

BOROUGH OF PEAPACK AND GLADSTONE

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013**

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, 2013 and December 31, 2012, 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, 2013 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 of 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, 2012, 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 \$368,858.40 and \$314,246.24 for 2013 and 2012 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, 2013 and December 31, 2012, 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, 2013, in accordance with financial reporting provisions described in Note 1.

Other Matters

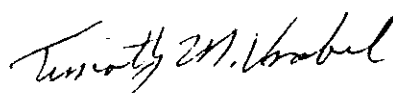
Other Information

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.

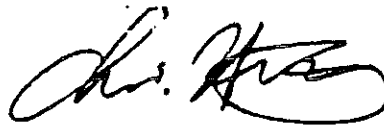
The Schedules of Expenditures of Federal Awards and State Financial Assistance and the supplemental schedules presented in the Supplementary Data Section required by the Division of Local Governments Services is the responsibility of management and was derived from and relates directly to the underlying 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 June 5, 2014 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
June 5, 2014

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>2013</u>	<u>2012</u>
General Fund:			
Cash - Treasurer	A-4	\$ 3,899,414.14	\$ 3,936,837.82
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>3,706.22</u>
		<u>3,902,995.36</u>	<u>3,940,669.04</u>
Receivables and other Assets With Full Reserves :			
Delinquent Property Taxes	A-9	284,786.89	128,842.77
Property Acquired for Taxes - Assessed Valuation	A-11	139,900.00	139,900.00
Revenue Accounts Receivable	A-12	8,535.87	5,121.31
Interfunds Accounts Receivable	A-13	<u>22,309.43</u>	<u>27,867.20</u>
		<u>455,532.19</u>	<u>301,731.28</u>
		<u>4,358,527.55</u>	<u>4,242,400.32</u>
Federal and State Grants Fund :			
Amount Due From Current Fund	A-26	80,458.95	76,435.87
Federal and State Aid Receivable	A-27	<u>43,150.00</u>	<u>37,820.38</u>
		<u>123,608.95</u>	<u>114,256.25</u>
		<u>\$ 4,482,136.50</u>	<u>\$ 4,356,656.57</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>2013</u>	<u>2012</u>
Liabilities :			
Appropriation Reserves	A-3,16	\$ 359,677.15	\$ 415,562.17
Reserve for Encumbrances	A-17	291,794.79	274,014.11
Interfunds Accounts Payable	A-18	696,833.95	516,390.37
Prepaid Taxes	A-19	71,255.33	98,036.12
Tax Overpayments	A-20	20,738.60	2,996.39
Reserve for Funds - Unappropriated	A-23	5,998.77	11,411.30
Other	A-24	50.00	50.00
Regional School District Taxes Payable	A-25	1,262.14	1,261.86
County Taxes Payable	A-25	36,940.55	14,593.69
		<u>1,484,551.28</u>	<u>1,334,316.01</u>
Reserve for Receivables and Other Assets		455,532.19	301,731.28
Fund Balance	A-1	2,418,444.08	2,606,353.03
		<u>4,358,527.55</u>	<u>4,242,400.32</u>
Federal and State Grants Fund :			
Appropriated Reserves	A-28	107,265.41	102,379.67
Unappropriated Reserves	A-29	6,939.99	7,962.58
Reserves for Encumbrances	A-30	9,403.55	3,914.00
		<u>123,608.95</u>	<u>114,256.25</u>
		<u>\$ 4,482,136.50</u>	<u>\$ 4,356,656.57</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 2013</u>	<u>Year 2012</u>
Fund Balance Utilized	A-2	\$ 2,160,000.00	\$ 2,220,000.00
Miscellaneous Revenue Anticipated	A-2	498,200.74	301,890.29
Receipts from Delinquent Taxes	A-2	129,089.98	117,351.63
Receipts from Current Taxes	A-2	12,632,638.66	12,693,773.84
Non - Budget Revenue	A-2	347,447.34	444,088.44
Other Credits to Income :			
Unexpended Balance of Appropriation			
Reserves Lapsed	A-16	397,604.04	444,369.90
Grant Reserves Canceled	A-18	1,100.00	-
Total Income		<u>16,166,080.76</u>	<u>16,221,474.10</u>
 <u>Expenditures</u>			
Budgetary and Emergency Appropriations :			
Appropriations Within "CAP"			
Operations:			
Salaries and Wages	A-3	1,990,621.00	1,918,000.00
Other Expenses	A-3	2,103,477.00	2,085,908.00
Deferred Charges and Statutory Expenditures	A-3	390,496.00	378,598.00
Appropriations Excluded from "CAP"			
Operations:			
Other Expenses	A-3	83,753.50	117,320.29
Capital Improvements	A-3	40,000.00	100,000.00
Debt Service	A-3	332,361.00	334,427.00
Deferred Charges - Municipal		-	7,000.00

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

BOROUGH OF PEAPACK AND GLADSTONE

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

<u>Expenditures (Continued)</u>	<u>Ref.</u>	<u>Year 2013</u>	<u>Year 2012</u>
Prior Year Tax Appeals Granted	A-4	\$ 2,828.59	\$ -
Prior Year Senior Citizen Deduction Disallowed	A-8	250.00	2,500.00
Reimbursement Due to Taxation Audit	A-8	2,250.00	-
Interfund Advance		-	4,450.85
Local Open Space Tax	A-25	201,155.79	204,448.38
Local Open Space Share of Added Taxes	A-25	2,742.25	1,102.19
Regional School District Tax	A-25	6,327,217.00	6,311,235.94
County Taxes	A-25	2,679,897.03	2,634,585.45
County Share of Added and Omitted Taxes	A-25	36,940.55	14,593.69
Total Expenditures		<u>14,193,989.71</u>	<u>14,114,169.79</u>
Excess in Revenue		1,972,091.05	2,107,304.31
Fund Balance January 1	A	<u>2,606,353.03</u>	<u>2,719,048.72</u>
		4,578,444.08	4,826,353.03
Decreased by :			
Utilized as Anticipated Revenue	A-1	<u>2,160,000.00</u>	<u>2,220,000.00</u>
Fund Balance December 31	A	<u>\$ 2,418,444.08</u>	<u>\$ 2,606,353.03</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	\$ 2,160,000.00	\$ -	\$ 2,160,000.00	\$ -
Miscellaneous Revenues :					
Licenses :					
Alcohol Beverages	A-12	12,560.00		12,563.00	3.00
Fees and Permits :					
Construction Code Official	A-13	60,000.00		118,855.00	58,855.00
Fines and Costs:					
Municipal Court	A-12	60,000.00		85,270.86	25,270.86
Energy Receipts Tax	A-12	251,059.00		251,059.00	-
Public and Private Revenues Off-Set with Appropriations:					
Recycling Tonnage Grant	A-18	4,218.98		4,218.98	-
Drunk Driving Enforcement Fund	A-18	2,273.25		2,273.25	-
Clean Communities Program	A-18	5,579.00		5,579.00	-
Alcohol Education and Rehabilitation Fund	A-18	269.82		269.82	-
Body Armor Replacement Fund	A-18	1,200.53		1,200.53	-
Green Community Grant	A-18	1,100.00		1,100.00	-
Drive Sober or Get Pulled Over Grant	A-18	4,400.00	4,400.00	4,400.00	-
Donations:					
Police Equipment	A-23	7,050.00		7,050.00	-
Historical Commission	A-23	665.00		665.00	-
Library	A-23	3,696.30		3,696.30	-
Total Miscellaneous Revenues	A-1	409,671.88	4,400.00	498,200.74	84,128.86
Receipts from Delinquent Taxes	A-1,2	100,000.00		129,089.98	29,089.98
Amount to be raised by Taxes for Support of Municipal Budget :					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,541,374.02		4,659,423.44	1,118,049.42
Budget Totals		6,211,045.90	4,400.00	7,446,714.16	1,231,268.26
Non-Budget Revenues				347,447.34	347,447.34
		\$ 6,211,045.90	\$ 4,400.00	\$ 7,794,161.50	\$ 1,578,715.60

Ref. 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 :			
2013 Taxes Collected in 2012	A-9	\$ 98,036.12	
2013 Taxes Collected in 2013	A-9	12,517,852.54	
State's Share of Senior Citizens' and Veterans' Deductions	A-9	16,750.00	
Prior Year Tax Appeals Applied	A-9	<u>-</u>	
	A-1	12,632,638.66	
Allocated to School and County Taxes	A-25	<u>9,247,952.62</u>	
		3,384,686.04	
Add : Reserve for Uncollected Taxes	A-3	<u>1,274,737.40</u>	
Amount for Support of Municipal Budget	A-2		<u>\$ 4,659,423.44</u>
Receipts from Delinquent Taxes :			
Prior Year Taxes Collected	A-9	<u>129,089.98</u>	
	A-2		<u>\$ 129,089.98</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	\$	335.00	
LEA Rebate		9,073.68	
DMV Inspection Fines		6,300.00	
Payments In Lieu of Taxes		14,063.07	
FEMA		62,883.81	
Reimbursements		53,997.52	
Miscellaneous		<u>6,996.97</u>	
	A-4		\$ 153,650.05
Tax Collector:			
Tax Searches		275.00	
Interest and Costs on Taxes		<u>39,185.94</u>	
	A-5		39,460.94
Revenue Accounts Receivable:			
Fees and Permits:			
Clerk	A-12	39,774.55	
Registrar of Vital Statistics	A-12	3,136.00	
Board of Health	A-12	5,225.00	
Police Chief	A-12	956.83	
Tax Assessor	A-12	190.00	
Uniform Fire Safety Bureau	A-12	4,582.00	
Zoning Official	A-12	3,700.00	
Rentals	A-12	73,330.37	
Interest on Deposits - Treasurer	A-12	5,686.67	
Interest on Deposits - Municipal Court - Regular	A-12	4.50	
Interest on Deposits - Municipal Court - Bail	A-12	<u>1.02</u>	
			136,586.94
Interfunds Accounts Receivable:			
Statutory Excess - Animal Control Fund	A-13	1,212.70	
Administrative Fees - Police Outside Duty	A-13	16,070.00	
Interest on Investments	A-13	<u>466.71</u>	
			<u>17,749.41</u>
	A-2		<u>\$ 347,447.34</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		\$ 49,985.00	\$ 49,985.00	\$ 45,045.72	\$ 4,939.28	\$ -	
Salaries and Wages		19,545.00	12,545.00	6,009.00	6,536.00		
Other Expenses		15,500.00	15,500.00	15,500.00	-		
Mayor and Borough Council		56,900.00	38,900.00	16,458.58	22,441.42		
Salaries and Wages		161,175.00	153,475.00	137,567.91	15,907.09		
Other Expenses		34,925.00	34,925.00	23,002.39	11,922.61		
Financial Administration		96,279.00	103,579.00	103,560.39	18.61		
Salaries and Wages		11,900.00	16,900.00	16,368.43	531.57		
Other Expenses		24,500.00	24,500.00	24,500.00	-		
Audit Services		75,364.00	75,364.00	71,845.36	3,518.64		
Other Expenses		7,450.00	7,450.00	6,359.05	1,090.95		
Collection of Taxes		35,043.00	35,043.00	32,637.37	2,405.63		
Salaries and Wages		10,525.00	10,525.00	10,292.61	232.39		
Other Expenses		92,000.00	102,000.00	101,551.64	448.36		
Legal Services and Costs		77,004.00	77,004.00	73,859.03	3,144.97		
Municipal Court		9,121.00	9,121.00	8,737.98	383.02		
Salaries and Wages		4,250.00	4,250.00	3,825.00	425.00		
Other Expenses		30,400.00	30,400.00	19,703.66	10,696.34		
Public Defender (P.L. 1997, c.256)		1,750.00	1,750.00	936.74	813.26		
Engineering Services and Costs		10,260.00	10,260.00	9,627.19	632.81		
Other Expenses		53,765.00	43,765.00	5,567.16	38,197.84		
Cultural Heritage		13,000.00	13,000.00	12,633.67	366.33		
Municipal Land Use Law (N.J.S.A. 40:55D-1)		900.00	900.00	222.91	677.09		
Land Use Board		119,500.00	119,500.00	107,891.59	11,608.41		
Salaries and Wages		28,790.00	28,790.00	28,789.00	1.00		
Other Expenses		553,572.00	553,572.00	511,212.64	42,359.36		
Zoning Costs		2,000.00	2,000.00	2,000.00	-		
Salaries and Wages							
Other Expenses							
INSURANCE:							
General Liability							
Workers 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 Cancelled
OPERATIONS WITHIN "CAF" (CONTINUED)							
PUBLIC SAFETY:							
Police							
Salaries and Wages		\$ 829,653.00	\$ 870,653.00	\$ 864,880.33	\$ 5,772.67	\$ -	
Other Expenses		80,958.00	80,958.00	70,966.24	9,991.76		
Emergency Management Services							
Salaries and Wages		2,150.00	2,150.00	1,612.09	537.91		
Other Expenses		14,500.00	14,500.00	11,191.17	3,308.83		
Fire							
Salaries and Wages		6,600.00	6,600.00	6,600.00	-		
Other Expenses		90,000.00	90,000.00	87,792.15	2,207.85		
Aid to Volunteer Ambulance Company		60,000.00	60,000.00	60,000.00	-		
Fire Official							
Salaries and Wages		13,917.00	13,917.00	13,349.26	567.74		
Other Expenses		2,963.00	2,963.00	2,230.56	732.44		
Fire Hydrant Service		92,480.00	92,480.00	77,504.13	14,975.87		
Municipal Prosecutor							
Other Expenses		22,000.00	22,000.00	16,500.00	5,500.00		
PUBLIC WORKS FUNCTIONS:							
Road Repairs and Maintenance							
Salaries and Wages		207,974.00	207,974.00	185,751.26	22,222.74		
Other Expenses		119,700.00	119,700.00	108,357.28	11,342.72		
Shade Tree Commission							
Other Expenses		8,000.00	8,000.00	8,000.00	-		
Garbage and Trash Removal							
Salaries and Wages		1,700.00	1,800.00	1,791.94	8.06		
Other Expenses		97,000.00	97,000.00	80,282.10	16,717.90		
Public Buildings and Grounds							
Salaries and Wages		199,842.00	199,842.00	199,160.03	681.97		
Other Expenses		115,800.00	110,800.00	107,817.16	2,982.84		
Vehicle Maintenance							
Other Expenses		25,000.00	30,000.00	29,403.75	596.25		
Board of Health							
Salaries and Wages		2,220.00	2,520.00	2,515.61	4.39		
Other Expenses		28,611.00	28,611.00	26,739.37	1,871.63		
Environmental Commission							
Other Expenses		7,700.00	7,700.00	7,699.81	0.19		
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		\$ 31,903.00	\$ 31,903.00	\$ 31,903.00	\$ -	\$ -	\$ -
Other Expenses		5,000.00	5,000.00	4,874.23	125.77		
Senior Citizen Program							
Salaries and Wages		14,000.00	14,000.00	10,320.30	3,679.70		
Other Expenses		7,000.00	7,000.00	5,435.00	1,565.00		
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		1,500.00	1,500.00		1,500.00		
UTILITY EXPENSES AND BULK PURCHASES:							
Electricity							
Street Lighting		43,000.00	38,000.00	29,639.99	8,360.01		
Telephone and Telegraph		30,000.00	24,000.00	19,972.44	4,027.56		
Water		30,500.00	30,500.00	25,204.31	5,295.69		
Natural Gas		5,500.00	5,500.00	3,531.85	1,968.15		
Gasoline		40,000.00	30,000.00	20,509.07	9,490.93		
LANDFILL/SOLID WASTS DISPOSAL COSTS		60,000.00	60,000.00	56,800.00	3,200.00		
CODE ENFORCEMENT AND ADMINISTRATION:		80,000.00	80,000.00	62,731.37	17,268.63		
State Uniform Construction Code:							
Construction Official							
Salaries and Wages		96,052.00	96,052.00	88,005.99	8,046.01		
Other Expenses		7,500.00	7,500.00	3,907.90	3,592.10		
TOTAL OPERATIONS WITHIN "CAP"		4,092,098.00	4,092,098.00	3,744,656.31	347,441.69		
CONTINGENT		2,000.00	2,000.00	-	2,000.00		
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAP"		4,094,098.00	4,094,098.00	3,744,656.31	349,441.69		
DETAIL :							
Salaries and Wages	A-1	1,949,621.00	1,990,621.00	1,918,166.45	72,454.55		
Other Expenses	A-1	2,144,477.00	2,103,477.00	1,826,489.86	276,987.14		
		4,094,098.00	4,094,098.00	3,744,656.31	349,441.69		

