

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Peapack and  
Gladstone*

*in the*

*County of Somerset  
New Jersey*

*for the*

*Year Ended  
December 31, 2022*



BOROUGH OF PEAPACK AND GLADSTONE

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BOROUGH OF PEAPACK AND GLADSTONE

PART I

INDEPENDENT AUDITOR'S REPORT ON  
AUDIT OF FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES AND DATA

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2022 AND 2021



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Peapack and Gladstone  
County of Somerset  
Peapack, New Jersey 07977

### ***Report on the Audit of the Financial Statements***

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Peapack and Gladstone (the "Borough"), as of and for the years ended December 31, 2022, the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2022, or the results of its operations and changes in fund balance for the year then ended or the revenues or expenditures for the year ended December 31, 2022.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2022 and 2021, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.



# SUPLEE, CLOONEY & COMPANY

## ***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

## ***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles 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.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the regulatory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## SUPLEE, CLOONEY & COMPANY

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

# SUPLEE, CLOONEY & COMPANY

## ***Prior Period Financial Statements***

The financial statements of the Borough as of December 31, 2021, were audited by other auditors whose report dated July 7, 2022, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an unmodified opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2023 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



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CERTIFIED PUBLIC ACCOUNTANTS



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REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 31, 2023



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

**INDEPENDENT AUDITOR'S 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**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Peapack and Gladstone  
County of Somerset  
Peapack, New Jersey 07977

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Peapack and Gladstone, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 31, 2023. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Peapack and Gladstone prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

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

## SUPLEE, CLOONEY & COMPANY

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

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, there were immaterial instances of noncompliance which are discussed in Part II, General Comments and Recommendations section of the Audit Report.

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

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

August 31, 2023

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CURRENT FUND

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 4,215,897.00	\$ 3,784,259.61
Cash - Change Funds	A-5	150.00	150.00
Cash- Petty Cash	A-6		125.00
Due From State of New Jersey Senior Citizens Deductions	A-9	3,231.22	2,981.22
		<u>\$ 4,219,278.22</u>	<u>\$ 3,787,515.83</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 199,824.79	\$ 189,993.24
Tax Title Liens	A-11	18,706.92	13,949.53
Property Acquired for Taxes at Assessed Valuation	A-10	139,900.00	139,900.00
Revenue Accounts Receivable	A-12	6,702.22	9,979.21
Due from State of New Jersey- Marriage License Fees	A-27		465.00
Interfunds Receivable	A-7	1,663.95	28,590.79
	A	<u>\$ 366,797.88</u>	<u>\$ 382,877.77</u>
		<u>\$ 4,586,076.10</u>	<u>\$ 4,170,393.60</u>
Grants:			
Grants Receivable	A-24	\$ 55,986.68	\$ 252,267.09
Due Current Fund	A-23	399,087.98	85,664.86
		<u>\$ 455,074.66</u>	<u>\$ 337,931.95</u>
		<u>\$ 5,041,150.76</u>	<u>\$ 4,508,325.55</u>

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



BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 663,834.24	\$ 807,974.35
Interfunds	A-7	636,634.46	312,575.78
Prepaid Taxes	A-15	117,779.91	106,065.36
Encumbrances/ Accounts Payable	A-18	275,263.87	332,344.85
Tax Overpayments	A-14	13,727.49	32,502.04
Regional School Taxes Payable	A-17	84,771.14	1,263.14
Reserve for Redemption of Outside Liens	A-19	24,047.17	
Reserve for Master Plan	A-20	5,087.16	5,087.16
Reserve for Prepaid Revenue- Municipal Relief Aid	A-21	13,096.20	
		<u>\$ 1,834,241.64</u>	<u>\$ 1,597,812.68</u>
Reserve for Receivables	A	366,797.88	382,877.77
Fund Balance	A-1	<u>2,385,036.58</u>	<u>2,189,703.15</u>
		<u>\$ 4,586,076.10</u>	<u>\$ 4,170,393.60</u>
Grant Fund:			
Reserve for Grants Appropriated	A-25	\$ 169,928.98	\$ 189,715.90
Grants - Unappropriated	A-26	282,145.68	145,216.05
Encumbrances Payable	A-22	<u>3,000.00</u>	<u>3,000.00</u>
		<u>\$ 455,074.66</u>	<u>\$ 337,931.95</u>
		<u>\$ 5,041,150.76</u>	<u>\$ 4,508,325.55</u>

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

BOROUGH OF PEAPACK AND GLADSTONECURRENT FUNDSTATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2022</u>	<u>YEAR ENDED DECEMBER 31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,750,000.00	\$ 1,850,000.00
Miscellaneous Revenue Anticipated	A-2	629,460.83	776,590.24
Receipts from Delinquent Taxes	A-2	188,416.17	115,674.46
Receipts from Current Taxes	A-2	14,394,366.60	13,976,321.84
Non-Budget Revenue	A-2	155,656.71	128,344.71
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	681,688.38	716,563.42
Grant Reserve Canceled	A-25	22,567.08	
Other Receivables Canceled	A-27	465.00	
Canceled Accounts Payable			19,099.04
Interfunds and Other Receivables Returned		26,926.84	190,164.00
<u>Total Income</u>		<u>\$ 17,849,547.61</u>	<u>\$ 17,772,757.71</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Municipal Purposes	A-3	\$ 5,850,686.21	\$ 6,006,420.88
County Taxes	A-16	3,030,214.02	2,959,573.30
Regional School Taxes	A-17	6,753,864.00	6,670,464.00
Municipal Open Space Taxes	A-2	238,033.42	226,971.54
Refund of Prior Year Revenue	A-4	8,004.45	
Grants Receivable Canceled	A-24	22,947.08	
Reserves Canceled		465.00	
Interfunds and Other Receivables Advanced			28,590.79
<u>Total Expenditures</u>		<u>\$ 15,904,214.18</u>	<u>\$ 15,892,020.51</u>
Excess in Revenue		\$ 1,945,333.43	\$ 1,880,737.20
Fund Balance, January 1	A	<u>2,189,703.15</u>	<u>2,158,965.95</u>
		<u>\$ 4,135,036.58</u>	<u>\$ 4,039,703.15</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	<u>1,750,000.00</u>	<u>1,850,000.00</u>
Balance, December 31	A	<u>\$ 2,385,036.58</u>	<u>\$ 2,189,703.15</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	<u>ANTICIPATED</u>		<u>EXCESS OR (DEFICIT)</u>
		<u>BUDGET</u>	<u>REALIZED</u>	
Fund Balance Anticipated	A-1	\$ 1,750,000.00	\$ 1,750,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-12	\$ 12,600.00	\$ 12,500.00	\$ (100.00)
Fees and Permits:				
Other	A-2	36,250.00	40,938.33	4,688.33
Fines and Costs:				
Municipal Court	A-12	75,000.00	86,253.50	11,253.50
Interest and Cost on Taxes	A-12	33,000.00	48,797.51	15,797.51
Interest on Investments and Deposits	A-12	2,400.00	36,014.86	33,614.86
Energy Receipts Tax	A-12	251,059.00	251,059.00	
Uniform Construction Code Fees	A-12	118,000.00	140,386.53	22,386.53
Recycling Tonnage Program	A-24	2,519.99	2,519.99	
Body Armor Replacement Fund	A-24	826.82	826.82	
Clean Communities Program	A-24	7,524.29	7,524.29	
Drive Sober or Get Pulled Over	A-24	720.00	720.00	
Somerset County Distracted Driving	A-24	1,920.00	1,920.00	
	A-1	\$ 541,820.10	\$ 629,460.83	\$ 87,640.73
Receipts from Delinquent Taxes	A-1:A-8	\$ 100,000.00	\$ 188,416.17	\$ 88,416.17
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-8	\$ 4,439,858.00	\$ 5,352,255.16	\$ 912,397.16
<u>Budget Totals</u>		\$ 6,831,678.10	\$ 7,920,132.16	\$ 1,088,454.06
Non-Budget Revenues	A-2		155,656.71	155,656.71
		\$ 6,831,678.10	\$ 8,075,788.87	\$ 1,244,110.77
	<u>REF.</u>	A-3		

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-8	\$	14,394,366.60
Allocated to:			
Regional School Taxes	A-4:A-8	\$	6,753,864.00
County Taxes	A-4:A-8		3,030,214.02
Municipal Open Space Taxes	A-4:A-8		238,033.42
	A-8		<u>10,022,111.44</u>
Support of Municipal Budget Appropriations		\$	4,372,255.16
Add: Appropriation Reserve for Uncollected Taxes	A-3		<u>980,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>5,352,255.16</u></u>
Fees and Permits - Other:			
Clerk	A-12	\$	1,043.00
Board of Health	A-12		7,415.00
Registrar	A-12		2,606.00
Fire	A-12		10,930.00
Police	A-12		634.33
Zoning	A-12		7,150.00
Engineering	A-12		3,600.00
Land Use	A-12		7,450.00
Tax Assessor	A-12		<u>110.00</u>
	A-2	\$	<u><u>40,938.33</u></u>

