u>	<u>Reserved</u>
Operating :							
Salaries and Wages		\$ 151,048.00		\$ 151,048.00	\$ 143,840.75	\$	7,207.25
Other Expenses		1,009,880.00		1,009,880.00	667,348.23		342,531.77
Total Operating	D-1	<u>1,160,928.00</u>		<u>1,160,928.00</u>	<u>811,188.98</u>		<u>349,739.02</u>
Capital Improvement :							
Capital Outlay		30,000.00		30,000.00	18,907.36		11,092.64
Total Capital Improvement	D-1	<u>30,000.00</u>		<u>30,000.00</u>	<u>18,907.36</u>		<u>11,092.64</u>
Debt Service :							
Payment of Bond Principal		270,000.00		270,000.00	270,000.00		
Interest on Bonds		5,400.00		5,400.00	5,400.00		
Total Debt Service	D-1	<u>275,400.00</u>		<u>275,400.00</u>	<u>275,400.00</u>		
Deferred Charges and Statutory Expenditures :							
Contribution:							
Public Employees Retirement System		40,965.00		40,965.00	36,789.00		4,176.00
Social Security (O.A.S.I.)		12,000.00		12,000.00	11,005.72		994.28
Total Statutory Expenditures	D-1	<u>52,965.00</u>		<u>52,965.00</u>	<u>47,794.72</u>		<u>5,170.28</u>
		\$ 1,519,293.00	\$ -	\$ 1,519,293.00	\$ 1,153,291.06	\$	366,001.94
Ref.	D-3						D
Disbursed Encumbrances	Ref.						
Accrued Interest on Bonds	D-5				\$ 1,027,668.78		
	D-17				120,222.28		
	D-20				<u>5,400.00</u>		
					\$ 1,153,291.06		

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

SECTION E
PUBLIC ASSISTANCE FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
Cash - Treasurer - Public Assistance Trust Fund No. 1	E-1	\$ 3,440.56	\$ 3,439.53
Cash - Treasurer - Public Assistance Trust Fund No. 2	E-1	<u> -</u>	<u> -</u>
		<u>\$ 3,440.56</u>	<u>\$ 3,439.53</u>
<u>Liabilities and Reserves</u>			
Reserve for Public Assistance Trust Fund No. 1	E-2	3,440.56	3,439.53
Reserve for Public Assistance Trust Fund No. 2	E-2	<u> -</u>	<u> -</u>
		<u>\$ 3,440.56</u>	<u>\$ 3,439.53</u>

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

SECTION F
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 11,698,172.92	\$ 11,869,248.85
Land Improvements	192,873.00	28,136.00
Buildings	1,347,855.00	710,298.06
Machinery and Equipment	<u>4,162,937.00</u>	<u>2,908,515.92</u>
	<u>\$ 17,401,837.92</u>	<u>\$ 15,516,198.83</u>
 Investments in General Fixed Assets	 <u>\$ 17,401,837.92</u>	 <u>\$ 15,516,198.83</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note 1: Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

C. Description of Funds

The accounting policies of the Borough of Peapack and Gladstone conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the Division). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Peapack and Gladstone accounts for its financial transactions through the following separate funds which differ from the fund structure required by accounting principles generally accepted in the United States of America.

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

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

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

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

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

C. Description of Funds (Continued)

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

D. Basis of Accounting

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

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

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

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

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

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

No depreciation has been provided for in the financial statements.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting (Continued)

Fixed Assets (Continued)

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

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

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

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

The following schedules are a summarization of the changes in general fixed assets for the year ended December 31, 2014 and 2013:

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

	<u>Balance as of</u> <u>December 31, 2012</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal/</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2013</u>
Land	\$12,074,188.39	\$	\$ 204,939.54	\$11,869,248.85
Buildings	710,298.06			710,298.06
Improvements other than Buildings	28,136.00			28,136.00
Machinery and Equipment	<u>2,880,287.67</u>	<u>28,228.25</u>	<u>204,939.54</u>	<u>2,908,515.92</u>
	<u>\$15,692,910.12</u>	<u>\$28,228.25</u>	<u>\$204,939.54</u>	<u>\$15,516,198.83</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

E. Required Financial Statements

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

F. Comparative Date

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

G. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment to GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note 1: Summary of Significant Accounting Policies (Continued)

H. Budgetary Information

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

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2014 statutory budget included a reserve for uncollected taxes in the amount of \$1,295,478.56. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2014 statutory budgets were as follows:

Current Fund	\$2,000,000.00
Sewer Utility Operating Fund	319,293.00

Transfers of line item amounts are permitted after November 1 and must be made by a resolution adopted by the governing body. The following significant budget transfers were approved in the 2014 calendar year.

<u>Budget Category</u>	<u>Amount</u>
General Administration – Other Expenses	(\$35,000.00)
Mayor and Borough Council - Other Expenses	(20,000.00)
Land Use Board– Other Expenses	-0.000.00
Police – Other Expenses	(7,500.00)
Road Repairs and Maintenance - Other Expenses	15,000.00
Vehicle Maintenance – Other Expenses	9,500.00
Public Buildings and Grounds – Other Expenses	(5,000.00)

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget, after the adoption of the budget, when the item has been made available by any public or private funding source. The following significant budget insertions were approved during the 2014 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Drive Sober or Get Pulled Over Grant	\$12,500.00
Click It or Ticket Grant	4,000.00
Distracted Driving Crackdown Grant	4,400.00
ANJEC Grant	1,500.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The following emergency appropriations were approved during the 2014 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Revision of Master Plan (N.J.S.A. 40A:4-55)	\$85,000.00

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Notes On All Funds

A. Deposits and Investments

Deposits

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

At December 31, 2014 the Borough of Peapack and Gladstone's cash and cash equivalents amounted to \$7,965,807.18. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$5,718,134.24 covered by a collateral pool maintained by the banks as required by GUDPA

At December 31, 2014 the Borough of Peapack and Gladstone's participation in the State of New Jersey Cash Management Fund amounted to \$1,997,672.94.

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

As of December 31, 2014, \$1,997,672.94 of the Borough of Peapack and Gladstone's cash and cash equivalents of \$7,965,807.18 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 0.00
Uninsured and collateral held by public depository or by its' trust department not in the Borough of Peapack and Gladstone's name	<u>1,997,672.94</u>
	<u>\$ 1,997,672.94</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

A. Deposits and Investments (Continued)

Investments

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

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

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

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

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

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

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4);or

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

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

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

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

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

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

The Borough of Peapack and Gladstone had no investments as described in Note I:F.1. at December 31, 2014

B. Property Taxes

The Borough of Peapack and Gladstone is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation. All property tax revenue is recognized when received in cash. Property taxes receivable as of December 31, 2014 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2014	\$ <u>130,305.11</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

C. Interfund Receivables and Payables

As of December 31, 2014 interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 26,018.28	\$ 959,621.45
Federal and State Grants Fund	90,496.86	
Trust Funds:		
Animal Control Fund		784.25
Other Trust Fund	822,874.59	15,223.72
Capital Fund	-16,250.00	7.98
Sewer Utility Fund		
Operating Fund	0.88	
Capital Fund		0.88
Payroll and Payroll Agency		<u>10,002.33</u>
	<u>\$ 985,640.61</u>	<u>\$ 985,640.61</u>

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

D. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Current Fund:			
Special Emergency Authorizations (40:4-55)	\$85,000.00	\$17,000.00	\$68,000.00

The appropriation in the 2015 Budget is not less than required by statute.

E. Leases

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

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

F. Debt

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

Long-term debt as of December 31, 2013 and 2014 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General	\$ 4,129,000.00	\$ -	\$ 325,000.00	\$ 3,804,000.00	\$ 330,000.00
Sewer Utility	270,000.00		270,000.00	-	-
Open Space Loan	<u>202,152.93</u>	-	<u>27,183.78</u>	<u>174,969.15</u>	<u>27,730.18</u>
	<u>\$ 4,601,152.93</u>	<u>\$ -</u>	<u>\$ 622,183.78</u>	<u>\$ 3,978,969.15</u>	<u>\$ 357,730.18</u>
		<u>Year 2014</u>	<u>Year 2013</u>		<u>Year 2012</u>
<u>Issued</u>					
General:					
Bonds and Notes	\$ 4,995,000.00		\$ 4,951,000.00		\$ 4,444,000.00
Loan	174,969.15		202,152.93		228,801.08
Sewer Utility:					
Bonds and Notes	-		270,000.00		545,000.00
Total Issued	<u>5,169,969.15</u>		<u>5,423,152.93</u>		<u>5,217,801.08</u>
Net Debt Issued	<u>5,169,969.15</u>		<u>5,423,152.93</u>		<u>5,217,801.08</u>
<u>Authorized but not Issued</u>					
General:					
Bonds and Notes	233,000.00		176,700.00		649,700.00
Sewer Utility:					
Bonds and Notes	-		-		-
Total Authorized but Not Issued	<u>233,000.00</u>		<u>176,700.00</u>		<u>649,700.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 5,402,969.15</u>		<u>\$ 5,599,852.93</u>		<u>\$ 5,867,501.08</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

F. Debt (Continued)

Summary of Statutory Debt Condition-Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .751%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 5,968,468.19	\$ 5,968,468.19	\$ -
Sewer Utility Debt		-	-
General Debt	<u>5,402,969.15</u>	<u>-</u>	<u>5,402,969.15</u>
	<u>\$ 11,371,437.34</u>	<u>\$ 5,968,468.19</u>	<u>\$ 5,402,969.15</u>

Net Debt \$5,402,969.15 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$ 719,854,317.67 = 0.751%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 25,194,901.12
Net Debt	<u>5,402,969.15</u>
Remaining Borrowing Power	<u>\$ 19,791,931.97</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

F. Debt (Continued)

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

Cash Receipts from fees, rents or other charges for year		\$	1,601,548.70
Deductions:			
Operating and Maintenance Cost	\$	1,213,893.00	
Debt Service per Sewer Account		<u>275,400.00</u>	
			<u>1,489,293.00</u>
Excess in Revenue-Self Liquidating		\$	<u>112,255.70</u>

Footnote:

If there is an "excess in revenue", all such utility debt is deductible.

The foregoing debt information is in agreement with the annual debt statement filed by the Chief Financial Officer.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

F. Debt (Continued)

I. Bonds Payable

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

Serial Bonds outstanding as of December 31, 2014 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
General Improvement of 2009	Various	12/1	2029	\$ 4,494,000.00	\$ 3,664,000.00
General Improvement of 2002	3.625%	7/1	2015	1,645,000.00	140,000.00

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

<u>Calendar Year</u>	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2015	\$ 330,000.00	\$ 140,910.00	\$ -	\$ -	\$ 470,910.00
2016	200,000.00	130,135.00			330,135.00
2017	205,000.00	124,135.00			329,135.00
2018	215,000.00	117,985.00			332,985.00
2019	220,000.00	110,997.50			330,997.50
2020	230,000.00	103,297.50			333,297.50
2021	235,000.00	94,960.00			329,960.00
2022	245,000.00	86,147.50			331,147.50
2023	250,000.00	76,960.00			326,960.00
2024	260,000.00	66,960.00			326,960.00
2025	270,000.00	56,560.00			326,560.00
2026	275,000.00	45,760.00			320,760.00
2027	280,000.00	34,760.00			314,760.00
2028	290,000.00	23,560.00			313,560.00
2029	299,000.00	11,960.00	-	-	310,960.00
	<u>\$ 3,804,000.00</u>	<u>\$ 1,225,087.50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,910.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

F. Debt (Continued)

2. Bond Anticipation Notes

Bond Anticipation Notes outstanding as of December 31, 2014 consists of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Outstanding</u>
General Capital Fund:				
Ord. No. 955/956 - Various Improvements	0.65%	8/28/14	8/28/15	\$ 262,500.00
Ord. No. 973 - Various Acquisitions and Improvements	0.65%	8/28/14	8/28/15	170,500.00
Ord. No. 979 - Reconstruction of Branch Road	0.65%	8/28/14	8/28/15	47,500.00
Ord. No. 992 - Various Capital Improvements	0.65%	8/28/14	8/28/15	341,500.00
Ord. No. 1004 - Various Capital Improvements	0.65%	8/28/14	8/28/15	<u>369,000.00</u>
				<u>\$ 1,191,000.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2014 the Borough of Peapack and Gladstone had authorized but not issued bonds as follows:

General Capital Fund	\$ 233,000.00
Sewer Utility Capital Fund	-0-

Short-term financing as of December 31, 2013 and 2014 consisted of the following:

	<u>Balance Dec. 31, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance Dec. 31, 2013</u>	<u>Amounts Due Within One Year</u>
Bond Anticipation Notes:					
General	<u>\$ 822,000.00</u>	<u>\$ 369,000.00</u>	<u>\$ -</u>	<u>\$ 1,191,000.00</u>	<u>\$ 1,191,000.00</u>
	<u>\$ 822,000.00</u>	<u>\$ 369,000.00</u>	<u>\$ -</u>	<u>\$ 1,191,000.00</u>	<u>\$ 1,191,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

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

G. Loan Agreements

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

Drawdown of the loan was initiated in 2001.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 27,730.18	\$ 3,361.42	\$ 31,091.60
2016	28,287.55	2,804.05	31,091.60
2017	28,856.13	2,235.46	31,091.59
2018	29,436.13	1,655.45	31,091.58
2019	30,027.81	1,063.79	31,091.60
2020	30,631.35	460.23	31,091.58
	<u>\$ 174,969.15</u>	<u>\$ 11,580.40</u>	<u>\$ 186,549.55</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 were as follows:

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

Note III: Pension Plans

Description of Systems

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

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits.