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
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"</u>							
STATUTORY EXPENDITURES:							
Contribution to:							
Public Employees Retirement System		72,909.00	72,909.00	72,909.00	\$ 72,909.00	\$ -	\$ -
Social Security System (O.A.S.I.)		157,000.00	157,000.00	153,845.06	153,845.06	3,154.94	-
Police and Firemen's Retirement System of N.J.		155,587.00	155,587.00	155,587.00	155,587.00	-	-
Defined Contribution Retirement Plan		5,000.00	5,000.00	1,117.64	1,117.64	3,882.36	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAP"		<u>390,496.00</u>	<u>390,496.00</u>	<u>383,458.70</u>	<u>383,458.70</u>	<u>7,037.30</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAP"	A-1	<u>4,484,594.00</u>	<u>4,484,594.00</u>	<u>4,128,115.01</u>	<u>4,128,115.01</u>	<u>356,478.99</u>	<u>-</u>
<u>OPERATIONS EXCLUDED FROM "CAP"</u>							
Length of Service Awards Program							
Fire Department		32,000.00	32,000.00	32,000.00	32,000.00	-	-
First Aid Squad		13,000.00	13,000.00	13,000.00	13,000.00	-	-
Maintenance of Library (N.J.S.A. 40:54-35)		2,100.00	2,100.00	1,883.76	1,883.76	216.24	-
Recycling Tax		5,500.00	5,500.00	4,004.13	4,004.13	1,495.87	-
Public and Private Programs Offset by Revenues:							
Recycling Tonnage Grant		4,218.98	4,218.98	4,218.98	4,218.98	-	-
Drunk Driving Enforcement Fund		2,273.25	2,273.25	2,273.25	2,273.25	-	-
Clean Communities Program		5,579.00	5,579.00	5,579.00	5,579.00	-	-
Alcohol Education and Rehabilitation Fund		269.82	269.82	269.82	269.82	-	-
Body Armor Replacement Fund		1,200.53	1,200.53	1,200.53	1,200.53	-	-
Green Community Grant		1,100.00	1,100.00	1,100.00	1,100.00	-	-
Drive Sober or Get Pulled Over Grant (N.J.S.A. 40A: 4-87)		1,100.00	1,100.00	1,100.00	1,100.00	-	-
Donations:							
Police Equipment		7,050.00	7,050.00	6,848.50	6,848.50	201.50	-
Historical Commission		665.00	665.00	665.00	665.00	-	-
Library		3,696.30	3,696.30	3,076.75	3,076.75	619.55	-
Matching Funds For Grants:							
Municipal Alliance on Alcoholism and Drug Abuse		700.62	700.62	700.62	700.62	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAP"		<u>79,353.50</u>	<u>83,753.50</u>	<u>80,555.34</u>	<u>80,555.34</u>	<u>3,198.16</u>	<u>-</u>
DETAIL:							
Salaries and Wages	A-1	79,353.50	83,753.50	80,555.34	80,555.34	3,198.16	-
Other Expenses	A-1	79,353.50	83,753.50	80,555.34	80,555.34	3,198.16	-

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
(CONTINUED)

	Ref.	Appropriations		Expended	Unexpended Balance Canceled
		Budget	Budget After Modification		
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"</u>					
Capital Improvement Fund					
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAP"	A-1	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ -
		40,000.00	40,000.00	40,000.00	-
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"</u>					
Payment of Bond Principal		236,379.00	236,379.00	236,379.00	-
Interest on Bonds		95,982.00	95,982.00	95,982.00	-
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAP"	A-1	332,361.00	332,361.00	332,361.00	-
		332,361.00	332,361.00	332,361.00	-
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAP"</u>		451,714.50	456,114.50	452,916.34	3,198.16
		451,714.50	456,114.50	452,916.34	3,198.16
<u>SUBTOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>		4,996,308.50	4,940,708.50	4,581,031.35	359,677.15
		1,274,737.40	1,274,737.40	1,274,737.40	-
<u>TOTAL GENERAL APPROPRIATIONS</u>		6,211,045.90	6,215,445.90	5,855,768.75	359,677.15
		6,211,045.90	6,215,445.90	5,855,768.75	359,677.15
	Ref.				A
Adopted Budget	A-2		\$ 6,211,045.90		
Added by N.J.S.A. 40A:4-87	A-2		4,400.00		
			\$ 6,215,445.90		
Cash Disbursed			\$ 4,394,861.74		
Less: Refunds			125,367.38		
			\$ 4,269,494.36		
Reserve for Encumbrances	A-4			4,269,494.36	
Amount Due to Federal and State Grants Fund	A-17			291,794.79	
Reserve for Uncollected Taxes	A-18			19,742.20	
	A-2			1,274,737.40	
				\$ 5,855,768.75	

SECTION B
TRUST FUND

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

<u>Assets</u>	<u>Ref.</u>	<u>December 31,</u>	
		<u>2013</u>	<u>2012</u>
Animal Control Fund :			
Cash - Treasurer	B-1	\$ 8,116.53	\$ 7,317.57
Amount Due from State Board of Health	B-5	<u>107.20</u>	<u>107.20</u>
		<u>8,223.73</u>	<u>7,424.77</u>
 Other Funds :			
Cash - Treasurer	B-1	1,940,920.70	1,714,496.34
Interfunds Accounts Receivable	B-2	<u>616,375.00</u>	<u>412,476.96</u>
		<u>2,557,295.70</u>	<u>2,126,973.30</u>
		<u>\$ 2,565,519.43</u>	<u>\$ 2,134,398.07</u>
 Length of Service Award Program:			
Cash with Agent Provider (Unaudited)		<u>\$ 368,858.40</u>	<u>\$ 314,246.24</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>2013</u>	<u>2012</u>
Animal Control Fund :			
Interfunds Accounts Payable	B-3	\$ 2,061.73	\$ 1,213.07
Reserve for Animal Control Fund Expenditures	B-4	6,151.20	6,192.50
Amount Due to State Board of Health	B-5	<u>10.80</u>	<u>19.20</u>
		<u>8,223.73</u>	<u>7,424.77</u>
Other Funds :			
Interfunds Accounts Payable	B-3	10,242.55	16,650.20
Amount Due to State of New Jersey	B-7	1,342.00	2,675.00
Reserve for Special Funds	B-8	<u>2,545,711.15</u>	<u>2,107,648.10</u>
		<u>2,557,295.70</u>	<u>2,126,973.30</u>
		<u>\$ 2,565,519.43</u>	<u>\$ 2,134,398.07</u>
Length of Service Award Program:			
Reserve for Qualified Participants (Unaudited)		<u>\$ 368,858.40</u>	<u>\$ 314,246.24</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, 2012	B	\$ 7,317.57	\$ 1,714,496.34
Increased by Receipts :			
Interfund Accounts Payable	B-3	3.20	128,950.43
2013 Dog License Fees	B-4	4,569.60	
Late Fees	B-4	210.00	
Miscellaneous	B-4	4.00	
Amount Due to State Board of Health	B-5	878.40	
Amount Due to State of New Jersey	B-7		7,150.00
Reserve for Special Funds	B-8	-	840,937.78
		<u>5,665.20</u>	<u>977,038.21</u>
		<u>12,982.77</u>	<u>2,691,534.55</u>
Decreased by Disbursements :			
Interfund Accounts Payable	B-3	1,216.04	135,358.08
Expenditures Per R.S. 4:19-15.11	B-4	2,763.40	
Amount Due to State Board of Health	B-5	886.80	
Amount Due to State of New Jersey	B-7		8,483.00
Reserve for Special Funds	B-8	-	606,772.77
		<u>4,866.24</u>	<u>750,613.85</u>
Balance December 31, 2013	B	\$ 8,116.53	\$ 1,940,920.70

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>2013</u>	<u>2012</u>
Cash - Treasurer	C-2	\$ 834,287.92	\$ 322,159.98
Deferred Charges to Future Taxation:			
Funded	C-4	4,331,152.93	4,672,801.08
Unfunded	C-5	998,700.00	649,700.00
Federal and State Aid Receivable	C-7	71,760.44	210,510.44
Interfund Accounts Receivable	C-8	-	27,477.54
		<u>\$ 6,235,901.29</u>	<u>\$ 5,882,649.04</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-15	\$ 4,129,000.00	\$ 4,444,000.00
NJDEP Open Space Acquisition Loan	C-16	202,152.93	228,801.08
Bond Anticipation Notes	C-17	822,000.00	-
Improvement Authorizations :			
Funded	C-9	453,561.15	563,818.85
Unfunded	C-9	273,165.72	304,464.18
Reserve for Encumbrances	C-10	233,545.48	155,443.34
Capital Improvement Fund	C-11	80,130.82	158,990.82
Capital Reserves	C-12	15,212.75	-
Interfund Accounts Payable	C-13	4.32	2.65
Fund Balance	C-1	<u>27,128.12</u>	<u>27,128.12</u>
		<u>\$ 6,235,901.29</u>	<u>\$ 5,882,649.04</u>

There were Bonds and Notes Authorized but not Issued in the amount of \$176,700.00 at December 31, 2012.. 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 2013</u>	<u>Year 2012</u>
Fund Balance December 31	C	<u>\$ 27,128.12</u>	<u>\$ 27,128.12</u>
Fund Balance December 31	C	<u>\$ 27,128.12</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>2013</u>	<u>2012</u>
Sewer Operating Fund:			
Cash - Treasurer	D-5	\$ 902,431.63	\$ 746,888.43
Interfunds Accounts Receivable	D-8	<u>0.88</u>	<u>1.46</u>
		<u>902,432.51</u>	<u>746,889.89</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-9	<u>71,104.50</u>	<u>67,624.19</u>
Total Sewer Operating Fund		<u>973,537.01</u>	<u>814,514.08</u>
Sewer Capital Fund :			
Cash - Treasurer	D-5	94,400.70	94,401.28
Fixed Capital	D-12	8,274,218.81	8,254,956.81
Fixed Capital Authorized and Uncompleted	D-13	<u>89,600.00</u>	<u>89,600.00</u>
Total Sewer Capital Fund		<u>8,458,219.51</u>	<u>8,438,958.09</u>
		<u>\$ 9,431,756.52</u>	<u>\$ 9,253,472.17</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>2013</u>	<u>2012</u>
Sewer Operating Fund :			
Liabilities :			
Appropriation Reserves	D-4,16	\$ 288,336.62	\$ 330,751.25
Reserve for Encumbrances	D-17	110,028.52	23,888.09
Utility Charges Overpayments	D-19	900.82	1,111.69
Accrued Interest on Bonds	D-20	<u>5,400.00</u>	<u>15,456.25</u>
		404,665.96	371,207.28
Reserve for Receivables and Other Assets		71,104.50	67,624.19
Fund Balance	D-1	<u>497,766.55</u>	<u>375,682.61</u>
Total Sewer Operating Fund		<u>973,537.01</u>	<u>814,514.08</u>
Sewer Capital Fund :			
Serial Bonds	D-29	270,000.00	545,000.00
Interfund Accounts Payable	D-18	0.88	1.46
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	8,004,218.81	7,709,956.81
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>8,458,219.51</u>	<u>8,438,958.09</u>
		<u>\$ 9,431,756.52</u>	<u>\$ 9,253,472.17</u>

There were no Bonds and Notes Authorized but not Issued at December 31, 2013.