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Senior Citizens and Veterans Administration Fee		\$ 220.00
Miscellaneous		1,054.61
FEMA Reimbursements		43,294.21
Police Outside Overtime Administrative Fees		58,420.50
Homestead Rebate Mailing		42.60
Somerset County Library System		3,718.00
Recycling		820.00
Comcast TV		14,536.77
Verizon TV		24,026.91
PILOT		7,850.00
Miscellaneous Taxes		20.00
	A-4	\$ 154,003.60
Add: Excess Animal Control Expenditures	A-7	1,653.11
	A-1:A-2	\$ 155,656.71

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

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET		PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration:						
Salaries and Wages	\$ 89,640.00	\$ 84,140.00	\$ 84,140.00	\$ 74,901.72	\$ 9,238.28	\$
Other Expenses	127,000.00	105,500.00	105,500.00	68,161.44	37,338.56	
Mayor and Council:						
Salaries and Wages	15,500.00	15,500.00	15,500.00	15,500.00		
Other Expenses	31,000.00	31,000.00	31,000.00	5,685.97	25,314.03	
Municipal Clerk:						
Salaries and Wages	139,110.00	116,210.00	116,210.00	103,258.19	12,951.81	
Other Expenses	49,550.00	49,550.00	49,550.00	30,172.77	19,377.23	
Financial Administration:						
Other Expenses	78,200.00	78,200.00	78,200.00	77,970.06	229.94	
Annual Audit:						
Other Expenses	25,000.00	25,000.00	25,000.00	23,407.50	1,592.50	
Computer Information Technology:						
Other Expenses	48,800.00	48,800.00	48,800.00	47,333.39	1,466.61	
Revenue Administration:						
Other Expenses	58,600.00	58,600.00	58,600.00	57,707.24	892.76	
Assessment of Taxes:						
Salaries and Wages	40,400.00	40,400.00	40,400.00	37,801.08	2,598.92	
Other Expenses	11,625.00	11,625.00	11,625.00	5,928.52	5,696.48	
Legal Services and Costs:						
Other Expenses	142,500.00	142,500.00	142,500.00	70,180.13	72,319.87	
Engineering Services:						
Other Expenses	18,000.00	18,000.00	18,000.00	13,211.85	4,788.15	
Cultural Heritage:						
Other Expenses	1,500.00	1,500.00	1,500.00	1,155.37	344.63	
Municipal Land Use Law (N.J.S.A.40:550-1)						
Land Use Board:						
Salaries and Wages	9,700.00	9,700.00	9,700.00	7,830.59	1,869.41	
Other Expenses	19,900.00	19,900.00	19,900.00	2,557.48	17,342.52	
Zoning Costs						
Salaries and Wages	22,440.00	22,440.00	22,440.00	14,819.11	7,620.89	
Insurance:						
General Liability	96,700.00	96,700.00	96,700.00	94,170.23	2,529.77	
Worker's Compensation Insurance	33,000.00	33,000.00	33,000.00	31,971.74	1,028.26	
Employee Group Health	475,000.00	475,000.00	475,000.00	353,209.08	121,790.92	
Health Benefit Waiver	18,000.00	18,000.00	18,000.00	13,983.23	4,016.77	

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

BOROUGH OF PEAPACK-GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>						
<b>PUBLIC SAFETY:</b>						
Police Department:						
Salaries and Wages	\$ 937,080.00	\$	937,080.00	\$ 908,447.67	\$ 28,632.33	\$
Other Expenses	125,700.00		136,800.00	135,995.19	804.81	
Emergency Management Services:						
Salaries and Wages	1,600.00		1,700.00	1,599.88	100.12	
Other Expenses	8,705.00		8,705.00	2,029.00	6,676.00	
Fire:						
Salaries and Wages	2,500.00		2,700.00	2,690.12	9.88	
Other Expenses	161,600.00		161,600.00	152,694.61	8,905.39	
Aid to Volunteer Ambulance Company:						
Other Expenses	60,000.00		60,000.00	60,000.00		
Fire Safety Official:						
Salaries and Wages	11,440.00		11,440.00	8,431.86	3,008.14	
Other Expenses	2,975.00		2,975.00	1,228.75	1,746.25	
Fire Hydrant Services	91,000.00		92,000.00	75,754.76	16,245.24	
<b>PUBLIC WORKS:</b>						
Road Repair and Maintenance:						
Salaries and Wages	166,350.00		166,350.00	144,942.32	21,407.68	
Other Expenses	136,400.00		136,400.00	128,847.56	7,552.44	
Shade Tree Commission:						
Other Expenses	3,900.00		3,900.00	3,900.00		
Garbage and Trash Removal:						
Other Expenses	120,000.00		140,000.00	132,344.39	7,655.61	
Public Buildings and Grounds:						
Salaries and Wages	229,930.00		229,930.00	207,374.66	22,555.34	
Other Expenses	177,850.00		177,850.00	152,036.21	25,813.79	
Vehicle Maintenance:						
Other Expenses	50,000.00		50,000.00	47,949.71	2,050.29	
<b>HEALTH AND WELFARE</b>						
Board of Health:						
Salaries and Wages	1,220.00		1,720.00	1,647.58	72.42	
Other Expenses	29,670.00		29,670.00	28,888.79	781.21	
Environmental Commission:						
Other Expenses	8,925.00		8,925.00	8,774.88	150.12	
Animal Control Services:						
Other Expenses	6,900.00		6,900.00	6,625.88	274.12	
<b>PARKS AND RECREATION:</b>						
Recreation Services and Programs:						
Salaries and Wages	34,190.00		34,190.00	33,089.86	1,100.14	

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

BOROUGH OF PEAPACK-GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>						
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	\$ 34,000.00	\$	34,000.00	\$ 27,787.94	\$ 6,212.06	\$
Street Lighting	24,000.00		24,000.00	19,926.77	4,073.23	
Telephone	19,000.00		20,000.00	17,844.96	2,155.04	
Water	5,800.00		7,800.00	6,643.46	1,156.54	
Gas (Natural or Propane)	28,000.00		28,000.00	23,065.01	4,934.99	
Gasoline	45,000.00		56,000.00	49,894.81	6,105.19	
Waste Disposal Other Expenses	80,000.00		80,000.00	39,659.11	40,340.89	
<b>STATE UNIFORM CONSTRUCTION CODE:</b>						
Construction Official:						
Salaries and Wages	90,760.00		90,760.00	79,595.37	11,164.63	
Other Expenses	14,950.00		14,950.00	2,583.89	12,366.11	
<b>ACCUMULATED LEAVE COMPENSATION:</b>						
Salaries and Wages	35,000.00		35,000.00	35,000.00		
<b>TOTAL OPERATIONS WITHIN "CAPS":</b>	<b>\$ 4,295,610.00</b>	<b>\$</b>	<b>4,292,610.00</b>	<b>\$ 3,698,211.69</b>	<b>\$ 594,398.31</b>	<b>\$</b>
Contingent	2,000.00		2,000.00		2,000.00	
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS":</b>	<b>\$ 4,297,610.00</b>	<b>\$</b>	<b>4,294,610.00</b>	<b>\$ 3,698,211.69</b>	<b>\$ 596,398.31</b>	<b>\$</b>
Salaries and Wages	1,826,860.00		1,799,260.00	1,676,930.01	122,329.99	
Other Expenses	2,470,750.00		2,495,350.00	2,021,281.68	474,068.32	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":</b>						
Statutory Expenditures:						
Contribution To:						
Public Employment Retirement System of New Jersey	\$ 63,854.00	\$	63,854.00	\$ 63,854.00	\$	\$
Social Security System (O.A.S.I.)	150,000.00		150,000.00	132,717.74	17,282.26	
Police & Firemen's Retirement System of New Jersey	233,203.00		233,203.00	233,203.00		
Unemployment Compensation Insurance	2,000.00		2,000.00	2,000.00		
Defined Contribution Retirement Plan (DCRP)	2,000.00		2,000.00	1,310.96	689.04	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":</b>	<b>\$ 451,057.00</b>	<b>\$</b>	<b>451,057.00</b>	<b>\$ 433,085.70</b>	<b>\$ 17,971.30</b>	<b>\$</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS":</b>	<b>\$ 4,748,667.00</b>	<b>\$</b>	<b>4,745,667.00</b>	<b>\$ 4,131,297.39</b>	<b>\$ 614,369.61</b>	<b>\$</b>