The Police and Fireman's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State Firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

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

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note III: Pension Plans (Continued)

Retirement Benefits

For PERS employees, the benefits will be 1/55 of the average of the three highest year compensation for each year of service. However, for PERS who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

For PFRS employees, the benefits will be various percentages of final compensation depending upon the number of years of service.

Significant Legislation

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

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

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

Funding Status and Funding Progress

As of July 31, 2013, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPP, JRS, and SPRS) is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 75.4 percent and \$13.7 billion.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note III: Pension Plans (Continued)

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

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 10.0 percent for PFRS and 6.9 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2014, for PFRS, PERS and DCRP which are cost sharing multi-employer defined benefit pension plans, the annual pension cost equals contributions made.

The Borough's total payroll for the year ended December 31, 2014 was \$2,146,014.00 and covered payroll was \$1,024,548.00 for PERS, \$744,433.00 for PFRS and \$44,341.55 for DCRP. Contributions to the PERS, PFRS and the DCRP for the last three years made by the employees and Borough of Peapack and Gladstone were as follows:

		<u>PERS</u>	Percent of Covered <u>Payroll</u>	<u>PFRS</u>	Percent of Covered <u>Payroll</u>	<u>DCRP</u>	Percent of Covered <u>Payroll</u>
Employees	12/31/12	\$ 65,876.68	6.69%	\$68,763.10	10.15%	\$ 308.40	5.50%
	12/31/13	68,337.77	6.82%	72,575.10	10.00%	2,033.62	6.85%
	12/31/14	70,537.36	6.88%	74,443.30	10.00%	2,439.03	5.50%
Borough of Peapack and Gladstone	12/31/12	109,229.00	11.08%	147,137.00	21.71%	168.22	3.00%
	12/31/13	109,363.00	10.90%	155,587.00	21.43%	1,109.24	3.00%
	12/31/14	110,367.00	10.77%	154,546.00	20.76%	1,296.45	2.92%

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note IV: Health Benefits and Post Retirement Medical Benefits

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

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

P.L. 1997, C.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80% of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed \$41.8 million for the state fiscal year 2014 to provide benefits under Chapter 330 to qualified retirees.

In accordance with Borough of Peapack and Gladstone policy which provides for post-retirement medical benefits for PERS retirees with 25 years of service, the Borough contributed \$214,104.84 to State of New Jersey, Department of Treasury, Division of Pensions and Benefits for 13 eligible retirees and 9 spouses.

Note V: Deferred Compensation Plan

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.

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

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note V: Deferred Compensation Plan (Continued)

The maximum amount of deferred compensation for any participant for any taxable year shall not exceed the lesser of \$17,500.00 or 100 percent of the participant's includable compensation for the taxable year except as provided by the limited catch-up provision which may effect a participant's last three taxable years ending before a participant attains normal retirement age as defined by plan.

During the year ended December 31, 2014 and 2013, the employees' contributions to the plan were \$35,200.00 and \$42,450.00 respectively.

Note VI: Risk Management

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

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

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

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

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note VII: Segment Information – Utility Enterprise Funds

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

	<u>Sewer Utility Fund</u>
Operating Revenues	\$1,281,557.13
Operating Income	67,664.13
Operating Transfers in	10.07
Net Income	364,695.57
Fixed Assets:	
Additions	18,907.36
Deletions	
Net Working Capital	612,358.54
Total Operating Assets	1,098,962.91
Operating Fund Balance	543,169.12
Long Term Debt	
Short Term Debt	

Note VIII: Accrued Sick and Vacation Benefits

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

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

It is estimated that the current cost of such unpaid compensation would approximate \$427,922.24. This amount is not reported either as an expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough of Peapack and Gladstone's budget operating expenditures in the year in which it is used.

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(CONTINUED)

Note IX: Subsequent Events

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

Note X: Length of Service Awards Program (Unaudited)

During the 2000 calendar year, the voters of the Borough of Peapack and Gladstone approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who are performing qualified services which is defined as fire fighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP will also comply with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The Borough of Peapack and Gladstone appropriated \$49,000.00 and \$45,000.00 in 2014 and 2013 budgets, respectively, for contributions to the LOSAP for volunteers who have met the established criteria.

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

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

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

SUPPLEMENTARY DATA

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$2,000,000.00	12.19%	\$2,160,000.00	13.36%
Miscellaneous-From other than Local Property Tax Levies	864,232.29	5.27%	845,648.08	5.23%
Collection of Delinquent Taxes and Tax Title Liens	285,036.89	1.73%	129,089.98	0.79%
Collection of Current Tax Levy	12,935,886.43	78.85%	12,632,638.66	78.14%
Other Credits to Income	319,764.50	1.95%	398,704.04	2.47%
Total Income	<u>16,404,920.11</u>	<u>100.00%</u>	<u>16,166,080.76</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	5,098,749.55	35.27%	4,940,708.50	34.81%
Local Open Space Tax	206,499.59	1.43%	203,898.04	1.44%
County Taxes	2,765,706.25	19.13%	2,716,837.58	19.14%
Regional School Taxes	6,381,832.00	44.14%	6,327,217.00	44.58%
Other Expenditures	6,332.48	0.04%	5,328.59	0.04%
Total Expenditures	<u>14,459,119.87</u>	<u>100.00%</u>	<u>14,193,989.71</u>	<u>100.00%</u>
Excess in Revenue	1,945,800.24		1,972,091.05	
Adjustments to Income Before Fund Balance:				
Expenditures included above which are by statute deferred charges to budgets of succeeding years	85,000.00		-	
Fund Balance January 1	<u>2,030,800.24</u>		<u>1,972,091.05</u>	
	<u>2,418,444.08</u>		<u>2,606,353.03</u>	
	4,449,244.32		4,578,444.08	
Less:				
Utilization as Anticipated Revenue	<u>2,000,000.00</u>		<u>2,160,000.00</u>	
Fund Balance December 31	<u>\$2,449,244.32</u>		<u>\$2,418,444.08</u>	

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

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 319,293.00	16.94%	\$ 283,743.25	15.01%
Collection of Sewer Charges	1,266,427.14	67.22%	1,251,955.56	66.26%
Miscellaneous	15,828.56	0.84%	63,121.43	3.34%
Other Credits to Income	282,439.87	14.99%	290,750.20	15.39%
Total Income	<u>1,883,988.57</u>	<u>100.00%</u>	<u>1,889,570.44</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	1,160,928.00	76.41%	1,117,233.00	75.30%
Capital Improvements	30,000.00	1.97%	30,000.00	2.02%
Debt Service	275,400.00	18.13%	286,056.25	19.28%
Statutory Expenditures	52,965.00	3.48%	50,454.00	3.40%
Total Expenditures	<u>1,519,293.00</u>	<u>100.00%</u>	<u>1,483,743.25</u>	<u>100.00%</u>
Excess in Revenue	364,695.57		405,827.19	
Fund Balance January 1	497,766.55		375,682.61	
	862,462.12		781,509.80	
Less:				
Utilization as Anticipated Revenue	<u>319,293.00</u>		<u>283,743.25</u>	
Fund Balance December 31	<u>\$ 543,169.12</u>		<u>\$ 497,766.55</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

<u>Year</u>	<u>Assessed Valuation</u>	<u>Apportionment of Tax Rate</u>				
		<u>Total</u>	<u>Municipal</u>	<u>Open Space</u>	<u>County</u>	<u>Regional School</u>
2014	\$ 685,552,087	\$ 1.900	\$ 0.536	\$ 0.030	\$ 0.403	\$ 0.931
2013	670,749,522 (2)	1.901	0.527	0.029	0.401	0.944
2012	681,494,638 (2)	1.866	0.519	0.030	0.394	0.923
2011	683,465,059 (2)	1.833	0.493	0.030	0.416	0.894
2010	696,208,334 (2)	1.728	0.489	0.030	0.377	0.832
2009	761,687,170 (2)	1.621	0.439	0.030	0.375	0.777
2008	826,529,097 (2)	1.590	0.425	0.031	0.365	0.769
2007	846,611,057	1.660	0.455	0.031	0.365	0.809
2006	818,923,214 (2)	1.760	0.464	0.030	0.376	0.890
2005	756,473,045 (2)	1.850	0.485	0.031	0.439	0.895

- (1) Revaluation Effective
- (2) Reassessment Effective

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2014	\$ 13,078,328.65	\$ 12,935,886.43	98.91%
2013	12,923,918.59	12,632,638.66	97.74%
2012	12,825,907.43	12,693,773.84	98.96%
2011	12,868,822.36	12,750,675.87	99.08%
2010	12,920,255.74	12,780,073.83	98.91%
2009	13,224,215.77	13,110,786.31	99.14%
2008	13,456,124.85	13,305,097.58	98.87%
2007	13,536,097.38	13,405,449.27	99.03%
2006	13,642,423.75	13,409,520.02	98.29%
2005	13,338,461.88	13,120,645.90	98.36%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last ten years.