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 2013</u>	<u>Year 2012</u>
Operating Fund Balance Utilized	D-1,3	\$ 283,743.25	\$ 345,020.50
Sewer Rents	D-3	1,251,955.56	1,261,889.82
Miscellaneous	D-3	63,121.43	6,097.03
Other Credits to Income :			
Unexpended Balance of Appropriation Reserves	D-16	290,750.20	138,113.81
Total Income		<u>1,889,570.44</u>	<u>1,751,121.16</u>
 <u>Expenditures</u> 			
Budgetary and Emergency Appropriations:			
Operating	D-4	1,117,233.00	1,158,340.00
Capital Improvements	D-4	30,000.00	30,000.00
Debt Service	D-4	286,056.25	310,912.50
Deferred Charges and Statutory Expenditures	D-4	50,454.00	45,768.00
Total Expenditures		<u>1,483,743.25</u>	<u>1,545,020.50</u>
Excess in Revenue		405,827.19	206,100.66
Fund Balance January 1	D	<u>375,682.61</u>	<u>514,602.45</u>
		781,509.80	720,703.11
Decreased by :			
Utilization by Sewer Operating Budget	D-1	<u>283,743.25</u>	<u>345,020.50</u>
Fund Balance December 31	D	<u>\$ 497,766.55</u>	<u>\$ 375,682.61</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>	Budget <u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Fund Balance Utilized	D-1	\$ 283,743.25	\$ 283,743.25	\$ -
Rents	D-1,3	1,200,000.00	1,251,955.56	51,955.56
Miscellaneous	D-1,3	<u>-</u>	<u>63,121.43</u>	<u>63,121.43</u>
	D-4	<u>\$ 1,483,743.25</u>	<u>\$ 1,598,820.24</u>	<u>\$ 115,076.99</u>

Analysis of Realized Revenue

	<u>Ref.</u>		
Rents :			
Consumer Accounts Receivable	D-9	\$ 1,250,843.87	
Prepaid Sewer Charges Applied	D-9	<u>1,111.69</u>	
	D-3		<u>\$ 1,251,955.56</u>
Miscellaneous :			
Interest on Investments - Operating		\$ 589.27	
Connection Fees		27,900.00	
Prior Year Reimbursement		29,580.00	
Miscellaneous		78.05	
Interest on Sewer Rents		<u>4,963.20</u>	
	D-5		63,110.52
Interfund Accounts Receivable	D-8		<u>10.91</u>
	D-3		<u>\$ 63,121.43</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

D-4

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Ref.	Budget Appropriations	Transfers	Budget After Transfers	Paid or Charged	Expended Reserved
Operating :						
Salaries and Wages		\$ 149,411.00		\$ 149,411.00	\$ 146,731.59	\$ 2,679.41
Other Expenses		967,822.00		967,822.00	695,899.13	271,922.87
Total Operating	D-1	1,117,233.00		1,117,233.00	842,630.72	274,602.28
Capital Improvement :						
Capital Outlay		30,000.00		30,000.00	19,262.00	10,738.00
Total Capital Improvement	D-1	30,000.00		30,000.00	19,262.00	10,738.00
Debt Service :						
Payment of Bond Principal		275,000.00		275,000.00	275,000.00	
Interest on Bonds		11,056.25		11,056.25	11,056.25	
Total Debt Service	D-1	286,056.25		286,056.25	286,056.25	
Deferred Charges and Statutory Expenditures :						
Contribution:						
Public Employees Retirement System		36,454.00		36,454.00	36,454.00	-
Social Security (O.A.S.I.)		14,000.00		14,000.00	11,003.66	2,996.34
Total Statutory Expenditures	D-1	50,454.00	-	50,454.00	47,457.66	2,996.34
		\$ 1,483,743.25	\$ -	\$ 1,483,743.25	\$ 1,195,406.63	\$ 288,336.62
Ref.	D-3					
	Ref.					D
Disbursed					\$ 1,074,321.86	
Encumbrances	D-5				110,028.52	
Accrued Interest on Bonds	D-17				11,056.25	
	D-20					
					\$ 1,195,406.63	

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>2013</u>	<u>2012</u>
Cash - Treasurer - Public Assistance Trust Fund No. 1	E-1	\$ 3,439.53	\$ 3,438.44
Cash - Treasurer - Public Assistance Trust Fund No. 2	E-1	-	-
		<u>\$ 3,439.53</u>	<u>\$ 3,438.44</u>
 <u>Liabilities and Reserves</u>			
Reserve for Public Assistance Trust Fund No. 1	E-2	3,439.53	3,438.44
Reserve for Public Assistance Trust Fund No. 2	E-2	-	-
		<u>\$ 3,439.53</u>	<u>\$ 3,438.44</u>

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

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, 2012	E	<u>\$ 3,438.44</u>	<u>\$ -</u>	<u>\$ 3,438.44</u>
Increased by Receipts :				
Interest Earned	E-2	<u>1.09</u>	<u>-</u>	<u>1.09</u>
Balance December 31, 2013	E	<u>\$ 3,439.53</u>	<u>\$ -</u>	<u>\$ 3,439.53</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, 2012	E	\$ 3,438.44	\$ -	\$ 3,438.44
Increased by :				
Interest Earned	E-1	1.09	-	1.09
		<u>3,439.53</u>	<u>-</u>	<u>3,439.53</u>
Balance December 31, 2013	E	<u>\$ 3,439.53</u>	<u>\$ -</u>	<u>\$ 3,439.53</u>

BOROUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE REVENUES - 2013

	<u>P.A.T.F. No. 1</u>	<u>P.A.T.F. No. 2</u>	<u>Fund Total</u>
Interest Earned	<u>1.09</u>	<u>-</u>	<u>1.09</u>
Total Revenues (PATF)	<u>\$ 1.09</u>	<u>\$ -</u>	<u>\$ 1.09</u>

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>2013</u>	<u>2012</u>
General Fixed Assets:		
Land	\$ 11,869,248.85	\$ 12,074,188.39
Land Improvements	28,136.00	28,136.00
Buildings	710,298.06	710,298.06
Machinery and Equipment	<u>2,908,515.92</u>	<u>2,880,287.67</u>
	<u>\$ 15,516,198.83</u>	<u>\$ 15,692,910.12</u>
 Investments in General Fixed Assets	 <u>\$ 15,516,198.83</u>	 <u>\$ 15,692,910.12</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, 2013 AND 2012
(CONTINUED)

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

The Borough of Peapack and Gladstone is an instrumentality of the State of New Jersey, established to function as a municipality. The ?c 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, 2013 AND 2012
(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, 2013 AND 2012
(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 \$2,000 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, 2013 AND 2012
(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, 2013 and 2012:

	<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>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>

	<u>Balance as of</u> <u>December 31, 2011</u>	<u>Additions/</u> <u>Transfers</u>	<u>Disposal/</u> <u>Transfers</u>	<u>Balance as of</u> <u>December 31, 2012</u>
Land	\$12,761,948.11	\$	\$687,759.72	\$12,074,188.39
Buildings	710,298.06			710,298.06
Improvements other than Buildings	28,136.00			28,136.00
Vehicles				
Machinery and Equipment	<u>2,659,562.21</u>	<u>220,725.46</u>	<u>687,759.72</u>	<u>2,880,287.67</u>
	<u>\$16,159,944.38</u>	<u>\$220,725.46</u>	<u>\$687,759.92</u>	<u>\$15,692,910.12</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the entity's financial reporting.

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 January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Governmental Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statement disclosures.

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, 2013 AND 2012
(CONTINUED)

Note I: Summary of Significant Accounting Policies (Continued)

H. Budgetary Information

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

Under New Jersey State Statutes, the annual budget is required to be balanced, prepared on a cash basis and to provide a reserve for uncollected taxes. The 2013 statutory budget included a reserve for uncollected taxes in the amount of \$1,274,737.40. To balance the budget, the municipality is permitted to utilize fund balance. The amount of fund balance utilized to balance the 2013 statutory budgets were as follows:

Current Fund	\$2,160,000.00
Sewer Utility Operating Fund	283,743.75

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 2013 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Mayor and Borough Council - Other Expenses	(\$18,000.00)
Legal Services and Costs - Other Expenses	10,000.00
Land Use Board- Other Expenses	(10,000.00)
Police - Salaries and Wages	41,000.00

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 2013 calendar year.

<u>Budget Category</u>	<u>Amount</u>
Drive Sober or Get Pulled Over Grant	\$4,400.00

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. There were no emergency appropriations approved during the 2013 calendar year.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013 the Borough of Peapack and Gladstone's cash and cash equivalents amounted to \$7,898,515.40. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$5,651,994.58 was covered by a collateral pool maintained by the banks as required by GUDPA.

At December 31, 2013 the Borough of Peapack and Gladstone's participation in the State of New Jersey Cash Management Fund amounted to \$1,996,520.82.

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, 2013, \$1,996,520.82 of the Borough of Peapack and Gladstone's cash and cash equivalents of \$7,898,515.40 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>1,996,520.82</u>
	\$	<u>1,996,520.82</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 2013

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

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, 2013 are composed of the following:

<u>Year of Levy</u>	<u>Amount</u>
2013	\$ <u>284,786.89</u>

C. Interfund Receivables and Payables

As of December 31, 2013 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	\$ 22,309.43	\$ 696,833.95
Federal and State Grants Fund	80,458.95	
Trust Funds:		
Animal Control Fund		2,061.73
Other Trust Fund	616,375.00	10,242.55
Capital Fund		4.32
Sewer Utility Fund		
Operating Fund	0.88	
Capital Fund		0.88
Payroll and Payroll Agency		<u>10,000.83</u>
	<u>\$ 719,144.26</u>	<u>\$ 719,144.26</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, 2013 the following deferred charges are shown on the balance sheets of the various funds:

E. Leases

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

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 2012 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds Payable:					
General	\$ 4,444,000.00	\$ -	\$ 315,000.00	\$ 4,129,000.00	\$ 325,000.00
Sewer Utility	545,000.00		275,000.00	270,000.00	270,000.00
Open Space Loan	<u>228,801.08</u>	-	<u>26,648.15</u>	<u>202,152.93</u>	<u>27,183.78</u>
	<u>\$ 5,217,801.08</u>	<u>\$ -</u>	<u>\$ 616,648.15</u>	<u>\$ 4,601,152.93</u>	<u>\$ 622,183.78</u>
		<u>Year 2013</u>	<u>Year 2012</u>		<u>Year 2011</u>
<u>Issued</u>					
General:					
Bonds and Notes	\$ 4,951,000.00		\$ 4,444,000.00		\$ 4,749,000.00
Loan	202,152.93		228,801.08		254,924.16
Sewer Utility:					
Bonds and Notes	<u>270,000.00</u>		<u>545,000.00</u>		<u>825,000.00</u>
Total Issued	<u>5,423,152.93</u>		<u>5,217,801.08</u>		<u>5,828,924.16</u>
Net Debt Issued	<u>5,423,152.93</u>		<u>5,217,801.08</u>		<u>5,828,924.16</u>
<u>Authorized but not Issued</u>					
General:					
Bonds and Notes	176,700.00		649,700.00		431,700.00
Sewer Utility:					
Bonds and Notes	<u>-</u>		<u>-</u>		<u>-</u>
Total Authorized but Not Issued	<u>176,700.00</u>		<u>649,700.00</u>		<u>431,700.00</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 5,599,852.93</u>		<u>\$ 5,867,501.08</u>		<u>\$ 6,260,624.16</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 .731%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 6,372,360.38	\$ 6,372,360.38	\$ -
Sewer Utility Debt	270,000.00	270,000.00	-
General Debt	<u>5,329,852.93</u>	<u>-</u>	<u>5,329,852.93</u>
	<u>\$ 11,972,213.31</u>	<u>\$ 6,642,360.38</u>	<u>\$ 5,329,852.93</u>