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



BOROUGH OF PEAPACK-GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Recycling Tax	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 2,419.41	\$ 2,080.59	\$
Length of Service Award (LOSAP)						
Fire Department	32,000.00	32,000.00	32,000.00		32,000.00	
First Aid Squad	15,000.00	15,000.00	15,000.00		15,000.00	
Shared Service Agreement: Municipal Court:						
Other Expenses - Contractual	142,000.00	145,000.00	145,000.00	144,615.96	384.04	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 193,500.00	\$ 196,500.00	\$ 196,500.00	\$ 147,035.37	\$ 49,464.63	\$
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Clean Communities Program	7,524.29	7,524.29	7,524.29	7,524.29		\$
Somerset County Distracted Driving Grant	1,920.00	1,920.00	1,920.00	1,920.00		
Body Armor Replacement Fund	826.82	826.82	826.82	826.82		
Somerset County Drive Sober or Get Pulled Over Grant	720.00	720.00	720.00	720.00		
Recycling Tonnage Grant	2,519.99	2,519.99	2,519.99	2,519.99		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	\$ 13,511.10	\$ 13,511.10	\$ 13,511.10	\$ 13,511.10	\$	\$
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 207,011.10	\$ 210,011.10	\$ 210,011.10	\$ 160,546.47	\$ 49,464.63	\$
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	500,000.00	500,000.00	500,000.00	500,000.00		\$
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	360,000.00	360,000.00	360,000.00	359,050.00		\$ 950.00
Interest on Bonds	36,000.00	36,000.00	36,000.00	35,958.11		41.89
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 396,000.00	\$ 396,000.00	\$ 396,000.00	\$ 395,008.11	\$	\$ 991.89
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 1,103,011.10	\$ 1,106,011.10	\$ 1,106,011.10	\$ 1,055,554.58	\$ 49,464.63	\$ 991.89

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

BOROUGH OF PEAPACK-GLADSTONE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
OPERATIONS EXCLUDED FROM "CAPS" (Continued)					
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 5,851,678.10	\$ 5,851,678.10	\$ 5,186,851.97	\$ 663,834.24	\$ 991.89
RESERVE FOR UNCOLLECTED TAXES	980,000.00	980,000.00	980,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 6,831,678.10</u>	<u>\$ 6,831,678.10</u>	<u>\$ 6,166,851.97</u>	<u>\$ 663,834.24</u>	<u>\$ 991.89</u>
REF.	A-2	A-3	A-1	A-A-1	
Reserve for Uncollected Taxes			\$ 980,000.00		
Reserve for Grants Appropriated			13,511.10		
Disbursements			4,958,299.94		
Encumbrances Payable			215,040.93		
			<u>\$ 6,166,851.97</u>		

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

TRUST FUND

"B"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
Animal Control Fund:			
Cash	B:B-1	\$ <u>10,544.40</u>	\$ <u>2,572.50</u>
Other Funds:			
Cash	B:B-1	\$ 3,412,554.25	\$ 3,820,488.93
Due Current Fund	B-2	<u>237,546.48</u>	<u>226,910.92</u>
	B	\$ <u>3,650,100.73</u>	\$ <u>4,047,399.85</u>
		\$ <u>3,660,645.13</u>	\$ <u>4,049,972.35</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-2	\$ 1,653.20	\$ 0.02
Reserve for Animal Control Expenditures	B-4	<u>8,891.20</u>	<u>2,572.48</u>
	B	\$ <u>10,544.40</u>	\$ <u>2,572.50</u>
Other Funds:			
Due Current Fund	B-2	\$	\$ 28,573.14
Due Payroll Account	B-17		3,210.00
Reserves For:			
Accounts Payable	B-16	27,818.19	
Various Trust Deposits	B-3	595,316.33	491,254.29
Recreation Deposits	B-6	85,582.68	108,959.86
Open Space Deposits	B-7	1,499,260.13	2,050,692.06
State Unemployment Insurance	B-8	52,087.32	46,158.73
Payroll Deductions Payable	B-9	22,680.88	
Flex Spending Payable	B-10	1,692.26	1,692.26
Police Forfeited Funds	B-11	2,666.83	2,665.91
Fire Prevention	B-12	2,093.05	1,343.05
Housing Rehabilitation	B-13	680,194.29	680,577.70
Council on Affordable Housing	B-14	489,731.88	458,968.68
Developers Escrow	B-15	<u>190,976.89</u>	<u>173,304.17</u>
	B	\$ <u>3,650,100.73</u>	\$ <u>4,047,399.85</u>
		\$ <u>3,660,645.13</u>	\$ <u>4,049,972.35</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>A S S E T S</u>			
Cash	C-2:C-3	\$ 1,206,925.86	\$ 1,865,997.63
Deferred Charges to Future Taxation:			
Funded	C-4	2,210,000.00	2,691,000.00
Unfunded	C-5	238,000.00	238,000.00
Grants Receivable	C-7	<u>166,450.75</u>	<u>166,450.75</u>
		<u>\$ 3,821,376.61</u>	<u>\$ 4,961,448.38</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 2,210,000.00	\$ 2,691,000.00
Due Current Fund	C-11	10.75	
Capital Improvement Fund	C-6:C-9	91,107.08	358,417.79
Improvement Authorizations:			
Funded	C-9	522,889.12	879,833.91
Unfunded	C-5:C-9	207,333.06	207,333.06
Contracts Payable	C-8	755,638.85	790,448.50
Fund Balance	C-1	<u>34,397.75</u>	<u>34,397.75</u>
		<u>\$ 3,821,376.61</u>	<u>\$ 4,961,431.01</u>

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

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

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	C	\$ <u>34,397.75</u>

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

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SEWER UTILITY FUND

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>OPERATING FUND:</u>			
Cash	D-5	\$ 994,204.06	\$ 1,154,354.37
Due Sewer Utility Capital Fund	D-11	<u>6.04</u>	<u>104.94</u>
		<u>\$ 994,210.10</u>	<u>\$ 1,154,459.31</u>
Receivables with Full Reserves:			
Sewer Charges Receivable	D-7	<u>\$ 66,808.42</u>	<u>\$ 49,406.94</u>
	D	<u>\$ 66,808.42</u>	<u>\$ 49,406.94</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 1,061,018.52</u>	<u>\$ 1,203,866.25</u>
<u>CAPITAL FUND - REGULAR:</u>			
Cash	D-5:D-6	\$ 749,038.82	\$ 989,698.65
Fixed Capital	D-20	8,384,348.85	8,384,348.85
Fixed Capital Authorized and Uncompleted	D-19	338,000.00	338,000.00
Deferred Charges- Expenditure without an Ordinance	D-23	<u>16,267.50</u>	<u>16,267.50</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 9,487,655.17</u>	<u>\$ 9,728,315.00</u>
	D	<u>\$ 10,548,673.69</u>	<u>\$ 10,932,181.25</u>

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

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Appropriation Reserves	D-4:D-15	\$ 144,778.67	\$ 15,456.35
Encumbrances Payable	D-14	36,897.06	41,336.56
Sewer Overpayments	D-8	2,675.58	1,143.26
		<u>\$ 184,351.31</u>	<u>\$ 57,936.17</u>
Reserve for Receivables	D	66,808.42	49,406.94
Fund Balance	D-1	<u>809,858.79</u>	<u>1,096,523.14</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 1,061,018.52</u>	<u>\$ 1,203,866.25</u>
<u>CAPITAL FUND - REGULAR:</u>			
Liabilities:			
Due Sewer Utility Operating Fund	D-12	\$ 6.04	\$ 104.94
Capital Improvement Fund	D-17	665,168.27	736,486.27
Improvement Authorizations:			
Funded	D-16	12,861.13	186,261.06
Contracts Payable	D-13	4,157.00	
Reserve for Various Expenditures	D-18	63,359.57	63,359.57
Reserve for Amortization	D-22	8,384,348.85	8,384,348.85
Deferred Reserve for Amortization	D-21	338,000.00	338,000.00
		<u>\$ 9,467,900.86</u>	<u>\$ 9,708,560.69</u>
Fund Balance	D-2	<u>19,754.31</u>	<u>19,754.31</u>
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 9,487,655.17</u>	<u>\$ 9,728,315.00</u>
	D	<u>\$ 10,548,673.69</u>	<u>\$ 10,932,181.25</u>

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

BOROUGH OF PEAPACK AND GLADSTONESEWER UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE DECEMBER 31, 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	D-1:D-3	\$ 340,000.00	\$ 150,000.00
Sewer Use Charges	D-3	1,145,910.80	1,110,344.20
Miscellaneous Revenue Anticipated	D-3:D-5	13,677.85	
Miscellaneous Revenue Not Anticipated			74,664.63
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	<u>4,659.50</u>	<u>97,091.67</u>
<u>TOTAL INCOME</u>		<u>\$ 1,504,248.15</u>	<u>\$ 1,432,100.50</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 1,401,170.00	\$ 1,206,430.00
Deferred Charges and Statutory Expenditures	D-4	46,927.00	51,503.41
Refund of Prior Year Revenue	D-5	<u>2,815.50</u>	
<u>TOTAL EXPENDITURES</u>		<u>\$ 1,450,912.50</u>	<u>\$ 1,257,933.41</u>
Excess in Revenue		\$ 53,335.65	\$ 174,167.09
Balance, January 1	D	<u>1,096,523.14</u>	<u>1,072,356.05</u>
		<u>\$ 1,149,858.79</u>	<u>\$ 1,246,523.14</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	<u>340,000.00</u>	<u>150,000.00</u>
Fund Balance, December 31	D	<u>\$ 809,858.79</u>	<u>\$ 1,096,523.14</u>

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

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

REF.