<u>Dec. 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	\$ -	\$ 130,305.11	\$ 130,305.11	0.99%
2013	-	284,786.89	284,786.89	2.20%
2012	-	128,842.77	128,842.77	1.00%
2011	-	115,416.63	115,416.63	0.89%
2010	-	128,790.79	128,790.79	0.99%
2009	-	105,445.23	105,445.23	0.79%
2008	-	143,370.94	143,370.94	1.06%
2007	-	146,107.85	146,107.85	1.07%
2006	-	204,188.60	204,188.60	1.49%
2005	-	201,198.02	201,198.02	1.50%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2014	\$ 139,900.00
2013	139,900.00
2012	139,900.00
2011	139,900.00
2010	139,900.00
2009	139,900.00
2008	139,900.00
2007	139,900.00
2006	139,900.00
2005	139,900.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2014	\$ 1,264,512.06	\$ 1,266,427.14
2013	1,255,435.87	1,251,955.56
2012	1,265,232.36	1,261,889.82
2011	1,299,683.18	1,309,325.58
2010	1,349,201.25	1,310,148.27
2009	1,259,778.98	1,222,098.80
2008	1,205,565.94	1,283,631.78
2007	1,265,468.47	1,212,385.19
2006	1,271,518.68	1,245,171.93
2005	1,470,350.01	1,457,374.95

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2014	\$ 2,449,244.32	\$ 2,100,000.00
	2013	2,418,444.08	2,000,000.00
	2012	2,606,353.03	2,160,000.00
	2011	2,719,048.72	2,220,000.00
	2010	2,748,384.93	2,139,000.00
	2009	2,709,087.07	2,100,000.00
	2008	2,479,813.69	2,000,000.00
	2007	2,730,599.81	2,210,000.00
	2006	2,277,598.82	1,875,000.00
	2005	1,968,389.36	1,740,000.00
Sewer Utility Operating Fund	2014	\$ 543,169.12	\$ 120,000.00
	2013	497,766.55	319,293.00
	2012	375,682.61	283,743.25
	2011	514,602.45	345,020.50
	2010	649,700.34	369,601.00
	2009	746,622.45	338,948.00
	2008	842,590.00	235,945.25
	2007	759,500.96	291,881.50
	2006	787,805.55	270,204.11
	2005	833,096.56	305,498.50

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
William H. Horton	Mayor	
Anthony Suriano	President of Council	
Gianpaolo Caminiti	Councilman	
Mark A. Corigliano	Councilman	
Gerald Gunning	Councilman	
William Muller	Councilman	
T. William Simpson	Councilman	
Robin Collins (To 12/31/14)	Administrator Clerk Qualified Purchasing Agent Assessment Search Officer	\$ 10,000.00
Hector A. Herrera (From 12/14/14)	Administrator Clerk Qualified Purchasing Agent Assessment Search Officer	\$ 10,000.00
Donna Bassman	Deputy Clerk	
Mary P. Robinson	Chief Financial Officer Collector of Taxes Treasurer Tax Search Officer	200,000.00
Edward L. Kerwin, Jr.	Tax Assessor	
Theresa M. Kelly	Payroll Clerk Deputy Treasurer	50,000.00
Hollyann Robinson	Assistant Treasurer Deputy Collector	100,000.00
John E. Bruder	Attorney	
Raymond Stein	Municipal Prosecutor	
James Fania	Construction Code Official	
Rodney McCatharn	Public Works Supervisor	
Robert J. Foley	Judge	Blanket (1)
Vicki Mangulson	Court Administrator	Blanket (1)
Brenda Zimmerman	Deputy Court Administrator	Blanket (1)
Jennifer Jeremiah	Deputy Court Administrator	Blanket (1)

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

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

All of the bonds were examined and properly executed.

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 3,899,414.14
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 80,161.89	
General Capital Fund Balance	A-2	\$ 110,000.00	
Tax Collector	A-5	13,279,841.79	
Petty Cash Returned	A-7	125.00	
Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	15,250.00	
Revenue Accounts Receivable	A-12	453,933.60	
Interfund Accounts Receivable	A-13	115,534.44	
Interfund Accounts Payable	A-18	72,674.31	
Reserve for Funds - Unappropriated	A-23	3,075.00	
Other Liabilities	A-24	<u>48,832.66</u>	
			<u>14,179,428.69</u>
			18,078,842.83
Decreased by Disbursements :			
Refund of Prior Year Revenue	A-1	600.00	
2014 Budget Appropriations	A-3	4,374,931.72	
Petty Cash	A-7	125.00	
2013 Appropriation Reserves	A-16	331,707.44	
Interfund Accounts Payable	A-18	17,409.85	
Tax Overpayments Refunded	A-20	17,478.05	
Appropriated Reserves	A-22	18,344.33	
Other Liabilities	A-24	42,368.78	
Local Open Space, Regional School District and County Taxes	A-25	<u>9,173,271.10</u>	
			<u>13,976,236.27</u>
Balance December 31, 2014	A		<u>\$ 4,102,606.56</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Increased by Receipts :			
Miscellaneous Revenue	A-2	\$ 69,263.60	
Tax Receivable	A-9	13,127,964.89	
Prepaid Taxes	A-19	71,154.78	
Tax Overpayments	A-20	<u>11,458.52</u>	
			<u>\$ 13,279,841.79</u>
 Decreased by Disbursements :			
Paid to Treasurer	A-4		<u>\$ 13,279,841.79</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Municipal Court	\$ 100.00	\$ 100.00
Tax Collector	<u>25.00</u>	<u>25.00</u>
	<u>\$ 125.00</u>	<u>\$ 125.00</u>
	Ref. A	A

SCHEDULE OF PETTY CASH

	<u>Ref.</u>	
Increased by:		
Received in 2014	A-4	<u>\$ 125.00</u>
Decreased by:		
Returned in 2014	A-4	<u>\$ 125.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 3,456.22
Increased by :		
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 1,750.00
Veterans' Deductions Per Tax Billings	A-8	<u>14,250.00</u>
		<u>16,000.00</u>
		19,456.22
Decreased by :		
Received in Cash from State of New Jersey	A-4	15,250.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	500.00
Senior Citizens' Deductions Disallowed by Tax Collector - Prior Year	A-1	<u>250.00</u>
		<u>16,000.00</u>
Balance December 31, 2014	A	<u>\$ 3,456.22</u>
<u>Calculation of State's Share of Senior Citizens' and Veterans' Deductions</u>		
Senior Citizens' Deductions per Tax Billings	A-8	\$ 1,750.00
Veterans' Deductions per Tax Billings	A-8	14,250.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	<u>(500.00)</u>
	A-9	<u>\$ 15,500.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2014 PROPERTY TAX LEVY

Year	Balance Dec. 31, 2013	Added Taxes	2014 Levy	2013 Collections	2014 Collections	State's Share of Senior Citizens' and Veterans' Deductions	Tax Overpayments Applied	Canceled	Balance Dec. 31, 2014
2013	\$ 284,786.89	\$ 250.00	\$ 13,078,328.65	\$ -	\$ 285,036.89	\$ -	\$ -	\$ -	\$ 130,305.11
2014	-	-	13,078,328.65	71,255.33	12,842,928.00	15,500.00	6,203.10	12,137.11	130,305.11
	\$ 284,786.89	\$ 250.00	\$ 13,078,328.65	\$ 71,255.33	\$ 13,127,964.89	\$ 15,500.00	\$ 6,203.10	\$ 12,137.11	\$ 130,305.11

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

Analysis of 2014 Property Tax Levy

Tax Yield :	
General Purpose Tax	\$ 13,025,489.66
Business Personality Tax	52,838.99
Added Taxes (54:4-63.1 et seq.)	\$ 13,078,328.65
Tax Levy :	
Regional School District Tax (Abstract)	\$ 6,381,832.00
County Taxes (Abstract)	2,222,121.31
County Library Taxes (Abstract)	321,425.77
County Open Space Preservation (Abstract)	210,952.47
Amount Due to County for Added Taxes (54:4-63.1 et seq.)	11,206.70
Local Tax for Municipal Purposes (Abstract)	3,680,362.01
Municipal Open Space	205,665.63
Amount Due to Municipal Open Space for Added Taxes	833.96
Add : Additional Tax Levied	43,928.80
	2,765,706.25
	3,930,790.40
	\$ 13,078,328.65

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

NOT APPLICABLE

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

	<u>Ref.</u>	
Balance December 31, 2013	A	<u>\$ 139,900.00</u>
Balance December 31, 2014	A	<u>\$ 139,900.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2013	Accrued in 2014	Collected in 2014	Balance Dec. 31, 2014
Clerk :					
A.B.C. Licenses	A-2	\$ -	\$ 12,563.00	\$ 12,563.00	\$ -
Fees and Permits	A-2		43,842.34	43,842.34	-
Registrar of Vital Statistics:					
Fees and Permits	A-2		1,785.00	1,785.00	-
Board of Health:					
Fees and Permits	A-2		6,845.00	6,845.00	-
Police Chief:					
Fees and Permits	A-2		578.59	578.59	-
Municipal Court:					
Fines and Costs	A-2	8,535.42	85,001.70	87,376.29	6,160.83
Interest on Deposits	A-2	0.37	4.48	4.54	0.31
Interest on Deposits - Bail Account	A-2	0.08	0.98	0.98	0.08
Tax Assessor	A-2		250.00	250.00	-
Uniform Fire Safety Bureau	A-2		4,565.00	4,565.00	-
Zoning Official	A-2		3,400.00	3,400.00	-
Rentals	A-2		37,715.01	37,715.01	-
Interest on Deposits	A-2		3,948.85	3,948.85	-
Energy Receipts Tax	A-2		251,059.00	251,059.00	-
		<u>\$ 8,535.87</u>	<u>\$ 451,558.95</u>	<u>\$ 453,933.60</u>	<u>\$ 6,161.22</u>

Ref. A A-4 A

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

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF DEFERRED CHARGES

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2013</u>	<u>Authorized in 2014</u>	<u>Raised in 2014 Budget</u>	<u>Balance Dec. 31, 2014</u>
5/27/14	Special Emergency (N.J.S.A. 40A:4-55): Revision of Master Plan	85,000.00	17,000.00	\$ -	\$ 85,000.00	\$ -	\$ 85,000.00
					Ref. A-3		A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>OPERATIONS WITHIN "CAP"</u>						
Salaries and Wages :						
General Administration	\$ 4,939.28	\$ -	\$ -	\$ 4,939.28	\$ -	\$ 4,939.28
Borough Clerk	15,907.09			15,907.09		15,907.09
Financial Administration	18.61			18.61		18.61
Collection of Taxes	3,518.64			3,518.64		3,518.64
Assessment of Taxes	2,405.63			2,405.63	141.66	2,263.97
Municipal Court	3,144.97			3,144.97		3,144.97
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Land Use Board	632.81			632.81	272.43	360.38
Zoning Costs	366.33			366.33		366.33
Police	5,772.67			5,772.67	67.76	5,704.91
Emergency Management Services	537.91			537.91		537.91
Fire Official	567.74			567.74		567.74
Road Repairs and Maintenance	22,222.74			22,222.74	530.40	21,692.34
Garbage and Trash Removal	8.06			8.06		8.06
Public Buildings and Grounds	681.97			681.97	616.50	65.47
Board of Health	4.39			4.39		4.39
Senior Citizen Program	3,679.70			3,679.70		3,679.70
Uniform Construction Code:						
Construction Official	8,046.01			8,046.01	1,147.43	6,898.58
Other Expenses :						
General Administration	6,536.00		1,421.50	7,957.50	2,554.50	5,403.00
Mayor and Borough Council	22,441.42	(7,500.00)	2,256.25	17,197.67	2,288.28	14,909.39
Borough Clerk	11,922.61		1,833.99	13,756.60	1,374.35	12,382.25
Financial Administration	531.57		7,739.00	8,270.57	5,961.00	2,309.57
Audit Services			24,500.00	24,500.00	23,550.00	950.00
Collection of Taxes	1,090.95		852.00	1,942.95	820.76	1,122.19
Assessment of Taxes	232.39		9,114.32	9,346.71	8,775.34	571.37

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
Other Expenses: (Continued)						
Legal Services and Costs	\$ 448.36	\$ 7,500.00	\$ -	\$ 7,948.36	\$ 7,948.36	\$ -
Municipal Court	383.02		1,627.64	2,010.66	1,775.84	234.82
Public Defender	425.00			425.00	425.00	-
Engineering Services and Costs	10,696.34		4,516.05	15,212.39	7,659.55	7,552.84
Cultural Heritage	813.26		836.74	1,650.00	836.74	813.26
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Land Use Board	38,197.84		1,042.16	39,240.00	3,106.41	36,133.59
Zoning Costs	677.09			677.09		677.09
Insurance:						
General Liability	11,608.41			11,608.41		11,608.41
Worker's Compensation Insurance	1.00			1.00		1.00
Group Insurance - Hospital and Medical	42,359.36			42,359.36	32,491.80	9,867.56
Police	9,991.76		34,599.07	44,590.83	27,370.95	17,219.88
Emergency Management Services	3,308.83		5,062.33	8,371.16	4,472.67	3,898.49
Fire	2,207.85		40,731.61	42,939.46	39,985.41	2,954.05
Fire Official	732.44			732.44		732.44
Fire Hydrant Service	14,975.87			14,975.87	7,045.83	7,930.04
Municipal Prosecutor	5,500.00			5,500.00	5,500.00	-
Road Repairs and Maintenance	11,342.72		43,664.40	55,007.12	35,056.16	19,950.96
Shade Tree Commission			8,000.00	8,000.00	8,000.00	-
Garbage and Trash Removal	16,717.90		138.96	16,856.86	5,803.34	11,053.52
Public Buildings and Grounds	2,982.84		40,745.66	43,728.50	34,624.78	9,103.72
Vehicle Maintenance	596.25		3,599.66	4,195.91	2,787.11	1,408.80
Board of Health	1,871.63			1,871.63		1,871.63
Environmental Commission	0.19		454.00	454.19	454.00	0.19
Animal Control Regulations	0.40			0.40		0.40
Recreation Services and Programs	125.77		260.45	386.22	204.44	181.78
Senior Citizen Program	1,565.00			1,565.00		1,565.00
Celebration of Public Events	1,500.00			1,500.00		1,500.00
Uniform Construction Code:						
Construction Official	3,592.10			3,592.10		3,592.10