Net Debt \$5,322,501.08 divided by Equalized Valuation Basis
per N.J.S.A. 40A:2-2 as amended, \$ 729,066,183.33 = 0.731%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 25,517,316.42
Net Debt	<u>5,329,852.93</u>
Remaining Borrowing Power	<u>\$ 20,187,463.49</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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		\$	1,598,820.24
Deductions:			
Operating and Maintenance Cost	\$		1,167,687.00
Debt Service per Sewer Account			<u>286,056.25</u>
			<u>1,453,743.25</u>
 Excess in Revenue-Self Liquidating		 \$	 <u>145,076.99</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, 2013 AND 2012
(CONTINUED)

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

F. Debt (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of December 31, 2013 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	\$ 3,849,000.00
General Improvement of 2002	3.625%	7/1	2015	1,645,000.00	280,000.00
Sewer Refunding Bonds of 2002	Various	7/1	2014	2,845,000.00	270,000.00

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>	
2014	\$ 325,000.00	\$ 151,535.00	\$ 270,000.00	\$ 10,800.00	\$ 757,335.00
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>\$ 4,129,000.00</u>	<u>\$ 1,376,622.50</u>	<u>\$ 270,000.00</u>	<u>\$ 10,800.00</u>	<u>\$ 1,228,245.00</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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, 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	0.94%	8/30/13	8/29/14	\$ 262,500.00
Ord. No. 973 - Various Acquisitions and Improvements	0.94%	8/30/13	8/29/14	170,500.00
Ord. No. 979 - Reconstruction of Branch Road	0.94%	8/30/13	8/29/14	47,500.00
Ord. No. 992 - Various Capital Improvements	0.94%	8/30/13	8/29/14	<u>341,500.00</u>
				<u>\$ 822,000.00</u>

3. Bonds Authorized but not Issued

As of December 31, 2013 the Borough of Peapack and Gladstone had authorized but not issued bonds as follows:

General Capital Fund	\$ 176,700.00
Sewer Utility Capital Fund	-0-

Short-term financing as of December 31, 2013 and 2012 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	\$ -	\$ 822,000.00	\$ -	\$ 822,000.00	\$ 822,000.00
	<u>\$ -</u>	<u>\$ 822,000.00</u>	<u>\$ -</u>	<u>\$ 822,000.00</u>	<u>\$ 822,000.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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>
2014	\$ 27,183.78	\$ 3,907.82	\$ 31,091.60
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	<u>30,631.35</u>	<u>460.23</u>	<u>31,091.58</u>
	<u>\$ 202,152.93</u>	<u>\$ 15,488.22</u>	<u>\$ 217,641.15</u>

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(CONTINUED)

Note II: Detailed Notes On All Funds (Continued)

H. Fund Balance Appropriated

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 were as follows:

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

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, 2013 AND 2012
(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, 2012, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPPF, JRS, and SPRS) is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion.

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 6.6 percent for PERS of employees' annual compensation.

During the state fiscal year ended June 30, 2013, 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, 2013 was \$2,212,415.62 and covered payroll was \$1,002,457.00 for PERS, \$725,751.00 for PFRS and \$29,683.45 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>	<u>Percent of Covered Payroll</u>	<u>PFRS</u>	<u>Percent of Covered Payroll</u>	<u>DCRP</u>	<u>Percent of Covered Payroll</u>
Employees	12/31/11	\$ 55,358.78	5.76%	\$55,992.01	8.88%	\$ 998.35	9.33%
	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%	75,575.10	10.00%	2,033.62	6.85%
Borough of Peapack and Gladstone	12/31/11	105,748.00	11.01%	195,844.00	31.07%	544.55	3.00%
	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%

BOROUGH OF PEAPACK AND GLADSTONE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(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 \$38.0 million for the state fiscal year 2013 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 \$229,164.36 to State of New Jersey, Department of Treasury, Division of Pensions and Benefits for 14 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, 2013 AND 2012
(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 \$7,500.00 or 25 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, 2013 and 2012 , the employees' contributions to the plan were \$42,450.00 and \$57,350.00 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, 2013 AND 2012
(CONTINUED)

Note VII: Segment Information – Utility/Enterprise Funds

The Borough of Peapack and Gladstone maintains one utility/enterprise funds which provide water, sewer, swimming pool, parking lot, and solid waste disposal services. Segment information for the year ended December 31, 2013 was as follows:

	<u>Sewer Utility Fund</u>
Operating Revenues	\$1,314,476.81
Operating Income	146,789.81
Operating Transfers in	10.91
Net Income	-405,827.19
Fixed Assets:	
Additions	19,262.00
Deletions	
Net Working Capital	568,871.05
Total Operating Assets	973,537.01
Operating Fund Balance	497,766.55
Long Term Debt	270,000.00
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 \$385,579.07. 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, 2013 AND 2012
(CONTINUED)

Note XI: Subsequent Events

The Borough of Peapack and Gladstone has evaluated subsequent events through June 5, 2014, the date which the financial statements were available to be issued and no additional items were noted for disclosure or adjustment.

Note X11: 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 \$45,000.00 and \$40,000.00 in 2013 and 2012 budgets, respectively, for contributions to the LOSAP for volunteers who have met the established criteria.

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

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 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$2,160,000.00	13.36%	\$2,220,000.00	13.69%
Miscellaneous-From other than Local Property Tax Levies	845,648.08	5.23%	745,978.73	4.60%
Collection of Delinquent Taxes and Tax Title Liens	129,089.98	0.79%	117,351.63	0.72%
Collection of Current Tax Levy	12,632,638.66	78.14%	12,693,773.84	78.25%
Other Credits to Income	398,704.04	2.47%	444,369.90	2.74%
Total Income	<u>16,166,080.76</u>	<u>100.00%</u>	<u>16,221,474.10</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	4,940,708.50	34.81%	4,941,253.29	35.01%
Local Open Space Tax	203,898.04	1.44%	205,550.57	1.46%
County Taxes	2,716,837.58	19.14%	2,649,179.14	18.77%
Regional School Taxes	6,327,217.00	44.58%	6,311,235.94	44.72%
Other Expenditures	5,328.59	0.04%	6,950.85	0.05%
Total Expenditures	<u>14,193,989.71</u>	<u>100.00%</u>	<u>14,114,169.79</u>	<u>100.00%</u>
Excess in Revenue	1,972,091.05		2,107,304.31	
Fund Balance January 1	<u>2,606,353.03</u>		<u>2,719,048.72</u>	
	4,578,444.08		4,826,353.03	
Less:				
Utilization as Anticipated Revenue	<u>2,160,000.00</u>		<u>2,220,000.00</u>	
Fund Balance December 31	<u>\$2,418,444.08</u>		<u>\$2,606,353.03</u>	

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

	<u>Year 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 283,743.25	15.01%	\$ 345,020.50	19.70%
Collection of Sewer Charges	1,251,955.56	66.26%	1,261,889.82	72.06%
Miscellaneous	63,121.43	3.34%	6,097.03	0.35%
Other Credits to Income	<u>290,750.20</u>	<u>15.39%</u>	<u>138,113.81</u>	<u>7.89%</u>
Total Income	<u>1,889,570.44</u>	<u>100.00%</u>	<u>1,751,121.16</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	1,117,233.00	75.30%	1,158,340.00	74.97%
Capital Improvements	30,000.00	2.02%	30,000.00	1.94%
Debt Service	286,056.25	19.28%	310,912.50	20.12%
Statutory Expenditures	<u>50,454.00</u>	<u>3.40%</u>	<u>45,768.00</u>	<u>2.96%</u>
Total Expenditures	<u>1,483,743.25</u>	<u>100.00%</u>	<u>1,545,020.50</u>	<u>100.00%</u>
Excess in Revenue	405,827.19		206,100.66	
Fund Balance January 1	<u>375,682.61</u>		<u>514,602.45</u>	
	781,509.80		720,703.11	
Less:				
Utilization as Anticipated Revenue	<u>283,743.25</u>		<u>345,020.50</u>	
Fund Balance December 31	<u>\$ 497,766.55</u>		<u>\$ 375,682.61</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>
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		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
2004	675,463,289		1.560	0.382	0.030	0.437	0.711

(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>
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%
2004	12,643,514.51	12,508,564.37	98.93%

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>
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%
2004	-	119,328.76	119,328.76	0.94%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2013 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>
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
2004	139,900.00

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
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
2004	1,248,080.23	1,233,334.83

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	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
	2004	1,925,871.00	1,700,000.00
Sewer Utility Operating Fund	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
	2004	508,775.97	167,730.92

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	
Gerald Gunning	Councilman	
William Muller	Councilman	
Judith Silacci	Councilwoman	
T. William Simpson	Councilman	
John L. Sweeney	Councilman	\$ 10,000.00
Margaret J. Gould (To 3/31/13)	Administrator	
	Clerk	
	Assessment Search Officer	
Robin Collins (From 4/1/13)	Administrator	\$ 10,000.00
	Clerk	
	Qualified Purchasing Agent	
	Assessment Search Officer	
Donna Bassman	Deputy Clerk	
Mary P. Robinson	Chief Financial Officer	
	Collector of Taxes	200,000.00
	Treasurer	
	Tax Search Officer	
Edward L. Kerwin, Jr.	Tax Assessor	
Theresa M. Kelly	Payroll Clerk	50,000.00
	Deputy Treasurer	
Hollyann Robinson	Assistant Treasurer	100,000.00
	Deputy Collector	
John E. Bruder	Attorney	
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, 2012	A		\$ 3,936,837.82
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 153,650.05	
Tax Collector	A-5	12,778,397.39	
Petty Cash Returned	A-7	125.00	
Amount Due from State for Senior Citizens' and Veterans' Deductions	A-8	14,500.00	
Revenue Accounts Receivable	A-12	485,479.80	
Interfund Accounts Receivable	A-13	136,604.41	
Interfund Accounts Payable	A-18	12,689.37	
Reserve for Funds - Unappropriated	A-23	5,998.77	
Other Liabilities	A-24	<u>46,472.67</u>	
			<u>13,633,917.46</u>
			17,570,755.28
Decreased by Disbursements :			
Prior Year Tax Appeals Granted	A-1	2,828.59	
2013 Budget Appropriations	A-3	4,269,494.36	
Petty Cash	A-7	125.00	
2012 Appropriation Reserves	A-16	291,972.24	
Interfund Accounts Payable	A-18	35,744.45	
Tax Overpayments Refunded	A-20	2,996.39	
Other Liabilities	A-24	46,472.67	
Local Open Space, Regional School District and County Taxes	A-25	<u>9,021,707.44</u>	
			<u>13,671,341.14</u>
Balance December 31, 2013	A		<u>\$ 3,899,414.14</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Increased by Receipts :			
Miscellaneous Revenue	A-2	\$	39,460.94
Tax Receivable	A-9		12,646,942.52
Prepaid Taxes	A-19		71,255.33
Tax Overpayments	A-20		<u>20,738.60</u>
		\$	<u>12,778,397.39</u>
Decreased by Disbursements :			
Paid to Treasurer	A-4		<u>\$ 12,778,397.39</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2013</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 2013	A-4	<u>\$ 125.00</u>
Decreased by:		
Returned in 2013	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, 2012	A		\$ 3,706.22
Increased by :			
Senior Citizens' Deductions Per Tax Billings	A-8	\$ 2,250.00	
Veterans' Deductions Per Tax Billings	A-8	14,750.00	
Veterans' Deductions Allowed by Tax Collector	A-8	<u>250.00</u>	
			<u>17,250.00</u>
			20,956.22
Decreased by :			
Received in Cash from State of New Jersey	A-4	14,500.00	
Senior Citizens' Deductions Disallowed by Tax Collector	A-8	500.00	
Senior Citizens' Deductions Disallowed by Tax Collector - Prior Year	A-1	250.00	
Reimbursement Due to Taxation Audit	A-1	<u>2,250.00</u>	
			<u>17,500.00</u>
Balance December 31, 2013	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		\$ 2,250.00
Veterans' Deductions per Tax Billings	A-8		14,750.00
Veterans' Deductions Allowed by Tax Collector	A-8		250.00
Senior Citizens' Deductions Disallowed by Tax Collector	A-8		<u>(500.00)</u>
	A-9		<u>\$ 16,750.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF 2013 PROPERTY TAX LEVY

Year	Balance Dec. 31, 2012	Added Taxes	2013 Levy	2012 Collections	2013 Collections	State's Share of Senior Citizens' and Veterans' Deductions	Canceled	Balance Dec. 31, 2013
2011	\$ 565.00	\$ -	\$ -	\$ -	\$ 565.00	\$ -	\$ -	\$ -
2012	128,277.77	250.00	12,923,918.59	98,036.12	128,524.98	16,750.00	6,493.04	284,786.89
2013	-	-	12,923,918.59	98,036.12	12,517,852.54	16,750.00	6,495.83	284,786.89
	\$ 128,842.77	\$ 250.00	\$ 12,923,918.59	\$ 98,036.12	\$ 12,646,942.52	\$ 16,750.00	\$ 6,495.83	\$ 284,786.89
Ref.	A		A-2,19	A-2,5	A-2,8	A-2	A	