Balance, December 31, 2021  
and December 31, 2022

D

\$ 19,754.31

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

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D-1	\$ 340,000.00	\$ 340,000.00	\$
Sewer Use Charges	D-1:D-7	1,101,020.00	1,145,910.80	44,890.80
Miscellaneous	D-1:D-5	<u>7,077.00</u>	<u>13,677.85</u>	<u>6,600.85</u>
<b>BUDGET TOTALS</b>		<b>\$ <u>1,448,097.00</u></b>	<b>\$ <u>1,499,588.65</u></b>	<b>\$ <u>51,491.65</u></b>

ANALYSIS OF MISCELLANEOUS REVENUE:

Miscellaneous:				
Interest on Sewer Charges			\$ 4,741.97	
Interest on Investments and Deposits			8,915.88	
Miscellaneous			<u>20.00</u>	
	D-1:D-3:D-5		<u>\$ 13,677.85</u>	

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

BOROUGH OF PEAPACK AND GLADSTONE  
SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

	APPROPRIATIONS		EXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
OPERATING:				
Salaries and Wages	\$ 165,220.00	\$ 165,220.00	\$ 146,964.09	\$ 18,255.91
Other Expenses	1,235,950.00	1,235,950.00	1,112,886.93	123,063.07
<u>TOTAL OPERATING</u>	<u>\$ 1,401,170.00</u>	<u>\$ 1,401,170.00</u>	<u>\$ 1,259,851.02</u>	<u>\$ 141,318.98</u>
STATUTORY EXPENDITURES:				
Statutory Expenditures:				
Public Employees Retirement System	\$ 31,927.00	\$ 31,927.00	\$ 31,927.00	\$
Social Security	15,000.00	15,000.00	11,540.31	3,459.69
<u>TOTAL STATUTORY EXPENDITURES</u>	<u>\$ 46,927.00</u>	<u>\$ 46,927.00</u>	<u>\$ 43,467.31</u>	<u>\$ 3,459.69</u>
	<u>\$ 1,448,097.00</u>	<u>\$ 1,448,097.00</u>	<u>\$ 1,303,318.33</u>	<u>\$ 144,778.67</u>
	<u>REF.</u>	D-3	D-1	D:D-1
Disbursements	D-5		\$ 1,266,421.27	
Encumbrances Payable	D-14		36,897.06	
			<u>\$ 1,303,318.33</u>	

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

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PUBLIC ASSISTANCE FUND

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BOEOUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND

BALANCE SHEETS - REGULATORY BASIS

			BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
	<u>ASSETS</u>	<u>REF.</u>		
Cash		E-1	\$ <u>3,446.91</u>	\$ <u>3,446.57</u>
	<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance			\$ <u>3,446.91</u>	\$ <u>3,446.57</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF PEAPACK AND GLADSTONE

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
FIXED ASSETS		
Land and Improvements	\$ 5,630,235.00	\$ 5,630,235.00
Buildings	1,347,855.00	1,347,855.00
Machinery and Equipment	<u>4,893,972.59</u>	<u>4,518,764.88</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 11,872,062.59</u>	<u>\$ 11,496,854.88</u>
RESERVE		
Investments in General Fixed Assets	<u>\$ 11,872,062.59</u>	<u>\$ 11,496,854.88</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  
YEAR ENDED DECEMBER 31, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by a separate board.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types. The accounting policies of the Borough of Peapack and Gladstone conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 financial transactions and accounts of the Borough of Peapack and Gladstone are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

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

Trust Fund – receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

General Capital Fund – receipt and disbursement of funds for the 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 municipally-owned sewer utility.

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

General Fixed Assets Account Group – utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough 's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough 's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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 and constitute part of the Borough 's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough 's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General 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 capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Sewer Utility

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. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement no. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions, which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Peapack and Gladstone had the following cash and cash equivalents at December 31, 2022:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$150.00	\$4,304,848.22		\$88,951.22	\$4,216,047.00
Animal Contol Fund		10,544.40			10,544.40
Trust Other Fund		3,421,144.34	\$461.70	9,051.79	3,412,554.25
General Capital Fund		1,337,683.25		130,757.39	1,206,925.86
Sewer Operating Fund		999,709.08	328.69	5,833.71	994,204.06
Sewer Capital Fund		749,038.82			749,038.82
Public Assistance Fund		3,446.91			3,446.91
	<u>\$150.00</u>	<u>\$10,826,415.02</u>	<u>\$790.39</u>	<u>\$234,594.11</u>	<u>\$10,592,761.30</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2022, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$250,00.00 was covered by Federal Depository Insurance and \$7,574,700.10 was covered by NJ GUDPA and \$3,001,714.92 is invested in New Jersey Cash Management and is uninsured and uncollaterized. The Borough has no foreign currency risk exposure.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

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;
  - 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. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough has investments in State of New Jersey Cash Management in the amount of \$2,498,544.04.

The Borough of Peapack and Gladstone's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.318%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 13,369,000.00	\$ 13,369,000.00	\$
General Debt	<u>2,448,000.00</u>	<u></u>	<u>2,448,000.00</u>
	<u>\$ 15,817,000.00</u>	<u>\$ 13,369,000.00</u>	<u>\$ 2,448,000.00</u>

Net debt of \$2,448,000.00 divided by equalized valuation basis per N.J.S. 40A:2-2, as amended, of \$770,827,130.67 equals 0.318%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2022</u>	<u>YEAR 2021</u>	<u>YEAR 2020</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ <u>2,210,000.00</u>	\$ <u>2,691,000.00</u>	\$ <u>3,150,000.00</u>
Net Debt Issued	\$ <u>2,210,000.00</u>	\$ <u>2,691,000.00</u>	\$ <u>3,150,000.00</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>238,000.00</u>	\$ <u>238,000.00</u>	\$ <u>238,000.00</u>
Total Authorized But Not Issued	\$ <u>238,000.00</u>	\$ <u>238,000.00</u>	\$ <u>238,000.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	\$ <u><u>2,448,000.00</u></u>	\$ <u><u>2,929,000.00</u></u>	\$ <u><u>3,388,000.00</u></u>

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2022	\$ <u><u>770,827,130.67</u></u>
3-1/2 of Equalized Valuation Basis (Municipal)	\$ 26,978,949.57
Net Debt	<u>2,448,000.00</u>
Remaining Borrowing Power	\$ <u><u>24,530,949.57</u></u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough of Peapack and Gladstone for the last three (3) preceding years.



NOTE 3: LONG-TERM DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY PER N.J.S. 40A:2-45

Revenue from Fees, Rents, and Other Charges for Year and Fund Balance		\$	1,499,588.65
Deductions:			
Operating and Maintenance Cost	\$	1,401,170.00	
Deferred Charges and Statutory Expenses		<u>46,927.00</u>	
Total Deductions			<u>1,448,097.00</u>
Excess in Revenue - Self Liquidating		\$	<u><u>51,491.65</u></u>

SCHEDULE OF DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AT DECEMBER 31, 2022

CALENDAR YEAR	GENERAL IMPROVEMENTS		TOTAL
	PRINCIPAL	INTEREST	
2023	\$ 493,000.00	\$ 48,180.00	\$ 541,180.00
2024	279,000.00	37,774.00	316,774.00
2025	284,000.00	31,636.00	315,636.00
2026	285,000.00	25,388.00	310,388.00
2027	285,000.00	19,118.00	304,118.00
2028	290,000.00	12,848.00	302,848.00
2029	<u>294,000.00</u>	<u>6,468.00</u>	<u>300,468.00</u>
	\$ <u><u>2,210,000.00</u></u>	\$ <u><u>181,412.00</u></u>	\$ <u><u>2,391,412.00</u></u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

General Serial Bonds:

\$1,400,000.00 General Obligation Bonds of 2015 due in annual installments through 2023 at a 2.00% interest rate	\$ 220,000.00
\$2,882,000.00 General Obligation Refunding Bonds of 2017 due in annual installments through 2029 at variable interest rates	<u>1,990,000.00</u>
	<u>\$2,210,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2023, as introduced were as follows:

Current Fund	\$1,700,000.00
Sewer Utility Fund	\$ 380,000.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Regional School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2021</u>
Prepaid Taxes	<u>\$117,779.91</u>	<u>\$106,065.36</u>

NOTE 6: COMPENSATED ABSENCES

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. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2022.