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	Balance Dec. 31, 2013	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
<u>Utilities:</u>						
Electricity	\$ 8,360.01	\$ -	\$ -	\$ 8,360.01	\$ 2,979.29	\$ 5,380.72
Street Lighting	4,027.56			4,027.56	1,810.46	2,217.10
Telephone	5,295.69		91.28	5,386.97	2,477.01	2,909.96
Water	1,968.15			1,968.15	448.05	1,520.10
Natural Gas	9,490.93			9,490.93	4,463.61	5,027.32
Gasoline	3,200.00		5,435.93	8,635.93	1,453.11	7,182.82
Landfill/Solid Waste Disposal Costs	17,268.63			17,268.63	4,777.08	12,491.55
Contingent	2,000.00			2,000.00		2,000.00
Social Security System (O.A.S.I.)	3,154.94			3,154.94		3,154.94
Defined Contribution Retirement Plan	3,882.36			3,882.36		3,882.36
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
<u>Length of Service Awards Program:</u>						
Fire Department			32,000.00	32,000.00	23,439.73	8,560.27
First Aid Squad			13,000.00	13,000.00	8,635.69	4,364.31
Maintenance of Library (N.J.S.A. 40:54-35)	216.24		1,195.04	1,411.28	390.84	1,020.44
Recycling Tax	1,495.87			1,495.87	304.92	1,190.95
<u>Donations:</u>						
Police Equipment	201.50		4,000.00	4,201.50	4,000.00	201.50
Historical Commission	665.00			665.00		665.00
Library	619.55		3,076.75	3,696.30	2,878.85	817.45
	<u>\$ 359,677.15</u>	<u>\$ -</u>	<u>\$ 291,794.79</u>	<u>\$ 651,471.94</u>	<u>\$ 331,707.44</u>	<u>\$ 319,764.50</u>

Ref. A

A-17

A-4

A-1

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

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 291,794.79
Increased by :		
2014 Budget Charges	A-3	<u>295,714.00</u>
		587,508.79
Decreased by :		
Transferred to 2013 Appropriation Reserves	A-16	<u>291,794.79</u>
Balance December 31, 2014	A	<u>\$ 295,714.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2013	Received in 2014	Accrued in 2014	Paid in 2014	Balance Dec. 31, 2014
Federal and State Grants Funds	\$ 80,458.95	\$ 26,424.31	\$ 1,023.45	\$ 17,409.85	\$ 90,496.86
Other Trust Funds - Open Space	616,365.00		206,499.59		822,864.59
Other Trust Funds - General Trust	10.00				10.00
General Capital Fund	-	46,250.00	-	-	46,250.00
	\$ 696,833.95	\$ 72,674.31	\$ 207,523.04	\$ 17,409.85	\$ 959,621.45

Ref.	A	A-4	A-4	A
Ref. _____				
2014 Budget Revenue - Grants		A-2	(29,339.99)	
2014 Budget Appropriations - Grants		A-3	30,363.44	
2014 Open Space Levy and Added Assessment		A-25	206,499.59	
			\$ 207,523.04	

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 71,255.33
Increased by :		
2015 Taxes Paid	A-5	<u>71,154.78</u>
		142,410.11
Decreased by :		
Applied to Taxes Receivable	A-9	<u>71,255.33</u>
Balance December 31, 2014	A	<u>\$ 71,154.78</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 20,738.60
Increased by:		
Prior Year Tax Appeals Granted	A-1	\$ 5,482.48
Taxes Overpaid in 2014	A-5	<u>11,458.52</u>
		<u>16,941.00</u>
		37,679.60
Decreased by:		
Refunded in 2014	A-4	17,478.05
Applied to Taxes Receivable	A-9	<u>6,203.10</u>
		<u>23,681.15</u>
Balance December 31, 2014	A	<u>\$ 13,998.45</u>
<u>Analysis of Balance December 31, 2014</u>		
2013 Taxes		\$ 11,517.63
2014 Taxes		<u>2,480.82</u>
		<u>\$ 13,998.45</u>

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SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

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

	<u>Ref.</u>	<u>Total</u>	<u>Master Plan</u>
Increased by:			
2014 Budget Appropriations	A-3	\$ 85,000.00	\$ 85,000.00
Decreased by:			
Paid in 2014	A-4	<u>18,344.33</u>	<u>18,344.33</u>
Balance December 31, 2014	A	<u>\$ 66,655.67</u>	<u>\$ 66,655.67</u>

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	<u>Ref.</u>	<u>Total</u>	<u>Donations</u>		
			<u>Historical Commission</u>	<u>Library</u>	<u>Police Equipment</u>
Balance December 31, 2013	A	\$ 5,998.77	\$ 80.00	\$ 918.77	\$ 5,000.00
Increased by:					
Received in 2014	A-4	<u>3,075.00</u>	<u>-</u>	<u>-</u>	<u>3,075.00</u>
		9,073.77	80.00	918.77	8,075.00
Decreased by :					
Realized Revenue in 2014	A-2	<u>5,998.77</u>	<u>80.00</u>	<u>918.77</u>	<u>5,000.00</u>
Balance December 31, 2014	A	<u>\$ 3,075.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,075.00</u>

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Received</u> <u>in 2014</u>	<u>Paid</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Amount Due to State of N.J. - Marriage License Fees	\$ 50.00	\$ 225.00	\$ 250.00	\$ 25.00
Amount Due to Outside Lienholders	<u>-</u>	<u>48,607.66</u>	<u>42,118.78</u>	<u>6,488.88</u>
	<u>\$ 50.00</u>	<u>\$ 48,832.66</u>	<u>\$ 42,368.78</u>	<u>\$ 6,513.88</u>
Ref.	A	A-4	A-4	A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

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

	Ref.	Balance <u>Dec. 31, 2013</u>	2014 Lewy	Paid in 2014	Balance <u>Dec. 31, 2014</u>
Local Open Space	A-2	\$ -	\$ 205,665.63	\$ 205,665.63	\$ -
Amount Due Local Open Space for Added and Omitted Taxes - 2014	A-2	-	833.96	833.96	-
Regional School District Tax	A-2	1,262.14	6,381,832.00	6,381,831.00	1,263.14
County Tax	A-2	-	2,222,121.31	2,222,121.31	-
County Library Tax	A-2	-	321,425.77	321,425.77	-
County Open Space Preservation Tax	A-2	-	210,952.47	210,952.47	-
Amount Due County for Added and Omitted Taxes - 2014 -2013	A-2	36,940.55	11,206.70	36,940.55	11,206.70
		<u>\$ 38,202.69</u>	<u>\$ 9,354,037.84</u>	<u>\$ 9,379,770.69</u>	<u>\$ 12,469.84</u>
	A		A-1	A-4	A
			<u>Ref.</u>		
Disbursed			A-4	\$ 9,173,271.10	
Interfund Accounts Payable			A-18	<u>206,499.59</u>	
				<u>\$ 9,379,770.69</u>	

BOROUGH OF PEAPACK AND GLADSTONE

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

	<u>Ref.</u>		
Balance December 31, 2013	A		\$ 80,458.95
Increased by :			
Received in Current Fund			
- State Aid Receivable	A-27	\$ 14,087.40	
- Unappropriated Reserves	A-29	12,336.91	
2014 Budget Appropriations	A-28	<u>30,363.44</u>	
			<u>61,500.35</u>
			141,959.30
Decreased by :			
2014 Budget Revenues			
- State Aid Receivable	A-27	22,400.00	
- Unappropriated Reserves	A-29	6,939.99	
Expended in Current Fund			
- Appropriated Reserves	A-28	14,506.30	
- Reserve for Encumbrances	A-30	<u>2,903.55</u>	
			<u>51,462.44</u>
Balance December 31, 2014	A		<u>\$ 90,496.86</u>

BOROUGH OF PEAPACK AND GLADSTONE
CURRENT FUND
SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	Balance Dec. 31, 2013	2014 Budget Revenues	Received in Current Fund	Receivables Canceled	Balance Dec. 31, 2014
County Municipal Planning Grant	\$ 14,250.00	-	-	-	\$ 14,250.00
N.J. Highlands Council Planning Grant	7,500.00				7,500.00
Smart Growth Planning Assistance Grant	6,500.00				6,500.00
Sustainable New Jersey Grant	7,500.00				7,500.00
Green Community Grant	3,000.00				3,000.00
Drive Sober or Get Pulled Over Grant	4,400.00	12,500.00	6,337.40	3,062.60	7,500.00
Click It or Ticket Grant		4,000.00	3,100.00	900.00	-
Distracted Driving Crackdown Grant		4,400.00	3,650.00	750.00	-
ANJEC Grant		1,500.00	1,000.00		500.00
	<u>\$ 43,150.00</u>	<u>\$ 22,400.00</u>	<u>\$ 14,087.40</u>	<u>\$ 4,712.60</u>	<u>\$ 46,750.00</u>

Ref. A

A-26

A-26

A-28

A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2013	2014 Budget Appropriations	Expenditures in Current Fund	Reserves Canceled	Encumbrances	Balance Dec. 31, 2014
Recycling Tonnage Grant	\$ 7,674.64	\$ 4,198.11	\$ 67.00	\$ -	\$ 2,800.00	\$ 9,005.75
Drunk Driving Enforcement Fund	856.93		839.45			17.48
Clean Communities Program	5,344.93	800.81	604.60			5,541.14
Alcohol Education and Rehabilitation Fund	1,576.93	527.75				2,104.68
Municipal Alliance on Alcoholism and Drug Abuse - Matching	175.00	1,023.45	1,023.45			175.00
Body Armor Replacement Fund	3,887.50	1,413.32			975.00	4,325.82
Federal Bulletproof Vest Program	22.25					22.25
Somerset County Youth Athletic and Recreation	15,000.00					15,000.00
County Cross Acceptance Grant	2,000.00					2,000.00
Municipal Stormwater Regulation Program	5.39					5.39
Domestic Violence Training Program	1,597.43					1,597.43
Somerset County Chief's Association	1,000.00					1,000.00
County Municipal Planning Grant	14,250.00					14,250.00
N.J. Highlands Council Planning Grant	1,472.16					1,472.16
N.J. Forestry Management Grant	1,972.18					1,972.18
N.J. Forestry Management Grant - Matching	916.67					916.67
Space Study Grant	1,944.00					1,944.00
Gov. Connect Municipal Clerk	0.45					0.45
N.J. Local Library Aid Grant	25,000.00					25,000.00
Smart Growth Planning Assistance Grant	6,500.00					6,500.00
Smart Growth Planning Assistance Grant - Matching	6,500.00					6,500.00
Sustainable New Jersey Grant	7,686.00					7,686.00
Help America Vote Grant	523.55					523.55
Drive Sober or Get Pulled Over Grant	1,359.40	12,500.00	4,296.80	3,062.60		6,500.00
Click It or Ticket Grant		4,000.00	3,100.00	900.00		
Distracted Driving Crackdown Grant		4,400.00	3,650.00	750.00		
ANJEC Grant		1,500.00	925.00		575.00	
	<u>\$ 107,265.41</u>	<u>\$ 30,363.44</u>	<u>\$ 14,506.30</u>	<u>\$ 4,712.60</u>	<u>\$ 4,350.00</u>	<u>\$ 114,059.95</u>

Ref.