Analysis of 2013 Property Tax Levy

Tax Yield :	
General Purpose Tax	\$ 12,750,948.94
Business Personality Tax	
Added Taxes (54:4-63.1 et seq.)	\$ 12,750,948.94
	<u>172,969.65</u>
	\$ 12,923,918.59
Tax Levy :	
County Taxes (Abstract)	\$ 2,160,986.48
County Library Taxes (Abstract)	306,526.79
County Open Space Preservation (Abstract)	212,383.76
Amount Due to County for Added Taxes (54:4-63.1 et seq.)	<u>36,940.55</u>
	9,044,054.58
Local Tax for Municipal Purposes (Abstract)	3,541,374.02
Municipal Open Space	201,155.79
Amount Due to Municipal Open Space for Added Taxes	<u>2,742.25</u>
Add : Additional Tax Levied	<u>134,591.95</u>
	3,879,864.01
	<u>\$ 12,923,918.59</u>

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, 2012	A	<u>\$ 139,900.00</u>
Balance December 31, 2013	A	<u>\$ 139,900.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Ref.	Balance Dec. 31, 2012	Accrued in 2013	Collected in 2013	Balance Dec. 31, 2013
A-2	\$ -	\$ 12,563.00	\$ 12,563.00	\$ -
A-2		39,774.55	39,774.55	-
A-2		3,136.00	3,136.00	-
A-2		5,225.00	5,225.00	-
A-2		956.83	956.83	-
A-2	5,120.80	88,685.48	85,270.86	8,535.42
A-2	0.39	4.48	4.50	0.37
A-2	0.12	0.98	1.02	0.08
A-2		190.00	190.00	-
A-2		4,582.00	4,582.00	-
A-2		3,700.00	3,700.00	-
A-2		73,330.37	73,330.37	-
A-2		5,686.67	5,686.67	-
A-2		251,059.00	251,059.00	-
	<u>\$ 5,121.31</u>	<u>\$ 488,894.36</u>	<u>\$ 485,479.80</u>	<u>\$ 8,535.87</u>

Clerk :

- A.B.C. Licenses
- Fees and Permits
- Registrar of Vital Statistics:
- Fees and Permits
- Board of Health:
- Fees and Permits
- Police Chief:
- Fees and Permits
- Municipal Court:
- Fines and Costs
- Interest on Deposits
- Interest on Deposits - Bail Account
- Tax Assessor
- Uniform Fire Safety Bureau
- Zoning Official
- Rentals
- Interest on Deposits
- Energy Receipts Tax

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

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

	Balance Dec. 31, 2012	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
OPERATIONS WITHIN "CAP"						
Salaries and Wages :						
General Administration	\$ 613.26			\$ 613.26	-	\$ 613.26
Borough Clerk	8,986.74			8,986.74		8,986.74
Financial Administration	6,483.50			6,483.50		6,483.50
Assessment of Taxes	1,528.73			1,528.73		1,528.73
Municipal Court	3,397.59			3,397.59		3,397.59
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Land Use Board	5,141.84			5,141.84		5,141.84
Zoning Costs	5,000.00			5,000.00		5,000.00
Police	19,087.65			19,087.65	1,497.66	17,589.99
Emergency Management Services	548.18			548.18		548.18
Fire	280.00			280.00		280.00
Fire Official	544.14			544.14		544.14
Road Repairs and Maintenance	18,843.13			18,843.13	2,973.73	15,869.40
Public Buildings and Grounds	6,543.57			6,543.57	336.77	6,206.80
Senior Citizen Program	1,148.64			1,148.64		1,148.64
Uniform Construction Code:						
Construction Official	2,339.95			2,339.95		2,339.95
Other Expenses :						
General Administration	6,350.06			6,350.06	105.00	6,245.06
Mayor and Borough Council	34,466.58	(10,000.00)	617.95	25,084.53	637.23	24,447.30
Borough Clerk	4,024.04		5,853.21	9,877.25	2,260.98	7,616.27
Financial Administration	1,388.88		376.49	1,765.37	415.51	1,349.86
Audit Services			24,400.00	24,400.00	22,950.00	1,450.00
Collection of Taxes	1.30			1.30		1.30
Assessment of Taxes	38.24		1,365.00	1,403.24	127.76	1,275.48

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

	Balance Dec. 31, 2012	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Legal Services and Costs	\$ 16,966.39	\$ 10,000.00	\$ 2,500.00	\$ 29,466.39	\$ 20,948.96	\$ 8,517.43
Municipal Court	826.15		908.44	1,734.59	908.30	826.29
Public Defender	2,205.00			2,205.00		2,205.00
Engineering Services and Costs	5,981.69			5,981.69	1,172.50	4,809.19
Cultural Heritage	1,936.21			1,936.21		1,936.21
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Land Use Board	28,044.11	(2,000.00)	111.76	26,155.87	1,883.15	24,272.72
Zoning Costs	607.78			607.78		607.78
Insurance:						
General Liability	10,180.09			10,180.09	344.38	9,835.71
Group Insurance - Hospital and Medical	2,373.86		48,078.79	50,452.65	32,279.34	18,173.31
Police	15,108.43		16,155.37	31,263.80	16,984.78	14,279.02
Emergency Management Services	1,021.32		2,660.80	3,682.12	2,350.50	1,331.62
Fire	5,977.14		31,961.97	37,939.11	26,387.37	11,551.74
Fire Official	689.23			689.23		689.23
Fire Hydrant Service	15,558.17			15,558.17	7,045.83	8,512.34
Municipal Prosecutor	5,500.00			5,500.00	5,500.00	-
Road Repairs and Maintenance	24,473.16		45,823.85	70,297.01	41,197.32	29,099.69
Garbage and Trash Removal	9,873.00		5,658.41	15,531.41	5,658.41	9,873.00
Public Buildings and Grounds	9,642.38		23,019.00	32,661.38	18,396.19	14,265.19
Vehicle Maintenance	4,912.44		3,886.61	8,799.05	3,763.51	5,035.54
Board of Health	2,548.10		125.00	2,673.10	159.69	2,513.41
Environmental Commission			732.42	732.42	729.67	2.75
Animal Control Regulations	0.40			0.40		0.40
Recreation Services and Programs	767.68		335.76	1,103.44	270.75	832.69
Senior Citizen Program	1,322.00			1,322.00		1,322.00
Celebration of Public Events	1,076.97		1,850.00	2,926.97		2,926.97
Uniform Construction Code:						
Construction Official	3,104.10		349.94	3,454.04	319.94	3,134.10

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

	Balance Dec. 31, 2012	Transfers To/From	Transferred - Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Lapsed
<u>Other Expenses: (Continued)</u>						
Utilities:						
Electricity	\$ 9,958.11			\$ 9,958.11	\$ 2,876.81	\$ 7,081.30
Street Lighting	9,606.13			9,606.13		9,606.13
Telephone	3,238.54		291.71	3,530.25	2,422.03	1,108.22
Water	1,835.51			1,835.51	313.88	1,521.63
Natural Gas	20,863.08			20,863.08	4,058.58	16,804.50
Gasoline	5,235.30		176.11	5,411.41	2,493.40	2,918.01
Landfill/Solid Waste Disposal Costs	20,343.27		8,010.68	28,353.95	14,429.47	13,924.48
Contingent	2,000.00			2,000.00		2,000.00
Social Security System (O.A.S.I.)	9,242.01			9,242.01		9,242.01
Defined Contribution Retirement Plan	4,843.02			4,843.02		4,843.02
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Insurance:						
Group Insurance - Hospital and Medical	27,582.00			27,582.00		27,582.00
Length of Service Awards Program:						
Fire Department		2,000.00	30,000.00	32,000.00	32,000.00	-
First Aid Squad			10,000.00	10,000.00	6,627.52	3,372.48
Maintenance of Library (N.J.S.A. 40:54-35)	501.07		724.18	1,225.25	724.18	501.07
Recycling Tax	1,577.23		511.32	2,088.55	921.03	1,167.52
Donations:						
Police Equipment	286.00		4,000.00	4,000.00	4,000.00	-
Historical Commission	999.08		3,529.34	286.00		286.00
Library				4,528.42	3,500.11	1,028.31
	<u>\$ 415,562.17</u>	<u>\$ -</u>	<u>\$ 274,014.11</u>	<u>\$ 689,576.28</u>	<u>\$ 291,972.24</u>	<u>\$ 397,604.04</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, 2012	A	\$ 274,014.11
Increased by :		
2013 Budget Charges	A-3	<u>291,794.79</u>
		565,808.90
Decreased by :		
Transferred to 2012 Appropriation Reserves	A-16	<u>274,014.11</u>
Balance December 31, 2013	A	<u>\$ 291,794.79</u>

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

	<u>Balance</u> Dec. 31, 2012	<u>Received</u> in 2013	<u>Accrued</u> in 2013	<u>Paid</u> in 2013	<u>Balance</u> Dec. 31, 2013
Federal and State Grants Funds	\$ 76,435.87	\$ 12,689.37	\$ (399.38)	\$ 8,266.91	\$ 80,458.95
Other Trust Funds - Open Space	412,466.96		203,898.04		616,365.00
Other Trust Funds - General Trust	10.00				10.00
General Capital Fund	<u>27,477.54</u>	-	-	<u>27,477.54</u>	-
	<u>\$ 516,390.37</u>	<u>\$ 12,689.37</u>	<u>\$ 203,498.66</u>	<u>\$ 35,744.45</u>	<u>\$ 696,833.95</u>
Ref.	A	A-4		A-4	A
		<u>Ref.</u>			
Grant Reserves Canceled		A-1	\$ (1,100.00)		
2013 Budget Revenue - Grants		A-2	(19,041.58)		
2013 Budget Appropriations - Grants		A-3	19,742.20		
2013 Open Space Levy and Added Assessment		A-25	<u>203,898.04</u>		
			<u>\$ 203,498.66</u>		

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 98,036.12
Increased by :		
2014 Taxes Paid	A-5	<u>71,255.33</u>
		169,291.45
Decreased by :		
Applied to Taxes Receivable	A-9	<u>98,036.12</u>
Balance December 31, 2013	A	<u>\$ 71,255.33</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 2,996.39
Increased by:		
Taxes Overpaid in 2013	A-5	<u>20,738.60</u>
		23,734.99
Decreased by:		
Refunded in 2013	A-4	<u>2,996.39</u>
Balance December 31, 2013	A	<u>\$ 20,738.60</u>
<u>Analysis of Balance December 31, 2013</u>		
2013 Taxes		<u>\$ 20,738.60</u>

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

NOT APPLICABLE

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

NOT APPLICABLE

SCHEDULE OF RESERVE FOR FUNDS - UNAPPROPRIATED

	Ref.	Total	Donations		
			Historical Commission	Library	Police Equipment
Balance December 31, 2012	A	\$ 11,411.30	\$ 665.00	\$ 3,696.30	\$ 7,050.00
Increased by:					
Received in 2013	A-4	<u>5,998.77</u>	<u>80.00</u>	<u>918.77</u>	<u>5,000.00</u>
		17,410.07	745.00	4,615.07	12,050.00
Decreased by :					
Realized Revenue in 2013	A-2	<u>11,411.30</u>	<u>665.00</u>	<u>3,696.30</u>	<u>7,050.00</u>
Balance December 31, 2013	A	<u>\$ 5,998.77</u>	<u>\$ 80.00</u>	<u>\$ 918.77</u>	<u>\$ 5,000.00</u>

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

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Received</u> <u>in 2013</u>	<u>Paid</u> <u>in 2013</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Amount Due to State of N.J. - Marriage License Fees	\$ 50.00	\$ 300.00	\$ 300.00	\$ 50.00
Amount Due to Outside Lienholders	<u>-</u>	<u>46,172.67</u>	<u>46,172.67</u>	<u>-</u>
	<u>\$ 50.00</u>	<u>\$ 46,472.67</u>	<u>\$ 46,472.67</u>	<u>\$ 50.00</u>
Ref.	A	A-4	A-4	A

BOROUGH OF PEAPACK AND GLADSTONE

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

	Ref.	Balance Dec. 31, 2012	2013 Levy	Paid in 2013	Balance Dec. 31, 2013
Local Open Space	A-2	\$ -	\$ 201,155.79	\$ 201,155.79	\$ -
Amount Due Local Open Space for Added and Omitted Taxes - 2013	A-2	-	2,742.25	2,742.25	-
Regional School District Tax	A-2	1,261.86	6,327,217.00	6,327,216.72	1,262.14
County Tax	A-2	-	2,160,986.48	2,160,986.48	-
County Library Tax	A-2	-	306,526.79	306,526.79	-
County Open Space Preservation Tax	A-2	-	212,383.76	212,383.76	-
Amount Due County for Added and Omitted Taxes - 2013 -2012	A-2	14,593.69	36,940.55	14,593.69	36,940.55
		<u>\$ 15,855.55</u>	<u>\$ 9,247,952.62</u>	<u>\$ 9,225,605.48</u>	<u>\$ 38,202.69</u>
	A		A-1	A-4	A
			Ref.		
Disbursed			A-4	\$ 9,021,707.44	
Interfund Accounts Payable			A-18	<u>203,898.04</u>	
				<u>\$ 9,225,605.48</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, 2012	A		\$ 76,435.87
Increased by :			
Received in Current Fund			
- State Aid Receivable	A-27	\$ 5,749.38	
- Unappropriated Reserves	A-29	6,939.99	
2013 Budget Appropriations	A-28	<u>19,742.20</u>	
			<u>32,431.57</u>
			108,867.44
Decreased by :			
2013 Budget Revenues			
- State Aid Receivable	A-27	11,079.00	
- Unappropriated Reserves	A-29	7,962.58	
Expended in Current Fund			
- Appropriated Reserves	A-28	5,499.91	
- Reserve for Encumbrances	A-30	<u>2,767.00</u>	
			<u>28,408.49</u>
Balance December 31, 2013	A		<u>\$ 80,458.95</u>