NOTE 7: PENSIONS PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrprts.shtml](http://www.nj.gov/treasury/pensions/annrprts.shtml).

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2022, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2022, the State contributed an amount less than the actuarially determined amount. During 2022, PFRS provides for employee contributions of 10.00% of employees' base salary.

The Borough 's share of pension, which is based upon the annual billings received from the state, amounted to \$95,781.00 for 2022, \$116,676.00 for 2021 and \$132,219.00 for 2020.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2022

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$1,131,032.00 for the Borough’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough’s proportion of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough’s proportion was 0.0074945599 percent, which was a decrease of 0.0006840447 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$364,895.00 for the Borough’s proportionate share of the total pension expense. The pension expense recognized in the Borough’s financial statements based on the April 1, 2022 billing was \$95,781.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 8,163.00	\$ 7,199.00
Changes of assumptions	3,504.00	169,360.00
Net difference between projected and actual earnings on pension plan investments	46,812.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions		<u>717,237.00</u>
	<u>\$ 58,479.00</u>	<u>\$ 893,796.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$240,466.40)
2024	(192,875.40)
2025	(167,552.40)
2026	(90,859.40)
2027	<u>(143,563.40)</u>
	<u>(\$835,317.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.



NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$1,453,045.00	\$1,131,032.00	\$856,986.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of December 31, 2022 was 0.0075245019%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$2,830.00.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$2,287,090.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Borough's proportion was 0.0208545900 percent, which was an increase of 0.0008451399 percent from its proportion measured as of June 30, 2021.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$21,388.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2022, billing was \$233,203.00.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 108,046.00	\$ 146,242.00
Changes of assumptions	6,542.00	300,487.00
Net difference between projected and actual earnings on pension plan investments	218,587.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>249,567.00</u>	<u>202,066.00</u>
	<u>\$ 582,742.00</u>	<u>\$ 648,795.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2023	\$ (109,892.80)
2024	(66,798.80)
2025	(63,183.80)
2026	161,325.20
2027	10,963.20
Thereafter	<u>1,534.00</u>
	<u>\$ (66,053.00)</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasury's	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough’s proportionate share of the net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Borough’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$3,275,346.00	\$2,387,090.00	\$1,647,614.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.c. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.c. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of December 31, 2022 and 2021 is 0.0208547700% and 0.00200092957% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2022 and 2021 was \$52,890.00 and \$35,732.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2022 and 2021 was \$49,014.00 and \$45,811.00, respectively.

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$424,832.00 and \$411,334.00, respectively.

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$2,387,090.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>424,832.00</u>
	<u>\$2,811,922.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2022, the Borough does not believe that any material liabilities will result from such audits.

NOTE 9: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for the years 2022 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 10: LITIGATION

The Borough is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Borough’s legal counsel would not be material.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough’s expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest &amp; Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 5,444.03	\$ 2,005.05	\$ 1,520.49	\$ 52,087.32
2021	3,035.54		3,780.39	46,158.73
2020	3,061.10		334.75	46,903.58



NOTE 12: LENGTH OF SERVICE AWARDS PROGRAM

The Borough of Peapack and Gladstone adopted an ordinance establishing a Length of Service Awards Program for the members of the Fire Department and First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq. Under this program, each volunteer of the Fire Department and First Aid Squad that performs the minimum amount of service will have an annual amount up to \$1,491.43 deposited into a tax deferred account. The Borough budgeted \$47,000.00 for the program in 2022.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,663.95	\$ 636,634.46
Grant Fund	399,087.98	
Animal Control Fund		1,653.20
Trust Other Fund	237,546.48	
General Capital Fund		10.75
Sewer Utility Operating Fund	6.04	
Sewer Capital Fund		6.04
	<u>\$ 638,304.45</u>	<u>\$ 638,304.45</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 14: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the Variable Annuity Life Insurance Company.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Contributions

The Borough's contributions to SHBP for the years ended June 30, 2021, 2020 and 2019 were \$231,110.75, \$194,879.50, and \$194,879.50 respectively, which equaled the required contributions for each year.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Total Net OPEB Liability

At June 30, 2021, the Plan reported a Liability of \$6,309,823.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021.

At June 30, 2021, the Borough's proportion was 0.035055 percent, which was a decrease of 0.002373 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the State reported OPEB benefit of \$128,016.00. This OPEB benefit was based on the OPEB plans June 30, 2021 measurement date.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$141,585	\$1,320,108
Changes of assumptions	907,687	1,115,335
Net difference between projected and actual earnings on OPEB plan investments	3,017	-
Changes in proportion	<u>594,986</u>	<u>1,521,336</u>
	<u>\$1,647,275</u>	<u>\$3,956,779</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	Amount
<u>June 30,</u>	
2022	(\$562,025)
2023	(562,520)
2024	(562,973)
2025	(454,989)
2026	(230,612)
Total Thereafter	<u>63,615</u>
	<u>(\$2,309,504)</u>

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%
Salary Increases:	
Public Employees Retirement System (PERS):	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS):	
Rate for all future years	3.25% to 15.25%

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using scale MP-2021

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

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1.00% <u>Decrease (1.16%)</u>	At Discount Rate (2.16%)	1.00% <u>Increase (3.16%)</u>
Borough's proportionate share of the Net OPEB Liability	\$7,425,452	\$6,309,823	\$5,425,664

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	<u>1.00% Decrease</u>	Healthcare Cost <u>Trend Rate</u>	<u>1.00% Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$5,264,518	\$6,309,823	\$7,673,818

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2022:

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land and Improvements	\$5,630,235.00			\$5,630,235.00
Buildings	1,347,855.00			1,347,855.00
Machinery and Equipment	4,518,764.88	\$375,207.71		4,893,972.59
	<u>\$11,496,854.88</u>	<u>\$375,207.71</u>	<u>\$-0-</u>	<u>\$11,872,062.59</u>

NOTE 17: DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022 the following deferred charges are shown on the balance sheets of the various funds.

	BALANCE DECEMBER <u>31, 2022</u>	RAISED IN 2023 <u>BUDGET</u>
Sewer Utility Capital: Expenditure without An Ordinance	<u>\$16,267.50</u>	<u>\$16,267.50</u>

NOTE 18: SUBSEQUENT EVENTS

The Borough of Peapack and Gladstone has evaluated subsequent events occurring after the financial statement date through August 31, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that there are no subsequent events needed to be disclosed.



BOROUGH OF PEAPACK AND GLADSTONE  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2022

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2021	A	\$ 3,784,259.61	\$
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 154,003.60	\$
Revenue Accounts Receivable	A-12	615,949.73	
Property Taxes Receivable	A-8	14,451,017.75	
Petty Cash	A-6	250.00	
Tax Overpayments	A-14	8,824.01	
Due State of New Jersey-Sr. Citizens & Veterans Exemptions	A-9	11,000.00	
Prepaid Taxes	A-15	109,528.10	
Reserve for Redemption of Outside Liens	A-19	27,444.71	
Grants Receivable	A-24		179,320.14
Interfunds	A-7	656,185.29	
Due Current Fund	A-23		11,230.94
Reserve for Prepaid Revenue- Municipal Relief Aid	A-21	13,096.20	
Reserve for Grants Unappropriated	A-26		144,953.92
		<u>16,047,299.39</u>	<u>335,505.00</u>
		\$ 19,831,559.00	\$ 335,505.00
Decreased by Disbursements:			
2022 Appropriations	A-3	\$ 4,958,299.94	\$
Appropriation Reserves	A-13	400,746.27	
Tax Overpayments	A-14	2,558.70	
County Taxes	A-16	3,030,214.02	
Regional School Taxes	A-17	6,670,356.00	
Municipal Open Space Taxes	A-2	238,033.42	
Due Current Fund	A-23		324,274.06
Interfunds	A-7	303,926.66	
Reserve for Grants Appropriated	A-25		11,230.94
Refund of Prior Year Revenue	A-1	8,004.45	
Petty Cash	A-6	125.00	
Reserve for Redemption of Outside Liens	A-19	3,397.54	
		<u>15,615,662.00</u>	<u>335,505.00</u>
Balance, December 31, 2022	A	\$ 4,215,897.00	\$

"A-5"

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	A	\$ <u>150.00</u>

"A-6"