A

A-26

A-26

A-27

A-30

A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	<u>Balance</u> Dec. 31, 2013	<u>Received</u> in Current Fund	<u>Utilized</u> as 2014 Budget Revenue	<u>Balance</u> Dec. 31, 2014
Recycling Tonnage Grant	\$ 4,198.11	\$ 4,309.05	\$ 4,198.11	\$ 4,309.05
Clean Communities Program	800.81	6,144.09	800.81	6,144.09
Alcohol Education and Rehabilitation Fund	527.75	708.96	527.75	708.96
Body Armor Replacement Fund	1,413.32	1,174.81	1,413.32	1,174.81
	<u>\$ 6,939.99</u>	<u>\$ 12,336.91</u>	<u>\$ 6,939.99</u>	<u>\$ 12,336.91</u>

Ref. A A-26 A-26 A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES FOR FEDERAL AND STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 9,403.55
Increased by :		
Accrued in 2014	A-28	<u>4,350.00</u>
		13,753.55
Decreased by :		
Paid in 2014	A-26	<u>2,903.55</u>
Balance December 31, 2014	A	<u>\$ 10,850.00</u>
<u>Analysis of Balance December 31, 2014</u>		
2013 Purchase Orders:		
Recycling Tonnage Grant		\$ 2,700.00
Green Community Grant		1,900.00
Green Community Grant - Matching		1,900.00
2014 Purchase Orders:		
Recycling Tonnage Grant		2,800.00
Body Armor Replacement Fund		975.00
ANJEC Grant		<u>575.00</u>
		<u>\$ 10,850.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
TRUST FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2013</u>	<u>Paid in 2014</u>	<u>Accrued in 2014</u>	<u>Received in 2014</u>	<u>Balance Dec. 31, 2014</u>
Other Trust Funds:					
Current Fund:					
General Trust	\$ 10.00	\$ -	\$ -	\$ -	\$ 10.00
Open Space	616,365.00	-	206,499.59	-	822,864.59
	<u>\$ 616,375.00</u>	<u>\$ -</u>	<u>\$ 206,499.59</u>	<u>\$ -</u>	<u>\$ 822,874.59</u>
Ref.	B		B-8		B

B-3

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2013</u>	<u>Received in 2014</u>	<u>Accrued in 2014</u>	<u>Paid in 2014</u>	<u>Balance Dec. 31, 2014</u>
Animal Control Fund:					
Current Fund:					
Interest	\$ 0.23	\$ 2.60	\$ -	\$ 2.58	\$ 0.25
Statutory Excess	2,061.50	-	784.00	2,061.50	784.00
	<u>2,061.73</u>	<u>2.60</u>	<u>784.00</u>	<u>2,064.08</u>	<u>784.25</u>
Other Trust Funds:					
Current Fund:					
Recreation Commission - Interest	2.97	35.20		35.19	2.98
Recreation Capital - Interest	0.38	1.45		1.45	0.38
Developer's Escrow - Interest	6.41	146.14		145.43	7.12
Unemployment Compensation Insurance	4,450.85				4,450.85
General Trust Escrow - Interest	9.04	95.49		96.63	7.90
Police Special Services - Administrative Fees	970.00	11,550.00		11,310.00	1,210.00
Uniform Construction Code - Fees	3,800.00	106,508.00		101,765.00	8,543.00
Uniform Construction Code - Interest	2.63	16.24		17.47	1.40
Uniform Fire Safety Act Penalty Monies - Interest	0.04	0.28		0.28	0.04
Cafeteria Plan Section 125	1,000.23	1.06	-	1.24	1,000.05
	<u>10,242.55</u>	<u>118,353.86</u>	<u>-</u>	<u>113,372.69</u>	<u>15,223.72</u>
	<u>\$ 12,304.28</u>	<u>\$ 118,356.46</u>	<u>\$ 784.00</u>	<u>\$ 115,436.77</u>	<u>\$ 16,007.97</u>
Ref.	B	B-1	B-4	B-1	B

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

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 6,151.20
Increased by :		
2014 Dog License Fees	B-1	\$ 4,390.40
Late Fees	B-1	<u>170.00</u>
		<u>4,560.40</u>
		10,711.60
Decreased by :		
Expenditures Per R.S. 4:19-15.11	B-1	2,000.00
Statutory Excess	B-3	<u>784.00</u>
		<u>2,784.00</u>
Balance December 31, 2014	B	<u>\$ 7,927.60</u>

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2012	3,144.00
2013	<u>4,783.60</u>
	<u>\$ 7,927.60</u>

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

	<u>Ref.</u>			
Balance December 31, 2013	B		\$	(96.40)
Increased by :				
Fees Collected in 2014	B-1			<u>834.60</u>
				738.20
Decreased by :				
Paid to State Board of Health	B-1			<u>837.60</u>
Balance December 31, 2014	B		\$	<u>(99.40)</u>
		<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>	
Amount Due to State Board of Health		\$ 10.80	\$ 7.80	
Amount Due from State Board of Health		<u>(107.20)</u>	<u>(107.20)</u>	
		<u>\$ (96.40)</u>	<u>\$ (99.40)</u>	

SCHEDULE OF PREPAID LICENSE FEES

NOT APPLICABLE

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

	<u>Ref.</u>	<u>Total</u>	<u>Code Enforcement Fees</u>
Balance December 31, 2013	B	\$ 1,342.00	\$ 1,342.00
Increased by :			
Received in 2014	B-1	<u>7,444.00</u>	<u>7,444.00</u>
		8,786.00	8,786.00
Decreased by :			
Paid to State of New Jersey in 2014	B-1	<u>6,469.00</u>	<u>6,469.00</u>
Balance December 31, 2014	B	<u>\$ 2,317.00</u>	<u>\$ 2,317.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND
RESERVE FOR SPECIAL DEPOSITS

	Balance Dec. 31, 2013	Received in 2014	Interest Earnings	Interfund Accounts Receivable	Paid in in 2014	Balance Dec. 31, 2014
Recreation Commission	\$ 113,896.42	\$ 86,033.24	\$ -	\$ -	\$ 85,700.56	\$ 114,229.10
Recreation Capital	2,980.17					2,980.17
Developer's Escrow	249,887.51	107,102.02	12.85		81,984.47	275,005.06
State Unemployment Compensation Insurance	21,812.46	2,000.00				23,825.31
Recycling	732.85	81.00				813.85
Police Special Services	19,938.25	31,000.00			36,740.00	14,198.25
Parking Offenses Adjudication Act Fines	290.00	20.00				310.00
Tax Sale Premium	29,200.00	32,200.00			60,200.00	1,200.00
In Lieu of Sidewalks	5,000.00					5,000.00
Accumulated Absences	250,546.94	10,000.00				260,546.94
Tenant Security	7,561.63	554.88				8,116.51
Matheny School	2,000.00					2,000.00
Special Use	2,000.00					2,000.00
Historic Preservation Commission	4,403.54	355.00			4,363.54	395.00
Open Space	1,310,154.61	325,000.00	267.41	206,499.59	426,263.87	1,415,657.74
Housing Trust	72,134.15	39,347.50	44.11		254.32	111,525.76
Disposal of Forfeited Assets	1,027.09		0.19			772.96
Uniform Fire Safety Act Penalty Monies	1,343.05					1,343.05
Cafeteria Plan Section 125	1,850.92	2,900.00			3,375.00	1,375.92
COAH-Administrative Cost Fund	36,959.75		17.97			36,977.72
COAH-Municipal Acquisition of Land for Affordable Housing Projects	296,507.79		144.22			296,652.01
COAH-Affordability Assistance Fund	55,439.63		26.96			55,466.59
COAH-Rehabilitation Fund	60,044.39		29.21			60,073.60
	<u>\$ 2,545,711.15</u>	<u>\$ 636,593.64</u>	<u>\$ 542.92</u>	<u>\$ 206,499.59</u>	<u>\$ 698,881.76</u>	<u>\$ 2,690,465.54</u>

Ref.

B

B-1

B-1

B-2

B-1

B

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

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2013	C		\$ 834,287.92
Increased by Receipts:			
Capital Improvement Fund	C-11	\$ 40,000.00	
Interfund Accounts Payable	C-13	90.91	
Bond Anticipation Notes	C-17	<u>1,191,000.00</u>	
			<u>1,231,090.91</u>
			2,065,378.83
Decreased by Disbursements :			
Appropriated to 2014 Budget Revenue	C-1	110,000.00	
Improvement Authorizations	C-9	369,851.82	
Reserve for Encumbrances	C-10	218,391.98	
Capital Reserves	C-12	1,374.00	
Interfund Accounts Payable	C-13	87.25	
Bond Anticipation Notes	C-17	<u>822,000.00</u>	
			<u>1,521,705.05</u>
Balance December 31, 2014	C		<u>\$ 543,673.78</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2013	Receipts			Disbursements			Balance or (Deficit) Dec. 31, 2014
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	
Improvement Authorizations (Continued)								
982 Purchase of DPW Equipment	97.52	-	-	-	-	-	-	97.52
991 Purchase of Police and OEM Equipment and Sidewalk Installation	25,324.59	-	-	-	15,000.00	-	-	10,324.59
992 Various Capital Improvements:								
Purchase of Police Vehicle	2,818.11	35,000.00	-	35,000.00	323.00	-	420.00	2,075.11
Resurfacing of Willow Avenue	52,038.39	161,500.00	-	161,500.00	19,370.00	-	-	32,668.39
Branch Road Guide Rail Improvements	-	36,000.00	-	36,000.00	-	-	-	-
Crosswalk Improvements at Highland Ave. and Main St.	22,695.37	25,500.00	-	25,500.00	19,448.05	-	-	3,247.32
Replacement of Boiler	500.00	-	-	-	20.00	-	-	480.00
Purchase of Backhoe	7,266.80	83,500.00	-	83,500.00	16,000.00	-	-	5,266.80
Improvements to the Municipal Complex	16,000.00	-	-	-	46,041.06	-	-	1,186.57
996 Replacement of DPW Equipment	46,100.00	-	-	-	18,813.43	-	-	27,286.57
1002 Replacement of Sidewalks	-	-	-	-	25,691.00	-	-	-
1003 Purchase of Police Vehicle and Salt Spreader	-	-	-	-	-	-	25,488.72	-
1004 Various Capital Improvements:								
Renovation of Firehouse	-	71,000.00	-	71,000.00	-	-	-	-
Purchase of Fire Vehicle	-	37,000.00	-	37,000.00	-	-	-	-
Reconstruction and Paving of Branch Road (Phase II)	-	99,500.00	-	99,500.00	4,436.00	-	-	-
Reconstruction and Paving of Holland Road and Todd Avenue	-	161,500.00	-	161,500.00	152,951.84	-	-	-
1007 Purchase of a Dump Truck	-	-	-	-	-	-	60,000.00	-
Reserve for Encumbrances	233,545.48	-	-	-	-	218,391.98	-	143,185.55
Capital Improvement Fund	80,130.82	-	40,000.00	40,000.00	-	1,374.00	90,000.00	30,130.82
Capital Reserves	15,212.75	-	-	-	-	87.25	-	13,838.75
Interfund Accounts Payable	4.32	-	-	90.91	-	-	-	7.96
Fund Balance	27,128.12	-	-	-	-	110,000.00	-	2,680.01
Federal and State Aid Receivable	(71,760.44)	-	-	-	-	-	-	(170,000.00)
Interfund Accounts Receivable	-	-	-	-	-	-	46,250.00	(46,250.00)
	\$ 834,287.92	\$ 1,191,000.00	\$ 40,000.00	\$ 90.91	\$ 822,000.00	\$ 329,853.23	\$ 649,239.55	\$ 543,673.76