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

	<u>Balance</u> Dec. 31, 2012	2013 Budget <u>Revenues</u>	Received in Current <u>Fund</u>	<u>Balance</u> Dec. 31, 2013	
Clean Communities Program	\$ 170.38	\$ 5,579.00	\$ 5,749.38	\$ -	
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	1,900.00	1,100.00		3,000.00	
Drive Sober or Get Pulled Over	-	4,400.00		4,400.00	
	<u>\$ 37,820.38</u>	<u>\$ 11,079.00</u>	<u>\$ 5,749.38</u>	<u>\$ 43,150.00</u>	
Ref.	A	A-26	A-26	A	A

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance Dec. 31, 2012	2013 Budget Appropriations	Expenditures in Current Fund	Reserves Canceled	Encumbrances	Balance Dec. 31, 2013
Recycling Tonnage Grant	\$ 5,008.66	\$ 4,218.98	\$ -	\$ -	\$ 1,553.00	\$ 7,674.64
Drunk Driving Enforcement Fund	42.37	2,273.25	1,458.69	-	-	856.93
Clean Communities Program	2,075.63	5,579.00	300.00	-	2,009.70	5,344.93
Alcohol Education and Rehabilitation Fund	1,307.11	269.82	-	-	-	1,576.93
Municipal Alliance on Alcoholism and Drug Abuse - Matching	175.00	700.62	700.62	-	-	175.00
Body Armor Replacement Fund	3,133.82	1,200.53	-	-	446.85	3,887.50
Federal Bulletproof Vest Program	489.25	-	-	-	447.00	22.25
Somerset County Youth Athletic and Recreation	15,000.00	-	-	-	-	15,000.00
County Cross Acceptance Grant	2,000.00	-	-	-	-	2,000.00
Municipal Stormwater Regulation Program	5.39	-	-	-	-	5.39
Domestic Violence Training Program	1,597.43	-	-	-	-	1,597.43
Somerset County Chief's Association	1,000.00	-	-	-	-	1,000.00
County Municipal Planning Grant	14,250.00	-	-	-	-	14,250.00
N.J. Highlands Council Planning Grant	1,472.16	-	-	-	-	1,472.16
N.J. Forestry Management Grant	1,972.18	-	-	-	-	1,972.18
N.J. Forestry Management Grant - Matching	916.67	-	-	-	-	916.67
Space Study Grant	1,944.00	-	-	-	-	1,944.00
Gov. Connect Municipal Clerk	0.45	-	-	-	-	0.45
N.J. Local Library Aid Grant	25,000.00	-	-	-	-	25,000.00
Smart Growth Planning Assistance Grant	6,500.00	-	-	-	-	6,500.00
Smart Growth Planning Assistance Grant - Matching	6,500.00	-	-	-	-	6,500.00
Sustainable New Jersey Grant	7,686.00	-	-	-	-	7,686.00
Help America Vote Grant	523.55	-	-	-	-	523.55
Green Community Grant	1,900.00	1,100.00	-	1,100.00	3,000.00	-
Green Community Grant - Matching	1,900.00	4,400.00	3,040.60	-	800.00	-
Drive Sober or Get Pulled Over	-	-	-	-	-	1,359.40
	<u>\$ 102,379.67</u>	<u>\$ 19,742.20</u>	<u>\$ 5,499.91</u>	<u>\$ 1,100.00</u>	<u>\$ 8,256.55</u>	<u>\$ 107,265.41</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> <u>Dec. 31, 2012</u>	<u>Received</u> <u>in Current</u> <u>Fund</u>	<u>Utilized</u> <u>as 2013</u> <u>Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Recycling Tonnage Grant	\$ 4,218.98	\$ 4,198.11	\$ 4,218.98	\$ 4,198.11
Drunk Driving Enforcement Fund	2,273.25		2,273.25	-
Clean Communities Program		800.81		800.81
Alcohol Education and Rehabilitation Fund	269.82	527.75	269.82	527.75
Body Armor Replacement Fund	1,200.53	1,413.32	1,200.53	1,413.32
	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
	<u>\$ 7,962.58</u>	<u>\$ 6,939.99</u>	<u>\$ 7,962.58</u>	<u>\$ 6,939.99</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, 2012	A	\$ 3,914.00
Increased by :		
Accrued in 2013	A-28	<u>8,256.55</u>
		12,170.55
Decreased by :		
Paid in 2013	A-26	<u>2,767.00</u>
Balance December 31, 2013	A	<u>\$ 9,403.55</u>
 <u>Analysis of Balance December 31, 2013</u>		
2013 Purchase Orders:		
Recycling Tonnage Grant		\$ 2,700.00
Clean Communities Program		2,009.70
Body Armor Replacement Fund		446.85
Federal Bulletproof Vest Program		447.00
Green Community Grant		1,900.00
Green Community Grant - Matching		<u>1,900.00</u>
		 <u>\$ 9,403.55</u>

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

	<u>Balance Dec. 31, 2012</u>	<u>Paid in 2013</u>	<u>Accrued in 2013</u>	<u>Received in 2013</u>	<u>Balance Dec. 31, 2013</u>
Other Trust Funds:					
Current Fund:					
General Trust	\$ 10.00	\$ -	\$ -	\$ -	\$ 10.00
Open Space	<u>412,466.96</u>	<u>-</u>	<u>203,898.04</u>	<u>-</u>	<u>616,365.00</u>
	<u>\$ 412,476.96</u>	<u>\$ -</u>	<u>\$ 203,898.04</u>	<u>\$ -</u>	<u>\$ 616,375.00</u>
Ref.	B		B-8		B

B-3

SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance Dec. 31, 2012</u>	<u>Received in 2013</u>	<u>Accrued in 2013</u>	<u>Paid in 2013</u>	<u>Balance Dec. 31, 2013</u>
Animal Control Fund:					
Current Fund:					
Interest	\$ 0.37	\$ 3.20	\$ -	\$ 3.34	\$ 0.23
Statutory Excess	<u>1,212.70</u>	<u>-</u>	<u>2,061.50</u>	<u>1,212.70</u>	<u>2,061.50</u>
	<u>1,213.07</u>	<u>3.20</u>	<u>2,061.50</u>	<u>1,216.04</u>	<u>2,061.73</u>
Other Trust Funds:					
Current Fund:					
Recreation Commission - Interest	4.73	37.49		39.25	2.97
Recreation Capital - Interest	0.38	1.49		1.49	0.38
Developer's Escrow - Interest	188.03	58.83		240.45	6.41
Unemployment Compensation Insurance	4,450.85				4,450.85
General Trust Escrow - Interest	18.14	117.84		126.94	9.04
Police Special Services - Administrative Fees	530.00	16,510.00		16,070.00	970.00
Uniform Construction Code - Fees	10,454.00	112,201.00		118,855.00	3,800.00
Uniform Construction Code - Interest	3.77	20.94		22.08	2.63
Uniform Fire Safety Act Penalty Monies - Interest	0.05	0.43		0.44	0.04
Cafeteria Plan Section 125	<u>1,000.25</u>	<u>2.41</u>		<u>2.43</u>	<u>1,000.23</u>
	<u>16,650.20</u>	<u>128,950.43</u>	<u>-</u>	<u>135,358.08</u>	<u>10,242.55</u>
	<u>\$ 17,863.27</u>	<u>\$ 128,953.63</u>	<u>\$ 2,061.50</u>	<u>\$ 136,574.12</u>	<u>\$ 12,304.28</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, 2012	B	\$ 6,192.50
Increased by :		
2013 Dog License Fees	B-1	\$ 4,569.60
Late Fees	B-1	210.00
Miscellaneous	B-1	<u>4.00</u>
		<u>4,783.60</u>
		10,976.10
Decreased by :		
Expenditures Per R.S. 4:19-15.11	B-1	2,763.40
Statutory Excess	B-3	<u>2,061.50</u>
		<u>4,824.90</u>
Balance December 31, 2013	B	<u>\$ 6,151.20</u>

Animal Control Fees Collected

<u>Year</u>	<u>Amount</u>
2011	3,007.20
2012	<u>3,144.00</u>
	<u>\$ 6,151.20</u>

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

	<u>Ref.</u>			
Balance December 31, 2012	B		\$	(88.00)
Increased by :				
Fees Collected in 2013	B-1			<u>878.40</u>
				790.40
Decreased by :				
Paid to State Board of Health	B-1			<u>886.80</u>
Balance December 31, 2013	B		\$	<u>(96.40)</u>
		<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	
Amount Due to State Board of Health		\$ 19.20	\$ 10.80	
Amount Due from State Board of Health		<u>(107.20)</u>	<u>(107.20)</u>	
		<u>\$ (88.00)</u>	<u>\$ (96.40)</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, 2012	B	\$ 2,675.00	\$ 2,675.00
Increased by :			
Received in 2013	B-1	<u>7,150.00</u>	<u>7,150.00</u>
		9,825.00	9,825.00
Decreased by :			
Paid to State of New Jersey in 2013	B-1	<u>8,483.00</u>	<u>8,483.00</u>
Balance December 31, 2013	B	<u>\$ 1,342.00</u>	<u>\$ 1,342.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND
RESERVE FOR SPECIAL DEPOSITS

	Balance Dec. 31, 2012	Received in 2013	Interest Earnings	Interfund Accounts Receivable	Paid in in 2013	Balance Dec. 31, 2013
Recreation Commission	\$ 111,957.55	\$ 81,671.98	\$ -	\$ -	\$ 79,733.11	\$ 113,896.42
Recreation Capital	2,980.17					2,980.17
Developer's Escrow	244,008.47	117,493.66			111,614.62	249,887.51
State Unemployment Compensation Insurance	19,799.79	2,000.00	12.67			21,812.46
Recycling	610.85	122.00				732.85
Police Special Services	15,963.25	72,690.00			68,715.00	19,938.25
Parking Offenses Adjudication Act Fines	250.00	40.00				290.00
Tax Sale Premium	58,100.00	29,200.00			58,100.00	29,200.00
In Lieu of Sidewalks	5,000.00					5,000.00
Accumulated Absences	315,554.74	10,000.00			75,007.80	250,546.94
Tenant Security	22,561.63				15,000.00	7,561.63
Matheny School	2,000.00					2,000.00
Special Use	1,000.00	1,000.00				2,000.00
Historic Preservation Commission		6,436.54				6,436.54
Open Space	848,633.73	450,243.01		203,898.04	2,033.00	4,403.54
Housing Trust	4,731.24	67,385.00	17.91		192,620.17	1,310,154.61
Disposal of Forfeited Assets	2,076.54		0.62		1,050.07	72,134.15
Uniform Fire Safety Act Penalty Monies	1,343.05					1,027.09
Cafeteria Plan Section 125	2,349.92	2,400.00			2,899.00	1,343.05
COAH-Administrative Cost Fund	36,941.28		18.47			1,850.92
COAH-Municipal Acquisition of Land for Affordable Housing Projects	296,359.59		148.20			36,959.75
COAH-Affordability Assistance Fund	55,411.92		27.71			296,507.79
COAH-Rehabilitation Fund	60,014.38		30.01			55,439.63
						60,044.39
	<u>\$ 2,107,648.10</u>	<u>\$ 840,682.19</u>	<u>\$ 255.59</u>	<u>\$ 203,898.04</u>	<u>\$ 606,772.77</u>	<u>\$ 2,545,711.15</u>

Ref.