SCHEDULE OF PETTY CASH

Balance, December 31, 2021	A	\$ 125.00
Increased by:		
Disbursements	A-4	<u>125.00</u>
		\$ <u>250.00</u>
Decreased by:		
Receipts	A-4	<u>250.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	PAYROLL AND PAYROLL AGENCY	GENERAL CAPITAL FUND	SEWER OPERATING FUND
A	\$ 28,590.79	\$	0.02	\$ 28,573.14	\$ 0.26	\$ 17.37	\$
A	<u>312,575.78</u>	<u>85,664.86</u>		<u>226,910.92</u>			
A-4	656,185.29	324,274.06	9,778.58	314,039.81	0.26	135.06	7,957.52
A-24	22,947.08	22,947.08					
A-25	22,567.08	22,567.08					
A-4	303,926.66	11,230.94	9,778.65	274,831.11		128.44	7,957.52
A-2.2	<u>1,653.11</u>		<u>1,653.11</u>				
A	\$ 1,663.95	\$	1,663.20	\$	\$	\$ 10.75	\$
A	<u>636,634.46</u>	<u>399,087.98</u>		<u>237,546.48</u>			

Balance, December 31, 2021:

Receivable

Payable

Receipts

Canceled Receivables

Canceled Reserves

Disbursements

Excess Animal Control Expenditures

Balance, December 31, 2022:

Receivable

Payable

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2021	2022 LEVY	COLLECTION BY CASH 2021	2022	CANCELED	TRANSFER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	BALANCE DECEMBER 31, 2022
Prior	\$ 189,993.24	\$	\$	188,416.17	\$ 1,577.07	\$	\$	\$
2022		\$ 14,599,461.69	\$ 106,065.36	14,273,851.58	520.91	4,749.39	14,449.66	\$ 199,824.79
	\$ 189,993.24	\$ 14,599,461.69	\$ 106,065.36	14,462,267.75	2,097.98	4,749.39	14,449.66	\$ 199,824.79
	REF. A		A-2;A-15	A-2		A-11	A-2;A-14	A

REF.

Collector-Treasurer  
Due from State of New Jersey Per Chapter 20 P.L. 1971

\$ 14,451,017.75  
11,250.00  
\$ 14,462,267.75

ANALYSIS OF 2022 PROPERTY TAX LEVY

TAX YIELD		
General Purpose Tax:		
General Purpose Tax	\$ 14,430,507.44	
Added Taxes (54:4-63.1 et seq.)	168,954.25	
<u>TOTAL</u>	\$ 14,599,461.69	
TAX LEVY		
Regional School Tax (Abstract)		A-17
County Taxes:	\$ 6,753,864.00	
County Tax (Abstract)		
County Tax Added	32,131.52	
	3,030,214.02	
Local Tax for Municipal Purposes (Abstract)		A-2
Municipal Open Space Tax (Including Added)	4,439,858.00	
Add: Additional Tax Levied	238,033.42	
Local Tax for Municipal Purposes Levied	137,492.25	
	4,815,383.67	
	\$ 14,599,461.69	

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971 -  
SENIOR CITIZENS AND VETERANS EXEMPTIONS

	<u>REF.</u>		
Balance, December 31, 2021 (Due From)	A	\$	2,981.22
Increased by:			
Senior Citizens Deductions Per Tax Billings		\$	750.00
Veterans Deductions Per Tax Billings			10,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>500.00</u>
			11,250.00
		\$	<u>14,231.22</u>
Decreased by:			
Received From State of New Jersey	A-4		<u>11,000.00</u>
Balance, December 31, 2022 (Due From)	A	\$	<u><u>3,231.22</u></u>

CALCULATION OF STATE'S SHARE OF  
2022 SENIOR CITIZENS AND VETERANS DEDUCTION

Senior Citizens and Veterans Deductions: Per Tax Duplicate		\$	10,750.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2022 Taxes			<u>500.00</u>
	A-8	\$	<u><u>11,250.00</u></u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION

	<u>REF.</u>		
Balance, December 31, 2021 and December 31, 2022	A		\$ <u><u>139,900.00</u></u>

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2021	A		\$ 13,949.53
Increased by:			
Transfer From Taxes Receivable	A-8	\$ 4,749.39	
Interest and Costs		<u>8.00</u>	<u>4,757.39</u>
Balance, December 31, 2022	A		\$ <u><u>18,706.92</u></u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>ACCRUED IN 2022</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2022</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	12,500.00	\$ 12,500.00	\$
Fees and Permits	A-2		1,043.00	1,043.00	
Health Officer:					
Fees and Permits	A-2		7,415.00	7,415.00	
Registrar:					
Fees and Permits	A-2		2,606.00	2,606.00	
Fire:					
Fees and Permits	A-2		10,930.00	10,930.00	
Zoning:					
Fees and Permits	A-2		7,150.00	7,150.00	
Engineering:					
Fees and Permits	A-2		3,600.00	3,600.00	
Police:					
Fees and Permits	A-2		634.33	634.33	
Land Use:					
Fees and Permits	A-2		7,450.00	7,450.00	
Tax Assessor:					
Fees and Permits	A-2		110.00	110.00	
Municipal Court:					
Fines and Costs	A-2	9,979.21	82,976.51	86,253.50	6,702.22
Construction Code Official:					
Fees and Permits	A-2		140,386.53	140,386.53	
Interest and Costs on Taxes	A-2		48,797.51	48,797.51	
Interest on Investments and Deposits	A-2		36,014.86	36,014.86	
Energy Receipts Tax	A-2		251,059.00	251,059.00	
		<u>\$ 9,979.21</u>	<u>\$ 612,672.74</u>	<u>\$ 615,949.73</u>	<u>\$ 6,702.22</u>

REF.

A

A-4

A



BOROUGH OF PEAPACK AND GLADSTONE  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2021</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages:				
General Administration	\$ 17,542.14	\$ 17,542.14	\$	\$ 17,542.14
Municipal Clerk	18,444.01	18,444.01		18,444.01
Tax Assessment Administration	3,244.73	3,244.73		3,244.73
Land Use Board	1,023.26	1,023.26		1,023.26
Zoning Cost	1,682.88	1,682.88		1,682.88
Police	2,268.09	2,268.09		2,268.09
Emergency Management Services	0.12	0.12		0.12
Fire	1,000.00	1,000.00		1,000.00
Fire Safety Official	5,385.00	5,385.00		5,385.00
Streets and Road Repairs and Maintenance	739.22	739.22		739.22
Public buildings and Grounds	23,298.15	23,298.15		23,298.15
Board of Health	83.76	83.76		83.76
Recreation Services and Programs	14.50	14.50		14.50
Accumulated Leave Compensation	47,897.60	47,897.60	47,897.60	
Construction Official	32,875.44	32,875.44		32,875.44
Other Expenses:				
General Administration	70,522.98	72,281.82	16,565.57	55,716.25
Mayor and Council	14,332.92	16,908.64	6,874.20	10,034.44
Municipal Clerk	23,747.68	30,905.33	5,809.65	25,095.68
Financial Administration	6,664.05	10,464.05	4,305.00	6,159.05
Audit Services	45.00	45.00		45.00
Computer Information Technology	7,143.05	20,851.05	6,951.00	13,900.05
Revenue Administration ( Tax Collection)	1,208.48	1,433.48	225.00	1,208.48
Tax Assessment Administration	10,472.84	11,304.21	711.37	10,592.84
Legal Services & Costs	80,627.87	80,752.87	30,151.05	50,601.82
Engineering Services and Costs	8,207.85	11,707.85	999.35	10,708.50
Cultural Heritage		1,500.00	1,500.00	
Land Use Board	15,451.48	15,545.63		15,545.63
Group Insurance for Employees	164,375.88	168,830.88	20,962.86	147,868.02
General Liability Insurance	6,310.11	6,665.66	5,465.66	1,200.00
Workers Compensation Insurance	3,811.68	3,811.68		3,811.68
Health Benefit Waiver	6,392.66	6,392.66		6,392.66
Police	336.23	98,798.37	76,902.98	21,895.39
Emergency Management Services	92.47	6,127.64	3,532.14	2,595.50
Aid to Volunteer Ambulance Company		42,244.07	36,475.20	5,768.87
Fire	43,855.15	43,855.15		43,855.15
Fire Safety Official	1,900.00	1,900.00		1,900.00
Fire Hydrant Services	11,710.54	11,710.54	7,543.80	4,166.74
Streets and Road Repairs and Maintenance	8,624.06	54,804.40	31,772.50	23,031.90
Shade Tree Commission		3,600.00	3,600.00	
Garbage and Trash Removal	4,248.61	4,248.61	2,701.01	1,547.60
Buildings and Grounds	4,857.93	75,405.78	61,495.79	13,909.99
Vehicle Maintenance	26,387.03	36,004.52	4,929.34	31,075.18
Board of Health	10.74	10.74		10.74
Environmental Commission	0.25	6,750.00	6,749.75	0.25
Animal Control	6,500.00	6,500.00	6,465.71	34.29
Senior Citizens Center Transportation	4,000.00	4,000.00		4,000.00