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 4,331,152.93
Decreased by:		
Serial Bonds Paid by 2014 Budget Appropriation	C-15	\$ 325,000.00
Loans Paid by Open Space Trust Fund	C-16	<u>27,183.78</u>
		<u>352,183.78</u>
Balance December 31, 2014	C	<u>\$ 3,978,969.15</u>

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

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 71,760.44
Increased by :		
Appropriated to Finance		
Improvement Authorizations	C-9	<u>170,000.00</u>
		241,760.44
Decreased by :		
Received in Current Fund in 2014	C-8	46,250.00
Canceled in 2014	C-9	<u>25,510.44</u>
Balance December 31, 2014	C	<u>\$ 170,000.00</u>

Analysis of Balance December 31, 2014

State Aid:		
NJDOT (Ord. No. 1004)		<u>\$ 170,000.00</u>
		<u>\$ 170,000.00</u>

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

	<u>Balance</u>	<u>Paid</u>	<u>Accrued</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u>
	<u>Dec. 31, 2013</u>	<u>in 2014</u>	<u>in 2014</u>	<u>in 2014</u>	<u>in 2014</u>	<u>Dec. 31, 2014</u>
Current Fund - NJDOT Grant	\$ -	\$ -	\$ 46,250.00	\$ -	\$ -	\$ 46,250.00
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,250.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,250.00</u>

Ref:

C-7

C

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

Ord Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations		Paid or Charged	Encumbrances	Canceled	Balance Dec. 31, 2014	
				Funded	Unfunded	Funded	Unfunded				Funded	Unfunded
803/809/854	Purchase and Renovation of the Sara Kay Memorial Building	2/8/05	\$ 1,700,000.00	\$ 26,327.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,327.07	\$ -	\$ -
810/824/848	Various Improvements: Purchase of Various Equipment Road Improvement Program Renovations to the Firehouse	6/25/02	30,000.00 626,500.00 200,000.00	5,500.00 4,202.19 16,596.51	-	-	-	-	-	5,500.00 4,202.19	-	-
849	Improvements to the Park House	7/13/04	7,500.00	2,015.04	-	-	-	(2,680.00)	-	2,015.04	-	-
861	Acquisition of New Financial Software	5/10/05	26,600.00	3,511.33	-	-	-	-	-	3,511.33	-	-
869	Acquisition of Breathalyzer	8/9/05	13,000.00	697.05	-	-	-	-	-	697.05	-	-
885	Various Improvements: Acquisition of Administrative Equipment Acquisition of OEM Equipment	5/23/06	10,000.00 8,500.00	995.32 60.00	-	-	-	-	-	995.32 60.00	-	-
908	Improvements to Buildings and Grounds	6/10/08	10,000.00	2,763.98	-	-	-	-	-	2,763.98	-	-
909	Acquisition of Fire Truck Various Capital Improvements	6/10/08	500,000.00	34,054.74	-	-	-	-	-	34,054.74	-	-
914/922/932	Various Improvements to the Municipal Complex Acquisition of Various DPW Equipment	6/10/08	74,900.00	1,823.37	-	-	-	-	-	1,823.37	-	-
926	Replacement of Boilers at Municipal Building	8/26/08	36,100.00	3,142.37	450.00	-	-	-	-	3,592.37	-	-
928	Improvements to DPW Facilities	4/14/09	175,000.00	4,564.00	250.00	-	-	-	-	4,814.00	-	-
941	Pedestrian and Vehicle Safety Study	5/26/09	35,000.00	10,530.00	-	-	-	-	-	10,530.00	-	-
941	ADA Improvements to Municipal Complex	3/9/10	10,000.00	2,388.41	-	-	-	-	-	2,388.41	-	-
945	Installation of Sidewalks on Pottersville Road	5/11/10	27,700.00	6,615.31	-	-	-	-	-	6,615.31	-	-
946	Various Improvements	5/11/10	125,000.00	48,502.82	-	-	-	-	-	48,502.82	-	-
947	Purchase of DPW Equipment	5/11/10	45,500.00	51.54	-	-	-	-	-	51.54	-	-
955/956	Improvements to Borough Complex Improvements to Liberty Park Various Improvements	5/11/10 6/14/11	26,500.00 100,000.00	26,500.00 73,829.05	-	-	-	-	-	26,500.00 73,829.05	-	-
957	Purchase of Computer Network System	6/14/11	60,000.00	-	570.48	-	-	-	-	-	570.48	-
957	Improvements to Highland Ave. and Trimmer Lane	6/14/11	234,000.00	-	3,227.06	-	-	-	-	-	3,227.06	-
957	Purchase of Police Equipment	6/14/11	175,000.00	-	159,514.56	-	-	-	(240.17)	-	159,514.56	-
957	Improvements to HVAC System	6/14/11	10,000.00	1,000.00	9,000.00	-	-	-	-	-	1,000.00	-
962	Acquisition of Police Records Management System	7/12/11	15,480.00	8,006.00	-	-	-	-	-	8,006.00	-	-
968	Purchase of 2011 DPW Ford Truck	12/13/11	50,000.00	3,307.79	-	-	-	-	-	3,307.79	-	-
972	Acquisition of Fire Equipment Various Acquisitions and Improvements Lights, Air Conditioner and Windows in Municipal Building	4/24/12 5/22/12	15,000.00 90,000.00	1,212.00 68,957.75	1,212.00	-	-	-	-	3,307.79	1,212.00	-
973	Acquisition of Police and OEM Equipment Acquisition of DPW Pick-up Truck Various Acquisitions and Improvements	5/22/12	55,500.00 35,000.00	3,174.89 2,382.40	-	-	-	-	-	-	19,850.95	-
973	Acquisition of Generator for First Aid Squad Improvements to Overlook Avenue and Municipal Building	5/22/12	60,250.00 52,750.00	- -	1,560.31 1,168.64	-	-	(975.00)	-	-	4,149.89	-
979	Reconstruction and Paving of Branch Road Parking Lot	9/25/12	67,000.00 235,000.00	- -	3,466.30 4,457.81	-	-	-	-	-	2,382.40	-
								49,106.80				1,560.31 1,168.64
								2,416.64				1,049.66 4,223.81

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

Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013		2014 Authorizations		Paid or Charged	Encumbrances	Cancelled	Funded	Unfunded	Balance Dec. 31, 2014
				Funded	Unfunded	Funded	Unfunded						
982	Purchase of DPW Equipment	3/12/13	\$ 8,900.00	\$ 87.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87.52	\$ -	\$ -
991	Purchase of Police and OEM Equipment and Sidewalk Installation	7/23/13	38,700.00	25,324.59	-	-	15,000.00	-	-	-	10,324.59	-	32,668.39
992	Various Capital Improvements	7/23/13	37,000.00	2,818.11	52,038.39	323.00	323.00	420.00	-	-	2,075.11	-	3,247.32
	Purchase of Police Vehicle		170,000.00	-	22,695.37	19,448.05	19,448.05	-	-	-	500.00	-	7,500.00
	Resurfacing of Willow Avenue		27,000.00	-	7,500.00	-	-	-	-	-	-	-	7,246.80
	Crosswalk Improvements at Highland Ave. and Main St.		8,000.00	500.00	7,266.80	20.00	20.00	-	-	-	-	-	-
	Replacement of Boiler		88,000.00	-	-	-	-	-	-	-	-	-	-
	Purchase of Backhoe		16,000.00	16,000.00	-	-	16,000.00	-	-	-	-	-	-
995	Improvements to the Municipal Complex	11/12/13	48,100.00	48,100.00	-	-	46,041.06	-	-	-	58.94	-	58.94
996	Replacement of DPW Equipment	12/14/13	60,000.00	-	-	-	18,813.43	-	-	-	41,186.57	-	5,840.28
1002	Replacement of Sidewalks	7/22/14	60,000.00	-	-	-	25,681.00	-	-	-	-	-	-
1003	Purchase of Police Vehicle and Salt Spreader	7/22/14	57,000.00	-	-	-	60,000.00	-	-	-	-	-	-
1004	Various Capital Improvements	7/22/14	57,000.00	-	-	-	57,000.00	-	-	-	-	-	-
	Renovation of Firehouse		75,000.00	-	-	-	4,000.00	-	-	-	-	-	4,000.00
	Purchase of Fire Vehicle		39,000.00	-	-	-	2,000.00	-	-	-	-	-	375.00
	Reconstruction and Paving of Branch Road (Phase II)		275,000.00	-	-	-	175,500.00	-	-	-	-	-	99,500.00
	Reconstruction and Paving of Holland Road and Todd Avenue		170,000.00	-	-	-	8,500.00	-	-	-	-	-	164,120.50
	Purchase of a Dump Truck		60,000.00	-	-	-	3,000.00	-	-	-	-	-	56,000.00
1007		12/23/14	60,000.00	-	-	-	60,000.00	-	-	-	-	-	16,578.16
				\$ 453,561.15	\$ 273,165.72	\$ 310,000.00	\$ 426,000.00	\$ 369,851.82	\$ 128,032.05	\$ 161,762.33	\$ 384,410.31	\$ 418,670.36	
				C	C	C-2	C-5	C-10	C-10	C	C	C	
				Ref	Ref	Ref	Ref	Ref	Ref	Ref	Ref	Ref	
	Capital Fund Balance			C-1	C-1	Capital Fund Balance	C-5	C-1	C-1	C-1	C-1	C-1	\$ 135,551.89
	State and Other Aid Receivable			C-7	C-7	Deferred Charges - Unfunded	C-5	C-7	C-5	C-7	C-7	C-7	700.00
	Capital Improvement Fund			C-11	C-11	State and Other Aid Receivable	C-7	C-11	C-7	C-11	C-11	C-11	25,510.44
						\$ 310,000.00					\$ 161,762.33		\$ 161,762.33

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 233,545.48
Increased by :		
Improvement Authorization Charges	C-9	<u>128,032.05</u>
		361,577.53
Decreased by :		
Paid in 2014	C-2	<u>218,391.98</u>
Balance December 31, 2014	C	<u>\$ 143,185.55</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 80,130.82
Increased by :		
2014 Budget Appropriation	C-2	<u>40,000.00</u>
		120,130.82
Decreased by :		
Appropriated to Finance Improvement Authorizations	C-9	<u>90,000.00</u>
Balance December 31, 2014	C	<u>\$ 30,130.82</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL RESERVES

	<u>Ref.</u>	<u>Total</u>	<u>Preliminary Engineering Expenses</u>	
			<u>Recreation Facilities</u>	<u>Highland Ave. Sidewalks</u>
Balance December 31, 2013	C	\$ 15,212.75	\$ 7,212.75	\$ 8,000.00
Decreased by :				
Disbursed in 2014	C-2	<u>1,374.00</u>	<u>-</u>	<u>1,374.00</u>
Balance December 31, 2014	C	<u>\$ 13,838.75</u>	<u>\$ 7,212.75</u>	<u>\$ 6,626.00</u>

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

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Received</u> <u>in 2014</u>	<u>Paid</u> <u>in 2014</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Current Fund - Interest	<u>\$ 4.32</u>	<u>\$ 90.91</u>	<u>\$ 87.25</u>	<u>\$ 7.98</u>
	<u>\$ 4.32</u>	<u>\$ 90.91</u>	<u>\$ 87.25</u>	<u>\$ 7.98</u>
Ref.	C	C-2	C-2	C

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

NOT APPLICABLE

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

Purpose	Original Issue		Annual Maturities of Bonds Outstanding Dec. 31, 2014	Interest Rate	Balance Dec. 31, 2013	Paid	Balance Dec. 31, 2014
	Date	Amount					
General Improvement of 2002	11/1/02	\$ 1,645,000.00	7/1/15 \$ 140,000.00	3.63%	\$ 280,000.00	\$ 140,000.00	\$ 140,000.00
General Improvement of 2009	12/1/09	\$ 4,494,000.00	12/1/15	190,000.00	3,849,000.00	185,000.00	3,664,000.00
			12/1/16	200,000.00			
			12/1/17	205,000.00			
			12/1/18	215,000.00			
			12/1/18	220,000.00			
			12/1/20	230,000.00			
			12/1/21	235,000.00			
			12/1/22	245,000.00			
			12/1/23	250,000.00			
			12/1/24	260,000.00			
			12/1/25	270,000.00			
			12/1/26	275,000.00			
			12/1/27	280,000.00			
			12/1/28	290,000.00			
12/1/29	299,000.00						
					\$ 4,129,000.00	\$ 325,000.00	\$ 3,804,000.00