B B-1 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, 2012	C		\$ 322,159.98
Increased by Receipts:			
Federal and State Aid Receivable	C-7	\$ 138,750.00	
Interfund Accounts Receivable	C-8	27,477.54	
Capital Improvement Fund	C-11	40,000.00	
Capital Reserves	C-12	37,840.00	
Interfund Accounts Payable	C-13	21.30	
Bond Anticipation Notes	C-17	<u>822,000.00</u>	
			<u>1,066,088.84</u>
			1,388,248.82
Decreased by Disbursements :			
Improvement Authorizations	C-9	411,083.80	
Reserve for Encumbrances	C-10	130,070.22	
Capital Reserves	C-12	12,787.25	
Interfund Accounts Payable	C-13	<u>19.63</u>	
			<u>553,960.90</u>
Balance December 31, 2013	C		<u>\$ 834,287.92</u>

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Receipts				Disbursements			From	Balance or (Deficit) Dec. 31, 2013
	Balance or (Deficit) Dec. 31, 2012	Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Appropriations	Miscellaneous	Transfers		
Improvement Authorizations:									
803809854 Purchase and Renovation of the Sara Kay Memorial Building	\$ 26,327.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,327.07
810824848 Various Improvements:									
Purchase of Various Equipment	5,500.00								5,500.00
Road Improvement Program	4,202.19								4,202.19
Renovations to the Firehouse	18,596.51								18,596.51
841 Various Improvements:					1,195.94				
Improvements to Municipal Complex	1,195.94								
849 Improvements to the Park House	2,015.04								2,015.04
861 Acquisition of New Financial Software	3,511.33								3,511.33
869 Acquisition of Breathalyzer	697.05								697.05
885 Various Improvements:									
Acquisition of Administrative Equipment	3,108.01				2,112.69				995.32
Acquisition of OEM Equipment	60.00								60.00
Improvements to Buildings and Grounds	3,158.77				394.79				2,763.98
908 Acquisition of Fire Truck	34,054.74								34,054.74
909 Various Capital Improvements:									
Various Improvements to the Municipal Complex	1,823.37								1,823.37
Acquisition of Various DPW Equipment	3,142.37								3,142.37
Replacement of Boilers at Municipal Building	5,089.00				525.00				4,564.00
925 Improvements to DPW Facilities	10,530.00								10,530.00
928 Pedestrian and Vehicle Safety Study	2,398.41								2,398.41
941 ADA Improvements to Municipal Complex	6,615.31								6,615.31
945 Installation of Sidewalks on Pottersville Road	48,502.82								48,502.82
946 Various Improvements:									
Purchase of DPW Equipment	51.54								51.54
Improvements to Borough Complex	26,500.00								26,500.00
Improvements to Liberty Park Pond	75,252.05				1,423.00				73,829.05
9559556 Various Improvements:									
Purchase of Computer Network System	(52,059.44)								570.48
Purchase of Police Equipment	(175,347.94)	57,000.00			4,370.08			4,445.00	2,727.06
Purchase of Fire Equipment	(14,000.00)	184,000.00			1,480.00				
Purchase of HVAC System	(8,985.44)	14,000.00							
Purchase of Police Records Management System	1,000.00	7,500.00			100.00				514.56
Purchase of 2011 DPW Ford Truck	8,006.00								1,000.00
Purchase of Fire Equipment	3,324.00				16.21				8,006.00
972 Various Acquisitions and Improvements:	1,212.00								3,307.79
Lights, Air Conditioner and Windows in Municipal Building	67,040.99								1,212.00
Acquisition of Police and OEM Equipment	12,354.69								68,957.75
Acquisition of DPW Pick-up Truck	2,382.40						1,916.76		3,174.89
973 Various Acquisitions and Improvements:									
Acquisition of Generator for First Aid Squad	(51,304.00)	57,000.00			4,135.69				1,560.31
Acquisition of Generator for DPW Building	(45,039.00)	50,000.00			3,192.36				1,168.64
Improvements to Overlook Avenue and Municipal Building	3,500.00	63,500.00			6,825.63				3,465.30
Parking Lot	184,667.25	47,500.00			222,329.44				4,457.81
979 Reconstruction and Paving of Branch Road								56,708.07	
								5,180.00	

BOROUGH OF PEAPACK AND GLADSTONE
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance or (Deficit) Dec. 31, 2012	Receipts			Disbursements			Transfers To	From	Balance or (Deficit) Dec. 31, 2013
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous				
Improvement Authorizations : (Continued)										
982 Purchase of DPW Equipment										
981 Purchase of Police and OEM Equipment and Sidewalk Installation	\$ -	\$ -	\$ -	\$ -	\$ 8,802.48	\$ -	\$ 8,900.00	\$ -	\$ -	\$ 97.52
982 Various Capital Improvements:										
Purchase of Police Vehicle		35,000.00			5,680.00		38,700.00	7,695.41		25,324.59
Resurfacing of Willow Avenue		161,500.00			26,280.75		2,000.00	7,901.14		2,818.11
Branch Road Guide Rail Improvements		36,000.00			1,399.61		8,500.00	116,562.00		52,038.39
Crosswalk Improvements at Highland Ave. and Main St.		25,500.00			38,000.00		2,000.00	2,000.00		-
Replacement of Boiler					2,006.13		1,500.00	2,298.50		22,695.37
Purchase of Backhoe		83,500.00			80,614.00		500.00	4,500.00	119.20	500.00
985 Improvements to the Municipal Complex										
986 Replacement of DPW Equipment										
Reserve for Encumbrances	155,443.34									
Capital Improvement Fund	158,990.82		40,000.00			130,070.22				
Capital Reserves	-									
Interfund Accounts Payable	2.65									
Fund Balance	27,128.12			37,840.00		12,787.25				27,128.12
Federal and State Aid Receivable	(210,510.44)			21.30		19.63				(71,760.44)
Interfund Accounts Receivable	(27,477.54)			27,477.54						-
	\$ 322,159.98	\$ 822,000.00	\$ 40,000.00	\$ 204,088.84	\$ 411,083.90	\$ 142,877.10	\$ 366,789.12	\$ 366,789.12	\$ 834,287.92	

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

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 4,672,801.08
Decreased by:		
Serial Bonds Paid by 2013 Budget Appropriation	C-15	\$ 315,000.00
Loans Paid by Open Space Trust Fund	C-16	<u>26,648.15</u>
		<u>341,648.15</u>
Balance December 31, 2013	C	<u>\$ 4,331,152.93</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, 2012	C	\$ 210,510.44
Decreased by :		
Received in 2013	C-2	<u>138,750.00</u>
Balance December 31, 2013	C	<u>\$ 71,760.44</u>

Analysis of Balance December 31, 2013

State Aid:

NJDOT (Ord. No. 945)	\$ 25,510.44
NJDOT (Ord. No. 979)	<u>46,250.00</u>
	<u>\$ 71,760.44</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2012	Paid in 2013	Accrued in 2013	Received in 2013	Canceled in 2013	Balance Dec. 31, 2013
Current Fund - 2012 Budget Appropriations	\$ 7,000.00	\$ -	\$ -	\$ 7,000.00	\$ -	\$ -
Current Fund - NJDOT Grant	20,477.54	-	-	20,477.54	-	-
	<u>\$ 27,477.54</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,477.54</u>	<u>\$ -</u>	<u>\$ -</u>

Ref: C

C-2

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

Ord. Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations		Paid or Charred	Encumbrances	Balance Dec. 31, 2013	
				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:	6/25/02									
	Purchase of Various Equipment		30,000.00	5,500.00						5,500.00	
	Road Improvement Program		628,500.00	4,202.19						4,202.19	
	Renovations to the Firehouse		200,000.00	16,596.51						16,596.51	
841	Various Improvements	5/25/04						1,195.94			
	Improvements to Municipal Complex		40,950.00	1,195.94							
849	Improvements to the Park House	7/13/04	7,500.00	2,015.04						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:	5/23/06									
	Acquisition of Administrative Equipment		10,000.00	3,108.01				2,112.69		985.32	
	Acquisition of OEM Equipment		8,500.00	60.00						60.00	
	Improvements to Buildings and Grounds		10,000.00	3,158.77				394.79		2,763.98	
908	Acquisition of Fire Truck	6/10/08	500,000.00	34,054.74						34,054.74	
909	Various Capital Improvements:	6/10/08									
	Various Improvements to the Municipal Complex		74,900.00	1,823.37						1,823.37	
	Acquisition of Various DPW Equipment		36,100.00	3,142.37		450.00				3,142.37	450.00
914/922/932	Replacement of Boilers at Municipal Building	8/25/08	175,000.00	5,089.00		250.00				4,564.00	250.00
926	Improvements to DPW Facilities	4/14/09	35,000.00	10,530.00				525.00		10,530.00	
928	Pedestrian and Vehicle Safety Study	5/26/09	10,000.00	2,398.41						2,398.41	
941	ADA Improvements to Municipal Complex	3/9/10	27,700.00	6,615.31						6,615.31	
945	Installation of Sidewalks on Pottersville Road	5/11/10	125,000.00	48,502.82						48,502.82	
946	Various Improvements	5/11/10									
	Purchase of DPW Equipment		45,500.00	51.54						51.54	
947	Improvements to Borough Complex	5/11/10	26,500.00	26,500.00				1,423.00		26,500.00	
955/956	Improvements to Liberty Park	6/14/11	100,000.00	75,252.05						73,829.05	
	Various Improvements										
	Purchase of Computer Network System		60,000.00	-		4,940.56				-	570.48
	Improvements to Police Equipment		234,000.00	-		9,152.06				-	3,227.06
	Improvements to Highland Ave. and Trimmer Lane		175,000.00	-		159,614.56			4,445.00	-	159,514.56
	Purchase of HVAC System		10,000.00	1,000.00		9,000.00				1,000.00	9,000.00
957	Acquisition of Police Records Management System	7/12/11	15,480.00	8,068.00						8,006.00	
962	Purchase of 2011 DPW Ford Truck	12/13/11	50,000.00	3,324.00						3,307.79	
968	Acquisition of Fire Equipment	4/24/12	15,000.00	1,212.00						1,212.00	
972	Various Acquisitions and Improvements:	5/22/12									
	Lights, Air Conditioner and Windows in Municipal Building		90,000.00	67,040.99					(1,916.76)	68,957.75	
	Acquisition of Police and OEM Equipment		55,500.00	12,354.69					9,179.80	3,174.89	
	Acquisition of DPW Pick-up Truck		35,000.00	2,382.40						2,382.40	
973	Various Acquisitions and Improvements:	5/22/12									
	Acquisition of Generator for First Aid Squad		60,250.00	-		5,696.00				-	1,560.31
	Acquisition of Generator for DPW Building		52,750.00	-		4,381.00				-	1,168.64
	Improvements to Overlook Avenue and Municipal Building Parking Lot										
	Reconstruction and Paving of Branch Road		67,000.00	3,500.00		63,500.00					3,466.30
979	Various Improvements	9/25/12	235,000.00	184,667.25		47,500.00			56,708.07		4,457.81

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
CONCLUDED

Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2012		2013 Authorizations		Paid or Covered	Encumbrances	Balance Dec. 31, 2013	
				Funded	Unfunded	Funded	Unfunded			Funded	Unfunded
982	Purchase of DPW Equipment	3/12/13	\$ 8,900.00	\$ -	\$ -	\$ 8,900.00	\$ -	\$ 8,802.48	\$ -	\$ 97.52	\$ -
991	Purchase of Police and OEM Equipment and Sidewalk Installation	7/23/13	38,700.00	-	-	38,700.00	-	5,680.00	7,685.41	25,324.59	-
992	Various Capital Improvements:										
	Purchase of Police Vehicle		37,000.00								
	Resurfacing of Willow Avenue		170,000.00								
	Branch Road Guide Rail Improvements		38,000.00			2,000.00	35,000.00	26,280.75	7,901.14	2,818.11	52,038.39
	Crosswalk Improvements at Highland Ave. and Main St.		27,000.00			2,000.00	36,000.00	38,000.00	116,562.00	-	-
	Replacement of Boiler		8,000.00			1,500.00	25,500.00	2,006.13	2,288.50	-	-
	Purchase of Backhoe		88,000.00			500.00	7,500.00			500.00	22,695.37
995	Improvements to the Municipal Complex	11/12/13	16,000.00	-	-	16,000.00	83,500.00	80,614.00	118.20	16,000.00	7,500.00
996	Replacement of DPW Equipment	12/14/13	46,100.00	-	-	46,100.00	-	-	-	46,100.00	7,266.80
						\$ 563,818.85	\$ 304,464.18	\$ 411,083.80	\$ 208,172.36	\$ 453,561.15	\$ 273,165.72
		Ref.		C	C		C-5	C-2	C-10	C	C

Ref.	Capital Improvement Fund	Capital Reserves
C-11	\$ 90,860.00	
C-12	37,840.00	
	\$ 128,700.00	

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

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 155,443.34
Increased by :		
Improvement Authorization Charges	C-9	<u>208,172.36</u>
		363,615.70
Decreased by :		
Paid in 2013	C-2	<u>130,070.22</u>
Balance December 31, 2013	C	<u>\$ 233,545.48</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 158,990.82
Increased by :		
2013 Budget Appropriation	C-2	<u>40,000.00</u>
		198,990.82
Decreased by :		
Appropriated to Finance		
Improvement Authorizations	C-9	90,860.00
Appropriated to Capital Reserves	C-12	<u>28,000.00</u>
Balance December 31, 2013	C	<u>\$ 80,130.82</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</u> <u>Facilities</u>	<u>Highland Ave.</u> <u>Sidewalks</u>
Increased by :				
2013 Appropriation by Resolution	C-11	\$ <u>28,000.00</u>	\$ <u>20,000.00</u>	\$ <u>8,000.00</u>
		28,000.00	20,000.00	8,000.00
Decreased by :				
Disbursed	C-2	<u>12,787.25</u>	<u>12,787.25</u>	<u>-</u>
Balance December 31, 2013	C	\$ <u>15,212.75</u>	\$ <u>7,212.75</u>	\$ <u>8,000.00</u>