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2021</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Construction Code Official	\$ 7,940.60	\$ 9,231.37	\$ 3,465.77	\$ 5,765.60
Electricity	11,315.01	13,397.57	4,553.13	8,844.44
Street Lighting	5,039.23	6,820.49	3,524.12	3,296.37
Telephone	7,450.78	7,450.78	1,418.96	6,031.82
Water	1,115.34	1,115.34	558.08	557.26
Gasoline	5,941.41	6,913.98	5,793.11	1,120.87
Natural Gas	9,740.16	12,234.76	6,762.40	5,472.36
Landfill/ Solid Waste Disposal Cost	19,540.72	19,540.72	8,793.80	10,746.92
Contingent	2,000.00	2,000.00		2,000.00
Contribution to Unemployment Insurance	2,000.00	2,000.00	2,000.00	
Defined Contribution Retirement Fund	673.71	673.71		673.71
Recycling Tax	1,680.03	1,680.03	537.48	1,142.55
Shared Service Agreement- Municipal Court	1,200.92	1,200.92		1,200.92
LOSAP- Fire Department	30,000.00	30,000.00	23,519.84	6,480.16
LOSAP- First Aid Squad	15,000.00	15,000.00	6,917.60	8,082.40
	<u>\$ 807,974.35</u>	<u>\$ 1,140,119.20</u>	<u>\$ 458,430.82</u>	<u>\$ 681,688.38</u>

TOTAL

REF. A:A-13

A-1

Balance, December 31, 2021  
Encumbrances Payable

A:A-13  
A-7

\$ 807,974.35  
332,144.85

\$ 1,140,119.20

Disbursements  
Accounts Payable

A-4  
A-7

\$ 400,746.27  
57,684.55

\$ 458,430.82

"A-14"

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2021	A		\$ 32,502.04
Increased by:			
Overpayments in 2022	A-4		8,824.01
Decreased by:			
Refunded	A-4	\$ 2,558.70	
Applied to Current Taxes Receivable	A-8	14,449.66	
Applied to Prepaid Taxes	A-15	8,251.81	
Accounts Payable	A-18	<u>2,338.39</u>	
			<u>27,598.56</u>
Balance, December 31, 2022	A		<u>\$ 13,727.49</u>

"A-15"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2021	A		\$ 106,065.36
Increased by:			
Collection - 2023 Taxes	A-4	\$ 109,528.10	
Tax Overpayments	A-14	<u>8,251.81</u>	
			<u>117,779.91</u>
			\$ 223,845.27
Decreased by:			
Applied to Taxes Receivable	A-8		<u>106,065.36</u>
Balance, December 31, 2022	A		<u>\$ 117,779.91</u>

"A-16"

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
2022 Tax Levy			
County Tax		\$ 2,416,315.94	
County Open Space Preservation Tax		235,005.93	
County Library Tax		346,760.63	
County Added Taxes		<u>32,131.52</u>	
	A-1:A-8		\$ <u>3,030,214.02</u>
Decreased by:			
Disbursements	A-4		\$ <u>3,030,214.02</u>

"A-17"

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

Balance, December 31, 2021 (Prepaid)	A	\$ 1,263.14
Increased by:		
2022 Levy	A-1:A-8	<u>6,753,864.00</u>
		\$ <u>6,755,127.14</u>
Decreased by:		
Disbursements	A-4	<u>6,670,356.00</u>
Balance, December 31, 2022 (Prepaid)	A	\$ <u><u>84,771.14</u></u>

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES/ACCOUNTS PAYABLE

Balance, December 31, 2021	A		\$	332,344.85
Increased by:				
Transferred from 2022 Appropriations	A-3	\$	215,040.93	
Transferred from Appropriation Reserves	A-13		57,684.55	
Tax Overpayments	A-14		<u>2,338.39</u>	
				275,063.87
			\$	<u>607,408.72</u>
Decreased by:				
Transferred to Appropriation Reserves	A-13			<u>332,144.85</u>
Balance, December 31, 2022	A:A-18		\$	<u><u>275,263.87</u></u>

ANALYSIS OF BALANCE

Encumbrances Payable- 2022 Appropriations		\$	215,040.93
Accounts Payable- Appropriation Reserves			57,684.55
Accounts Payable- Insurance- Claim Restitution			200.00
Accounts Payable- Tax Overpayments			<u>2,338.39</u>
	A-18	\$	<u><u>275,263.87</u></u>

"A-19"

BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ 27,444.71
Decreased by:		
Disbursements	A-4	<u>3,397.54</u>
Balance, December 31, 2022	A	\$ <u><u>24,047.17</u></u>

"A-20"

SCHEDULE OF RESERVE FOR MASTER PLAN

Balance, December 31, 2021 and December 31, 2022	A	\$ <u><u>5,087.16</u></u>
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BOROUGH OF PEAPACK AND GLADSTONE

CURRENT FUND

SCHEDULE OF RESERVE FOR PREPAID REVENUE- MUNICIPAL RELIEF AID

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>13,096.20</u>
Balance, December 31, 2022	A	\$ <u><u>13,096.20</u></u>

"A-22"

BOROUGH OF PEAPACK AND GLADSTONE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	A	\$	3,000.00
Increased by:			
Grants Appropriated	A-25		3,000.00
		\$	<u>6,000.00</u>
Decreased by:			
Grants Appropriated	A-25		<u>3,000.00</u>
Balance, December 31, 2022	A	\$	<u><u>3,000.00</u></u>

"A-23"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2021 (Due From)	A	\$	85,664.86
Increased by:			
Disbursements	A-4	\$	324,274.06
Canceled Receivables	A-24		<u>22,947.08</u>
			<u>347,221.14</u>
		\$	<u>432,886.00</u>
Decreased by:			
Receipts	A-4	\$	11,230.94
Canceled Reserves	A-25		<u>22,567.08</u>
			<u>33,798.02</u>
Balance, December 31, 2022 (Due from)	A	\$	<u><u>399,087.98</u></u>



**BOROUGH OF PEAPACK AND GLADSTONE**

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

PURPOSE	BALANCE DECEMBER 31, 2021	2022 ACCRUED	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2022
Body Armor Replacement Fund	\$ 1,152.08	\$ 826.82	\$ 826.82	\$	\$	\$
Federal Bulletproof Vest Partnership	11,640.00	1,920.00	1,920.00		1,152.08	
Somerset County Distracted Driving		7,524.29		7,524.29	11,640.00	
Clean Communities Program	2,090.00				2,090.00	14,250.00
Somerset County Click It or Ticket	14,250.00					
County Municipal Planning Grant	1,430.00				1,430.00	
Driving While Intoxicated	2,520.00				2,520.00	
Drive Sober or Get Pulled Over	173,333.33		173,333.33			
Assistance to Firefighters Grant	880.00	720.00	720.00		880.00	
Somerset County Drive Sober or Get Pulled Over	3,235.00				3,235.00	
Somerset County DWI grant	7,500.00					7,500.00
NJ Highlands Council Planning	3,000.00					3,000.00
Green Community Forestry Management		2,519.99	2,519.99			
Recycling Tonnage Program	6,500.00					6,500.00
Smart Growth Planning Assistance	7,500.00					7,500.00
Sustainable Jersey	17,236.68					17,236.68
NJ DOT- 2019 Municipal Aid						
	<u>\$ 252,267.09</u>	<u>\$ 13,511.10</u>	<u>\$ 179,320.14</u>	<u>\$ 7,524.29</u>	<u>\$ 22,947.08</u>	<u>\$ 55,986.68</u>
REE.	A	A-2:A-25	A-4	A-26	A-1:A-23	A