Ref. C C-4 C

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

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 202,152.93
Decreased by :		
Paid by Open Space Trust Fund	C-4	<u>27,183.78</u>
Balance December 31, 2014	C	<u>\$ 174,969.15</u>

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	Improvement Description	Date of Issue	Original Notes Amount Issued	Date of Issue	Date of Maturity	Interest Rate	Balance		
							Dec. 31, 2013	Dec. 31, 2014	
							Increased	Decreased	
955/956	Various Improvements Purchase of Computer Network System Purchase of Police Equipment Purchase of Fire Equipment Improvements to Highland Ave. and Trimmer Lane	8/30/13	\$ 57,000.00	8/30/13	8/29/14	0.94%	\$ 57,000.00	\$ 57,000.00	\$ 57,000.00
		8/30/13	184,000.00	8/28/14	8/28/15	0.65%	184,000.00	184,000.00	184,000.00
		8/30/13	14,000.00	8/28/14	8/28/15	0.65%	14,000.00	14,000.00	14,000.00
		8/30/13	7,500.00	8/30/13	8/28/15	0.94%	7,500.00	7,500.00	7,500.00
		8/28/14	262,500.00	8/28/14	8/28/15	0.65%	262,500.00	262,500.00	262,500.00
973	Various Acquisitions and Improvements: Acquisition of Generator for First Aid Squad Acquisition of Generator for DPW Building Improvements to Overlook Avenue and Municipal Building Parking Lot	8/30/13	57,000.00	8/30/13	8/29/14	0.94%	57,000.00	57,000.00	57,000.00
		8/30/13	50,000.00	8/28/14	8/28/15	0.65%	50,000.00	50,000.00	50,000.00
		8/30/13	63,500.00	8/30/13	8/28/14	0.94%	63,500.00	63,500.00	63,500.00
		8/28/14	170,500.00	8/28/14	8/28/15	0.65%	170,500.00	170,500.00	170,500.00
		8/30/13	47,500.00	8/30/13	8/29/14	0.94%	47,500.00	47,500.00	47,500.00
979	Reconstruction and Paving of Branch Road	8/30/13	35,000.00	8/28/14	8/28/15	0.65%	35,000.00	35,000.00	35,000.00
		8/30/13	161,500.00	8/30/13	8/28/14	0.94%	161,500.00	161,500.00	161,500.00
		8/30/13	36,000.00	8/28/14	8/28/15	0.65%	36,000.00	36,000.00	36,000.00
		8/30/13	25,500.00	8/30/13	8/29/14	0.94%	25,500.00	25,500.00	25,500.00
		8/28/14	83,500.00	8/28/14	8/28/15	0.65%	83,500.00	83,500.00	83,500.00
982	Various Capital Improvements: Purchase of Police Vehicle Resurfacing of Willow Avenue Branch Road Guide Rail Improvements Crosswalk Improvements at Highland Ave. and Main St. Purchase of Backhoe	8/30/13	71,000.00	8/28/14	8/28/15	0.65%	71,000.00	71,000.00	71,000.00
		8/28/14	37,000.00	8/28/14	8/28/15	0.65%	37,000.00	37,000.00	37,000.00
		8/28/14	99,500.00	8/28/14	8/28/15	0.65%	99,500.00	99,500.00	99,500.00
		8/28/14	161,500.00	8/28/14	8/28/15	0.65%	161,500.00	161,500.00	161,500.00
		8/28/14	369,000.00	8/28/14	8/28/15	0.65%	369,000.00	369,000.00	369,000.00
1004	Various Capital Improvements: Renovation of Firehouse Purchase of Fire Vehicle Reconstruction and Paving of Branch Road (Phase II) Reconstruction and Paving of Holland Road and Todd Avenue	8/28/14	71,000.00	8/28/14	8/28/15	0.65%	71,000.00	71,000.00	71,000.00
		8/28/14	37,000.00	8/28/14	8/28/15	0.65%	37,000.00	37,000.00	37,000.00
		8/28/14	99,500.00	8/28/14	8/28/15	0.65%	99,500.00	99,500.00	99,500.00
		8/28/14	161,500.00	8/28/14	8/28/15	0.65%	161,500.00	161,500.00	161,500.00
		8/28/14	369,000.00	8/28/14	8/28/15	0.65%	369,000.00	369,000.00	369,000.00
Total							\$ 822,000.00	\$ 1,191,000.00	\$ 822,000.00

Ref. C C-2 C-2 C

BOROUGH OF PEAPACK AND GLADSTONE

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Notes Issued</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2014</u>
909b	Acquisition of Various DPW Equipment	\$ 450.00	\$ -	\$ -	\$ 450.00	\$ -
914/922/932	Replacement of Boilers at Municipal Building	250.00			250.00	
955/956	Various Improvements	500.00				500.00
	Purchase of Police Equipment	159,000.00				159,000.00
	Improvements to Highland Ave. and Trimmer Lane	9,000.00				9,000.00
	Purchase of HVAC System					
992	Various Capital Improvements:	7,500.00				7,500.00
	Replacement of Boiler					
1004	Various Capital Improvements:		71,000.00	71,000.00		
	Renovation of Firehouse		37,000.00	37,000.00		
	Purchase of Fire Vehicle		99,500.00	99,500.00		
	Reconstruction and Paving of Branch Road (Phase II)		161,500.00	161,500.00		
	Reconstruction and Paving of Holland Road and Todd Avenue		57,000.00			
1007	Purchase of a Dump Truck					
		<u>\$ 176,700.00</u>	<u>\$ 426,000.00</u>	<u>\$ 369,000.00</u>	<u>\$ 700.00</u>	<u>\$ 233,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	D	\$ <u>902,431.63</u>	\$ <u>94,400.70</u>
Increased by Receipts:			
Miscellaneous Revenue	D-3	15,818.49	
Sewer Collector	D-7	1,265,906.47	
Interfunds Accounts Receivable	D-8	10.07	
Interfunds Accounts Payable	D-18	-	<u>10.07</u>
		<u>1,281,735.03</u>	<u>10.07</u>
		<u>2,184,166.66</u>	<u>94,410.77</u>
Decreased by Disbursements :			
2014 Budget Appropriations	D-4	1,027,668.78	
2013 Appropriation Reserves	D-16	5,896.75	
Reserve for Encumbrances	D-17,24	110,028.52	-
Interfunds Accounts Payable	D-18	-	<u>10.07</u>
Accrued Interest on Bonds	D-20	<u>10,800.00</u>	<u>-</u>
		<u>1,154,394.05</u>	<u>10.07</u>
Balance December 31, 2014	D	\$ <u>1,029,772.61</u>	\$ <u>94,400.70</u>

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

	<u>Receipts</u>		<u>Disbursements</u>		<u>Balance or (Deficit) Dec. 31, 2014</u>
	<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>	
<u>Balance or (Deficit) Dec. 31, 2013</u>					
\$ 839.13	\$ -	\$ -	\$ -	\$ -	\$ 839.13
2,131.04					2,131.04
1,829.50					1,829.50
0.88	10.70			10.70	0.88
31,486.27					31,486.27
29,359.57					29,359.57
9,000.00					9,000.00
<u>19,754.31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,754.31</u>
\$ 94,400.70	\$ 10.70	\$ -	\$ 10.70	\$ -	\$ 94,400.70

Improvement Authorizations:

- Ord. No. 736 Acquisition of Sewer Department Equipment
- 758 Acquisition of Sewer Department Equipment
- 862 Acquisition of Sewer Department Equipment
- Interfund Accounts Payable
- Capital Improvement Fund
- Reserve for Contribution in Aid of Construction
- Reserve for Sewer Pump
- Fund Balance

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - SEWER COLLECTOR

	<u>Ref.</u>		
Increased by Receipts:			
Consumers' Accounts Receivable	D-9	\$ 1,265,526.32	
Utility Charges Overpayments	D-19	<u>380.15</u>	
			<u>\$ 1,265,906.47</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:	D-5		<u>\$ 1,265,906.47</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2013	Accrued in 2014	Received in 2014	Balance Dec. 31, 2014
	\$ 0.88	\$ 10.07	\$ 10.07	\$ 0.88
	\$ 0.88	\$ 10.07	\$ 10.07	\$ 0.88

Sewer Operating Fund:
 Sewer Capital Fund

Ref. D D-3 D-5 D

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 71,104.50
Increased by :		1,264,512.06
2014 Charges		<u>1,335,616.56</u>
Decreased by :		
Received in 2014	D-3,7	\$ 1,265,526.32
Utility Charges Overpayments Applied in 2014	D-3,19	<u>900.82</u>
		<u>1,266,427.14</u>
Balance December 31, 2014	D	<u>\$ 69,189.42</u>

D-10

SCHEDULE OF SEWER LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY OPERATING FUND
SCHEDULE OF DEFERRED CHARGES-OPERATING DEFICIT

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 8,274,218.81
Increased by:		
Capital Outlay Expenditures	D-27	<u>18,907.36</u>
Balance December 31, 2014	D	<u>\$ 8,293,126.17</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2014</u>
	<u>Number</u>	<u>Date</u> <u>Amount</u>		
Acquisition of Sewer Department Equipment	736	4/8/97 \$ 57,000.00	\$ 57,000.00	\$ 57,000.00
Acquisition of Sewer Department Equipment	758	4/13/99 11,000.00	11,000.00	11,000.00
Acquisition of Sewer Department Equipment	862	5/10/05 21,600.00	21,600.00	21,600.00
			<u>\$ 89,600.00</u>	<u>\$ 89,600.00</u>

Ref. D D

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS RECEIVABLE

NOT APPLICABLE

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
 SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - 2013

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:			
Salaries and Wages	\$ 2,679.41	\$ -	\$ 2,679.41
Other Expenses	271,922.87	5,896.75	266,026.12
Capital Improvement:			
Capital Outlay	10,738.00		10,738.00
Statutory Expenditures:			
Contribution to:			
Social Security System (O.A.S.I.)	<u>2,996.34</u>	<u>-</u>	<u>2,996.34</u>
	<u>\$ 288,336.62</u>	<u>\$ 5,896.75</u>	<u>\$ 282,439.87</u>
Ref.	D	D-5	D-1

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 110,028.52
Increased by :		
Charges 2014 Budget Appropriations	D-4	<u>120,222.28</u>
		230,250.80
Decreased by :		
Paid in 2014	D-5	<u>110,028.52</u>
Balance December 31, 2014	D	<u>\$ 120,222.28</u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	Balance Dec. 31, 2013	Received in 2014	Paid in 2014	Balance Dec. 31, 2014
Sewer Capital Fund:	\$ 0.88	\$ 10.07	\$ 10.07	\$ 0.88
Sewer Operating Fund	\$ 0.88	\$ 10.07	\$ 10.07	\$ 0.88

Ref. D D-5 D-5 D

BOROUGH OF PEAPACK AND GLADSTONE
 SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CHARGES OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 900.82
Increased by :		
Received in 2014	D-7	<u>380.15</u> 1,280.97
Decreased by :		
Applied to Consumers' Accounts Receivable in 2014	D-9	<u>900.82</u>
Balance December 31, 2014	D	<u>\$ 380.15</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 5,400.00
Increased by :		
2014 Budget Appropriation	D-4	<u>5,400.00</u> <u>10,800.00</u>
Decreased by :		
Interest Paid in 2014	D-5	<u>\$ 10,800.00</u>