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

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Received</u> <u>in 2013</u>	<u>Paid</u> <u>in 2013</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Current Fund - Interest	\$ 2.65	\$ 21.30	\$ 19.63	\$ 4.32
	<u>\$ 2.65</u>	<u>\$ 21.30</u>	<u>\$ 19.63</u>	<u>\$ 4.32</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, 2013	Interest Rate	Balance Dec. 31, 2012	Paid	Balance Dec. 31, 2013
	Date	Amount					
General Improvement of 2002	11/1/02	\$ 1,645,000.00	7/1/14-15 \$ 140,000.00	3.63%	\$ 420,000.00	\$ 140,000.00	\$ 280,000.00
General Improvement of 2009	12/1/09	\$ 4,494,000.00	12/1/14 12/1/15 12/1/16 12/1/17 12/1/18 12/1/19 12/1/20 12/1/21 12/1/22 12/1/23 12/1/24 12/1/25 12/1/26 12/1/27 12/1/28 12/1/29	3.00% 3.00% 3.00% 3.00% 3.25% 3.50% 3.63% 3.75% 3.75% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%	4,024,000.00	175,000.00	3,849,000.00
					\$ 4,444,000.00	\$ 315,000.00	\$ 4,129,000.00

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, 2012	C	\$ 228,801.08
Decreased by :		
Paid by Open Space Trust Fund	C-4	<u>26,648.15</u>
Balance December 31, 2013	C	<u>\$ 202,152.93</u>

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

Ordinance Number	Improvement Description	Original Notes		Date of Issue	Amount Issued	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
		Date of Issue	Amount Issued								
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	
		8/30/13	184,000.00	8/30/13	8/29/14	0.94%	-	184,000.00	-	184,000.00	
		8/30/13	14,000.00	8/30/13	8/29/14	0.94%	-	14,000.00	-	14,000.00	
		8/30/13	7,500.00	8/30/13	8/29/14	0.94%	-	7,500.00	-	7,500.00	
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	
		8/30/13	50,000.00	8/30/13	8/29/14	0.94%	-	50,000.00	-	50,000.00	
		8/30/13	63,500.00	8/30/13	8/29/14	0.94%	-	63,500.00	-	63,500.00	
		8/30/13	47,500.00	8/30/13	8/29/14	0.94%	-	47,500.00	-	47,500.00	
979	Reconstruction and Paving of Branch Road	8/30/13	35,000.00	8/30/13	8/29/14	0.94%	-	35,000.00	-	35,000.00	
		8/30/13	161,500.00	8/30/13	8/29/14	0.94%	-	161,500.00	-	161,500.00	
		8/30/13	36,000.00	8/30/13	8/29/14	0.94%	-	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	
992	Various Capital Improvements: Purchase of Police Vehicle Resurfacing of Willow Avenue Branch Road Guide Rail Improvements Crosswalk Improvements at Highland Ave. and Main St. Purchase of Backhoe	8/30/13	83,500.00	8/30/13	8/29/14	0.94%	-	83,500.00	-	83,500.00	
		8/30/13	341,500.00	8/30/13	8/29/14	0.94%	-	341,500.00	-	341,500.00	
		8/30/13	822,000.00	8/30/13	8/29/14	0.94%	-	822,000.00	-	822,000.00	
		8/30/13	822,000.00	8/30/13	8/29/14	0.94%	-	822,000.00	-	822,000.00	

Ref.

C-2

C

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Notes Issued	Balance Dec. 31, 2013
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				
	Purchase of Computer Network System	57,000.00		57,000.00	-
	Purchase of Police Equipment	184,500.00		184,000.00	500.00
	Purchase of Fire Equipment	14,000.00		14,000.00	-
	Improvements to Highland Ave. and Trimmer Lane	166,500.00		7,500.00	159,000.00
	Purchase of HVAC System	9,000.00			9,000.00
973	Various Acquisitions and Improvements:				
	Acquisition of Generator for First Aid Squad	57,000.00		57,000.00	-
	Acquisition of Generator for DPW Building	50,000.00		50,000.00	-
	Improvements to Overlook Avenue and Municipal Building Parking Lot	63,500.00		63,500.00	-
979	Reconstruction and Paving of Branch Road	47,500.00		47,500.00	-
992	Various Capital Improvements:				
	Purchase of Police Vehicle		35,000.00	35,000.00	-
	Resurfacing of Willow Avenue		161,500.00	161,500.00	-
	Branch Road Guide Rail Improvements		36,000.00	36,000.00	-
	Crosswalk Improvements at Highland Ave. and Main St.		25,500.00	25,500.00	-
	Replacement of Boiler		7,500.00		7,500.00
	Purchase of Backhoe	-	83,500.00	83,500.00	-
		<u>\$ 649,700.00</u>	<u>\$ 349,000.00</u>	<u>\$ 822,000.00</u>	<u>\$ 176,700.00</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, 2012	D	\$ 746,888.43	\$ 94,401.28
Increased by Receipts:			
Miscellaneous Revenue	D-3	63,110.52	
Sewer Collector	D-7	1,251,744.69	
Interfunds Accounts Receivable	D-8	11.49	
Interfunds Accounts Payable	D-18	-	10.91
		<u>1,314,866.70</u>	<u>10.91</u>
		<u>2,061,755.13</u>	<u>94,412.19</u>
Decreased by Disbursements :			
2013 Budget Appropriations	D-4	1,074,321.86	
2012 Appropriation Reserves	D-16	40,001.05	
Reserve for Encumbrances	D-17,24	23,888.09	-
Interfunds Accounts Payable	D-18	-	11.49
Accrued Interest on Bonds	D-20	21,112.50	-
		<u>1,159,323.50</u>	<u>11.49</u>
Balance December 31, 2013	D	\$ 902,431.63	\$ 94,400.70

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

	Balance or (Deficit) <u>Dec. 31, 2012</u>	<u>Receipts</u>		<u>Disbursements</u>		Balance or (Deficit) <u>Dec. 31, 2013</u>
		<u>Miscellaneous</u>	<u>Improvement Authorizations</u>	<u>Miscellaneous</u>		
	\$ 839.13	\$ -	\$ -	\$ -	\$ -	\$ 839.13
	2,131.04					2,131.04
	1,829.50					1,829.50
	1.46	10.91		11.49		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>
	\$ 94,401.28	\$ 10.91	\$ -	\$ 11.49	\$ -	\$ 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	\$ 1,250,843.87	
Utility Charges Overpayments	D-19	<u>900.82</u>	
			<u>\$ 1,251,744.69</u>
Decreased by Disbursements :			
Amount Paid to Treasurer:	D-5		<u>\$ 1,251,744.69</u>

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS RECEIVABLE

	<u>Balance Dec. 31, 2012</u>	<u>Accrued in 2013</u>	<u>Received in 2013</u>	<u>Balance Dec. 31, 2013</u>
Sewer Operating Fund:	\$ 1.46	\$ 10.91	\$ 11.49	\$ 0.88
Sewer Capital Fund	\$ 1.46	\$ 10.91	\$ 11.49	\$ 0.88

Ref.	D	D-3	D-5	D
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BOROUGH OF PEAPACK AND GLADSTONE

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

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 67,624.19
Increased by :		
2013 Charges		<u>1,255,435.87</u>
		1,323,060.06
Decreased by :		
Received in 2013	D-3,7	\$ 1,250,843.87
Utility Charges Overpayments Applied in 2013	D-3,19	<u>1,111.69</u>
		<u>1,251,955.56</u>
Balance December 31, 2013	D	<u>\$ 71,104.50</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, 2012	D	\$ 8,254,956.81
Increased by:		
Capital Outlay Expenditures	D-27	<u>19,262.00</u>
Balance December 31, 2013	D	<u>\$ 8,274,218.81</u>

BOROUGH OF PEAPACK AND GLADSTONE

D-13

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
	<u>Number</u>	<u>Date</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

D-14

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJEIT LOANS RECEIVABLE

NOT APPLICABLE

D-15

SCHEDULE OF FEDERAL AND STATE AID RECEIVABLE

NOT APPLICABLE

BOROUGH OF PEAPACK AND GLADSTONE
 SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - 2012

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Paid or</u> <u>Charged</u>	<u>Lapsed</u>
Operating:			
Salaries and Wages	\$ 6,717.06	\$ -	\$ 6,717.06
Other Expenses	294,339.20	40,001.05	254,338.15
Capital Improvement:			
Capital Outlay	26,933.10		26,933.10
Statutory Expenditures:			
Contribution to:			
Social Security System (O.A.S.I.)	<u>2,761.89</u>	<u>-</u>	<u>2,761.89</u>
	<u>\$ 330,751.25</u>	<u>\$ 40,001.05</u>	<u>\$ 290,750.20</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, 2012	D	\$ 23,888.09
Increased by :		
Charges 2013 Budget Appropriations	D-4	<u>110,028.52</u>
		133,916.61
Decreased by :		
Paid in 2013	D-5	<u>23,888.09</u>
Balance December 31, 2013	D	<u>\$ 110,028.52</u>

BOROUGH OF PEAPACK AND GLADSTONE
SEWER UTILITY FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Received</u> <u>in 2013</u>	<u>Paid</u> <u>in 2013</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Sewer Capital Fund:				
Sewer Operating Fund	\$ 1.46	\$ 10.91	\$ 11.49	\$ 0.88
	<u>\$ 1.46</u>	<u>\$ 10.91</u>	<u>\$ 11.49</u>	<u>\$ 0.88</u>

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, 2012	D	\$ 1,111.69
Increased by :		
Received in 2013	D-7	<u>900.82</u>
		2,012.51
Decreased by :		
Applied to Consumers' Accounts Receivable in 2013	D-9	<u>1,111.69</u>
Balance December 31, 2013	D	<u>\$ 900.82</u>

SCHEDULE OF ACCRUED INTEREST ON BONDS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 15,456.25
Increased by :		
2013 Budget Appropriation	D-4	<u>11,056.25</u>
		26,512.50
Decreased by :		
Interest Paid in 2013	D-5	<u>21,112.50</u>
Balance December 31, 2013	D	<u>\$ 5,400.00</u>

D-21

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

NOT APPLICABLE

D-22

SCHEDULE OF ACCRUED INTEREST ON NOTES

NOT APPLICABLE

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

Number	Improvement Description	Date	Amount	Balance Dec. 31, 2012		Expended	Balance Dec. 31, 2013	
				Funded	Unfunded		Funded	Unfunded
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>\$ 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, 2012	D	<u>\$ 31,486.27</u>
Balance December 31, 2013	D	<u>\$ 31,486.27</u>

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, 2012	D	<u>\$ 38,359.57</u>	<u>\$ 29,359.57</u>	<u>\$ 9,000.00</u>
Balance December 31, 2013	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, 2012	D	\$ 7,709,956.81
Increased by :		
Budget Additions to Fixed Capital	D-12	\$ 19,262.00
Serial Bonds Paid by Operating Budget	D-29	<u>275,000.00</u>
		<u>294,262.00</u>
Balance December 31, 2013	D	<u>\$ 8,004,218.81</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</u>	
			<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</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>Date</u>	<u>Original Issue Amount</u>	<u>Date</u>	<u>Annual Maturity of Bonds Outstanding Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>Balance</u>	
						<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Refunding Bonds	11/1/02	\$ 2,845,000.00	7/1/14	\$ 270,000.00	4.000%	\$ 545,000.00	\$ 270,000.00
						\$ 545,000.00	\$ 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

E-4

PUBLIC ASSISTANCE FUND
SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES - 2013

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, 2013 and December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated June 5, 2014. 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

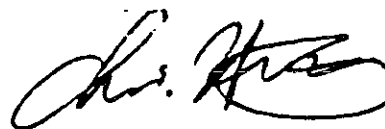
As part of obtaining reasonable assurance about whether the Borough of Peapack Gladstone's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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
June 5, 2014

**BOROUGH OF PEAPACK AND GLADSTONE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal Funding Department	CFDA No.	Federal Grant (Award) Number	Grant Award Amount	Total Grant Period From To	Amount of Receipts		Accounts Receivable Dec. 31, 2013	Amount of Expenditures		Unexpended Balance Dec. 31, 2013
					Prior Year	Current Year		Prior Year	Current Year (1)	
Homeland Security			\$ 1,147.24	2011	\$ 1,147.24	\$ -	\$ -	\$ 677.99	\$ 447.00	\$ 22.25
					\$ 1,147.24	\$ -	\$ -	\$ 677.99	\$ 447.00	\$ 22.25

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

BOROUGH OF PEAPACK AND GLADSTONE

NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013

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, 2013**

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:

Road Improvement

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:

Fire Fighters Equipment,

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

Police Vehicle, Rock Salt, DPW Equipment, Road Guiderails, Ball Field Maintenance and Municipal Parking Lot Paving

COLLECTIONS OF INTERERST 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 3, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer charges:

Resolution No. 4-13

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, 2013.

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, 2013.

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. 5-13

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. 16-13

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, 2013 are all 2013 taxes.

The last tax sale was held November 7, 2013 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>
2013	0
2012	0
2011	0
2010	0
2009	0
2008	0
2007	0
2006	0
2005	0
2004	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 2014 Taxes	25
Payments of 2013 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, 2013, 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

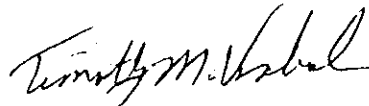
Status of prior years' Audit Findings/Recommendations:

Not Applicable

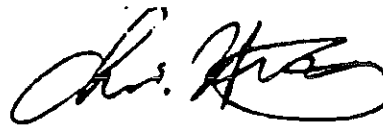
Should any questions arise as to our comments please do not hesitate to call us.

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

June 5, 2014