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

NOT APPLICABLE

SCHEDULE OF ACCRUED INTEREST ON NOTES

NOT APPLICABLE

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

<u>Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	Balance		<u>Encumbered</u>	<u>Expended</u>	Balance	
				<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>			<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>
				<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
736	Acquisition of Sewer Department Equipment	4/8/97	\$ 57,000.00	\$ 839.13	\$ -	\$ -	\$ -	\$ 839.13	\$ -
758	Acquisition of Sewer Department Equipment	4/13/99	11,000.00	2,131.04	-	-	-	2,131.04	-
862	Acquisition of Sewer Department Equipment	5/10/05	21,600.00	1,829.50	-	-	-	1,829.50	-
				<u>\$ 4,799.67</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,799.67</u>	<u>\$ -</u>

Ref. D

D

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

NOT APPLICABLE

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

	<u>Ref</u>	
Balance December 31, 2013	D	<u>\$ 31,486.27</u>
Balance December 31, 2014	D	<u>\$ 31,486.27</u>

D-26

SCHEDULE OF CAPITAL RESERVES

	<u>Ref.</u>	<u>Total</u>	<u>Contribution in Aid of Construction</u>	<u>Purchase of Sewer Pump</u>
Balance December 31, 2013	D	<u>\$ 38,359.57</u>	<u>\$ 29,359.57</u>	<u>\$ 9,000.00</u>
Balance December 31, 2014	D	<u>\$ 38,359.57</u>	<u>\$ 29,359.57</u>	<u>\$ 9,000.00</u>

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

	Ref.	
Balance December 31, 2013	D	\$ 8,004,218.81
Increased by :		
Budget Additions to Fixed Capital	D-12	\$ 18,907.36
Serial Bonds Paid by Operating Budget	D-29	<u>270,000.00</u>
		<u>288,907.36</u>
Balance December 31, 2014	D	<u>\$ 8,293,126.17</u>

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

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2014</u>
Acquisition of Sewer Department Equipment	736	4/8/97	\$ 57,000.00	\$ 57,000.00
Acquisition of Sewer Department Equipment	758	4/13/99	11,000.00	11,000.00
Acquisition of Sewer Department Equipment	862	5/10/05	21,600.00	21,600.00
			<u>\$ 89,600.00</u>	<u>\$ 89,600.00</u>

Ref.

D

D

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Annual Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Paid</u>	<u>Balance Dec. 31, 2014</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Refunding Bonds	11/1/02	\$ 2,845,000.00	7/1/14	\$ 270,000.00	4.000%	\$ 270,000.00	\$ 270,000.00	\$ -
						\$ 270,000.00	\$ 270,000.00	\$ -

Ref. D D-27 D

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS PAYABLE

NOT APPLICABLE

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

NOT APPLICABLE

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

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	P.A.T.F. <u>No. 1</u>	P.A.T.F. <u>No. 2</u>	<u>Total</u>
Balance December 31, 2013	E	<u>\$ 3,439.53</u>	\$ -	<u>\$ 3,439.53</u>
Increased by Receipts :				
Interest Earned	E-2	<u>1.03</u>	-	<u>1.03</u>
Balance December 31, 2014	E	<u>\$ 3,440.56</u>	\$ -	<u>\$ 3,440.56</u>

BOROUGH OF PEAPACK AND GLADSTONE
 PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

	<u>Ref.</u>	P.A.T.F. <u>No. 1</u>	P.A.T.F. <u>No. 2</u>	<u>Total</u>
Balance December 31, 2013	E	\$ 3,439.53	\$ -	\$ 3,439.53
Increased by :				
Interest Earned	E-1	1.03	-	1.03
		<u>3,440.56</u>	<u>-</u>	<u>3,440.56</u>
Balance December 31, 2014	E	\$ 3,440.56	\$ -	\$ 3,440.56

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE REVENUES - 2014

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

BOROUGH OF PEAPACK AND GLADSTONE

E-4

PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES - 2014

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
PUBLIC ASSISTANCE FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND

NOT APPLICABLE

REPORT PURSUANT TO GOVERNMENT AUDITING STANDARDS

T. M. Vrabel & Associates, LLC

Accountants and Auditors

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of the Borough of Peapack Gladstone as of and for the years ended December 31, 2014 and December 31, 2013, and the related notes to the financial statements and have issued our report thereon dated April 21, 2015. In our report our opinion was qualified because the Borough of Peapack Gladstone prepares its financial statements on a basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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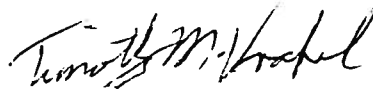
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Given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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Peapack Gladstone's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

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



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



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

Montville, New Jersey
April 21, 2015

BOROUGH OF PEAPACK AND GLADSTONE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Funding Department	Federal Program	CFDA No.	Federal Grant (Award) Number	Grant Award Amount	Total	Grant Period		Amount of Receipts		Accounts Receivable Dec. 31, 2014	Amount of Expenditures		Unexpended Balance Dec. 31, 2014
						From	To	Prior Year	Current Year (1)		Prior Year	Current Year (1)	
HomeLand Security	Federal Bulletproof Vest Program			\$ 1,147.24	2011			\$ 1,147.24	\$ -	\$ -	\$ 1,124.99	\$ -	\$ 22.25
								\$ 1,147.24	\$ -	\$ -	\$ 1,124.99	\$ -	\$ 22.25

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

BOROUGH OF PEAPACK AND GLADSTONE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

State Program	State Account Number	Grant Award Amount	Total		Amount of Receipts		Accounts Receivable Dec 31, 2014	Amount of Expenditures		Unexpended Balance Dec 31, 2014
			From	To	Prior Year	Current Year		Prior Year	Current Year (1)	
Department of Transportation: N.J. Transportation Trust Fund: Ord No. 945 - Pottersville Road Sidewalks Ord No. 979 - Branch Road (Phase I) Ord No. 1004 - Branch Road (Phase II)		\$ 100,000.00 (2) 185,000.00 170,000.00	\$ 74,489.56 136,750.00	\$ - -	\$ - -	\$ - -	170,000.00	\$ 74,489.56 185,000.00	\$ - 11,379.50	\$ - 158,620.50
Department of Treasury Garden State Green Acres Trust	4800-727-042-4800	3,019,219.15	2,694,219.15	2005	325,000.00	-	-	3,019,219.15	-	-
Recycling Tonnage Grant	4900-752-178810-60	16,181.80	11,872.75		4,309.05	-	-		2,867.00	13,314.80
Drunk Driving Enforcement Fund	1110-448-031020-60	856.93	856.93		-	-	-		839.45	17.48
Clean Communities Grant	4900-765-178910-60	12,289.83	6,145.74		6,144.09	-	-		604.60	11,685.23
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2,813.64	2,104.68		708.96	-	-		975.00	2,813.64
Body Armor Replacement Fund		6,475.63	5,300.82		1,174.81	-	-		-	5,500.63
Somersets County Youth Athletic and Recreation		15,000.00	15,000.00		-	-	-		-	15,000.00
County Cross Acceptance Grant		2,000.00	2,000.00		-	-	-		-	2,000.00
Municipal Stormwater Regulation Program		6,822.00	6,822.00		-	-	-		-	6,822.00
Domestic Violence Training Program		4,400.00	4,400.00		-	-	-		-	4,400.00
Somersets County Chiefs' Association Grant		1,000.00	1,000.00		-	-	-		-	1,000.00
County Municipal Planning Grant		14,250.00	14,250.00		-	-	14,250.00		6,027.84	14,250.00
N.J. Highlands Council Planning Grant		7,500.00	7,500.00		-	-	7,500.00		27.82	1,472.16
N.J. Forestry Management Grant		2,000.00	2,000.00		-	-	-		50,056.00	1,944.00
Space Study Grant		52,000.00	52,000.00		-	-	-		499.55	1,944.00
Gov. Connect Municipal Clerk		500.00	500.00		-	-	-		-	0.45
N.J. Local Library Grant		25,000.00	25,000.00		-	-	-		-	25,000.00
Smart Growth Planning Assistance Grant		6,500.00	6,500.00		-	-	6,500.00		814.00	6,500.00
Sustainable NJ Grant		8,500.00	7,500.00		-	-	7,500.00		12,926.00	7,686.00
Help America Vote Grant		13,448.55	13,448.55		-	-	-		-	523.55
Green Community Grant		3,000.00	3,000.00		-	-	3,000.00		3,000.00	-
Drive Sober or Get Pulled Over Grant		13,837.40	13,837.40		-	-	7,500.00		3,040.60	6,500.00
Click It or Ticket Grant		3,100.00	3,100.00		6,337.40	-	-		3,100.00	-
Distracted Driving Crackdown Grant		3,650.00	3,650.00		3,650.00	-	-		3,650.00	-
ANJEC Grant		1,500.00	1,500.00		1,000.00	-	500.00		1,500.00	-
			\$ 3,056,911.18		\$ 397,674.31		\$ 216,750.00		\$ 3,364,719.70	\$ 277,403.44

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

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2014

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Peapack and Gladstone. The municipality is defined in Note 1:B. to the Borough of Peapack and Gladstone financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting as described in Notes 1:D. to the Borough of Peapack and Gladstone's financial statements.

Note 3: Relationship to Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough of Peapack and Gladstone's financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 4: Relationship to Federal and State Financial Reports

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

BOROUGH OF PEAPACK AND GLADSTONE

PART II

**GENERAL COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2014**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRING ADVERTISEMENT FOR BIDS

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

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

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

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

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

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

Inasmuch as the system of records is not required to provide and therefore did not provide for an accumulation of payments by categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. None were disclosed.

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

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

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

Gymnasium and Police Station Window Project, Tennis Courts and Basketball Court Surfacing and Sidewalk Replacement Project.

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

Purchase of 2014 Police SUV and Lenovo Thinkpads with Universal Computer Cradle.

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

Milling and Paving, Police Car floor pan, Striping of Willow Avenue and Overlook Avenue, DPW Equipment, New Sewer, Highland Avenue/Main Street Crosswalk, Sodium Chloride Treated Salt, Black Diamond Boots and Turnout Gear.

COLLECTIONS OF INTEREST ON DELINQUENT TAXES, ASSESSMENTS AND SEWER CHARGES

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

The governing body on January 2, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer charges:

Resolution No. 4-14

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

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

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

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of delinquent taxes and 18% per annum on any amount of taxes in excess of \$1,500.00 in addition a penalty of 6% is to be charged on the amount of delinquency in excess of \$10,000.00 on December 31, 2014.

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

Resolution No. 5-14

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

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

Resolution No. 16-14

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

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

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

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

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

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

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

DELINQUENT TAXES AND TAX TITLE LIENS

The delinquent taxes at December 31, 2014 are all 2014 taxes.

The last tax sale was held November 6, 2014 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2014	0
2013	0
2012	0
2011	0
2010	0
2009	0
2008	0
2007	0
2006	0
2005	0

VERIFICATION OF TAXES AND OTHER CHARGES

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2015 Taxes	25
Payments of 2014 Taxes	25
Delinquent Taxes	10
Payments of Sewer Utility Charges	25
Delinquent Sewer Utility Charges	12

The result of the test, which was made as of December 31, 2014, is not yet fully known. However, the items that were returned were checked and in agreement with the Borough's records and for items not returned either a second request was made or the open items were traced to subsequent collection. If any irregularities are discovered as a result of our second request a separate report will be issued.

OTHER COMMENTS

MUNICIPAL COURT

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

TECHNICAL ACCOUNTING DIRECTIVES

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

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

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

RECOMMENDATIONS

Not Applicable

Status of prior years' Audit Findings/ Recommendations:

Not Applicable

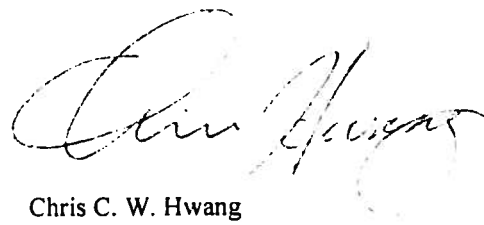
Should any questions arise as to our comments please do not hesitate to call us.

APPRECIATION

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



Timothy M. Vrabel
Registered Municipal Accountant
License No. CR000339



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

April 21, 2015