BOROUGH OF PEAPACK AND GLADSTONE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2021	TRANSFERRED FROM 2022 BUDGET APPROPRIATIONS	EXPENDED	ENCUMBRANCES PAYABLE	PRIOR ENCUMBRANCES PAYABLE	CANCELED	BALANCE DECEMBER 31, 2022
	\$	\$	\$	\$	\$	\$	\$
Body Armor Replacement Fund- prior years	2,305.64		2,305.64				
Body Armor Replacement Fund- 2017	360.95		360.95				353.45
Body Armor Replacement Fund- 2019	1,227.99		1,227.99				826.82
Body Armor Replacement Fund- 2020	1,255.41		901.96				22.25
Body Armor Replacement Fund- 2022		826.82				1,152.08	2,813.64
Federal Bulletproof Vest Partnership- prior years	1,174.33						235.73
Alcohol Education Rehabilitation Fund- 2015	2,813.64						1,690.38
Alcohol Education Rehabilitation Fund- 2016	235.73						666.83
Alcohol Education Rehabilitation Fund- 2018	579.06		(1,111.32)				1,712.50
Alcohol Education Rehabilitation Fund- 2019	884.12		884.12				1,920.00
Alcohol Education Rehabilitation Fund- 2020	666.83						41.20
Somerset County Distracted Driver	12,632.50						46.00
Somerset County Distracted Driver- 2022		1,920.00				10,920.00	1,597.43
Somerset County DWI Grant	1,430.00						1,870.00
Somerset County Drive Sober or Get Pulled Over	6,296.20	720.00				1,388.80	1,472.16
Drunk Driving Enforcement Fund- 2015	46.00					7,016.20	1,213.24
Domestic Violence Training Program	1,597.43						2,017.96
Somerset County Click it or Ticket	3,960.00						8,536.90
New Jersey Highlands Council Planning Grant	1,472.16					2,090.00	7,252.64
Clean Communities Program- prior years	1,160.49		(52.75)				13,514.00
Clean Communities Program- 2016	7,464.56		5,446.60				7,073.23
Clean Communities Program- 2017	8,536.90						7,524.29
Clean Communities Program- 2018	7,252.64						632.35
Clean Communities Program- 2019	6,936.35						0.45
Clean Communities Program- 2020	7,845.40		(6,577.65)				6,500.00
Clean Communities Program- 2021	7,073.23		7,845.40				6,500.00
Clean Communities Program- 2022		7,524.29					350.00
Private Donations							25,000.00
Governor Connect Municipal Clerk	632.35						1,972.18
Smart Growth Planning Assistance	0.45						916.67
Smart Growth Planning Assistance- Marching Funds	6,500.00						1,944.00
Municipal Alliance Program- Match	350.00						7,916.74
NJ Local Library Aid	25,000.00						2,010.77
NJ Forestry Management	1,972.18						1,853.76
NJ Forestry Management- Match	916.67						400.00
Space Study Grant	1,944.00						400.00
Recycling Tonnage Program- 2019	7,916.74						1,000.00
Recycling Tonnage Program- 2020	2,010.77						15,000.00
Recycling Tonnage Program- 2021							9,686.00
Recycling Tonnage Program- 2022	1,853.76						1,000.00
Green Communities Forestry Management		2,519.99					14,250.00
Green Communities Match	400.00			3,000.00			2,000.00
Somerset County Chief's Association	400.00						523.55
Somerset County Youth Athletic Grant	1,000.00						5.39
Sustainable Jersey Small Grant	15,000.00						5,146.48
Garden Club Somerset Hills	9,686.00						
County Municipal Planning Grant	1,000.00						
County Cross Acceptance Grant	14,250.00						
Help America Vote	2,000.00						
Municipal Stormwater Regulation Program	523.55						
NJ DOT- 2019 Municipal Aid	5,146.48						
	\$ 190,215.90	\$ 13,511.10	\$ 11,230.94	\$ 3,000.00	\$ 3,000.00	\$ 22,567.08	\$ 169,928.98

REF.

A

A-3-A-24

A-4

A-22

A-22

A-1-A-23

A

"A-26"

BOROUGH OF PEAPACK AND GLADSTONE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2021	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2022
Body Armor Replacement Fund	\$ 1,052.44	\$ 983.46	\$	\$ 2,035.90
Clean Communities Program	7,524.29	7,584.54	7,524.29	7,584.54
ARP (American Rescue Plan) Funding	135,912.12	135,912.12		271,824.24
Alcohol Education and Rehabilitation Fund	227.20	473.80		701.00
	<u>\$ 144,716.05</u>	<u>\$ 144,953.92</u>	<u>\$ 7,524.29</u>	<u>\$ 282,145.68</u>
<u>REF.</u>	A	A-4	A-24	A

"A-27"

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY MARRIAGE LICENSES

	<u>REF.</u>	
Balance, December 31, 2021	A	\$ <u>465.00</u>
Decreased by:		
Canceled	A-1	\$ <u>465.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2021	\$ 2,572.50	\$ 3,820,488.93
Increased by Receipts:		
Reserve for Animal Control- Dog Licenses	\$ 11,100.31	\$
Due To State of New Jersey	464.40	
Due Current Fund	0.89	231,121.11
Reserve for:		
Various Trust Deposits		291,001.17
Recreation Deposits		50,605.99
Open Space Deposits		39,399.53
State Unemployment Insurance		7,449.08
Payroll Deductions Payable		840,348.88
Police Forfeited Funds		0.92
Fire Prevention		750.00
Housing Rehabilitation		69.59
Council on Affordable Housing		30,763.20
Developers Escrow Deposits		49,764.44
	<u>11,565.60</u>	<u>1,541,273.91</u>
	\$ 14,138.10	\$ 5,361,762.84
Decreased by Disbursements:		
Due To State of New Jersey	\$ 464.40	\$
Due Current Fund	0.82	32,296.39
Due Payroll Account		3,210.00
Reserves For:		
Various Trust Deposits		181,882.13
Animal Control Expenditures	3,128.48	
Recreation Deposits		70,288.17
Open Space Deposits		815,483.63
State Unemployment Insurance		1,520.49
Payroll Deductions Payable		817,668.00
Housing Rehabilitation		453.00
Developers Escrow Deposits		26,406.78
	<u>3,593.70</u>	<u>1,949,208.59</u>
Balance, December 31, 2012	\$ 10,544.40	\$ 3,412,554.25

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

		<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
	<u>REF.</u>		
Balance, December 31, 2021			
Due From	B	\$	\$ 226,910.92
Due To	B	0.02	28,573.14
Receipts	B-1	0.89	231,121.11
Excess Animal Control Expenditures	B-4	1,653.11	
Open Space Tax Levy	B-7		238,033.42
Disbursements	B-1	<u>0.82</u>	<u>32,296.39</u>
Balance, December 31, 2022			
Due From	B		\$ 237,546.48
Due To	B	<u>\$ 1,653.20</u>	<u></u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2021	B	\$	2,572.48
Increased by:			
Dog Licenses	B-1		<u>11,100.31</u>
		\$	13,672.79
Decreased by:			
Expenditures Under R.S.4:19-15.11	B-1	\$	3,128.48
Excess in Animal Control Expenditures	B-2		<u>1,653.11</u>
			<u>4,781.59</u>
Balance, December 31, 2022	B	\$	<u><u>8,891.20</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2021	\$	4,375.80
2020		<u>4,515.40</u>
	\$	<u><u>8,891.20</u></u>

"B-5"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF DUE TO STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
State Registration Fees Collected	B-1	\$ <u>464.40</u>
Decreased by:		
Paid to State Department of Health	B-1	\$ <u>464.40</u>

"B-6"

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

Balance, December 31, 2021	B	\$ 108,959.86
Increased by:		
Receipts	B-1	\$ <u>50,605.99</u>
		\$ <u>159,565.85</u>
Decreased by:		
Disbursements	B-1	\$ 70,288.17
Accounts Payable	B-16	<u>3,695.00</u>
		<u>73,983.17</u>
Balance, December 31, 2022	B	\$ <u><u>85,582.68</u></u>

"B-7"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2021	B		\$ 2,050,692.06
Increased by:			
Receipts	B-1	\$ 39,399.53	
Open Space Tax Levy	B-2	<u>238,033.42</u>	
			<u>277,432.95</u>
			\$ 2,328,125.01
Decreased by:			
Disbursements	B-1	815,483.63	
Accounts Payable	B-16	<u>13,381.25</u>	
			<u>828,864.88</u>
Balance, December 31, 2022	B		\$ <u><u>1,499,260.13</u></u>

"B-8"

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

Balance, December 31, 2021	B		\$ 46,158.73
Increased by:			
Receipts	B-1		<u>7,449.08</u>
			\$ 53,607.81
Decreased by:			
Disbursements	B-1		<u>1,520.49</u>
Balance, December 31, 2022	B		\$ <u><u>52,087.32</u></u>



"B-9"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS PAYABLE

	<u>REF.</u>	
Increased by:		
Receipts	B-1	\$ 840,348.88
Decreased by:		
Disbursements	B-1	<u>817,668.00</u>
Balance, December 31, 2022	B	\$ <u><u>22,680.88</u></u>

"B-10"

SCHEDULE OF RESERVE FOR FLEX SPENDING PAYABLE

Balance, December 31, 2021 and December 31, 2022	B	\$ <u><u>1,692.26</u></u>
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"B-11"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR POLICE FORFEITED FUNDS

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 2,665.91
Increased by:		
Receipts	B-1	<u>0.92</u>
Balance, December 31, 2022	B	<u>\$ 2,666.83</u>

"B-12"

SCHEDULE OF RESERVE FOR FIRE PREVENTION

Balance, December 31, 2021	B	\$ 1,343.05
Increased by:		
Receipts	B-1	<u>750.00</u>
Balance, December 31, 2022	B	<u>\$ 2,093.05</u>

"B-13"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR HOUSING REHABILITATION

	<u>REF.</u>	
Balance, December 31, 2021	B	\$ 680,577.70
Increased by:		
Receipts	B-1	<u>69.59</u>
		\$ 680,647.29
Less:		
Disbursements	B-1	<u>453.00</u>
Balance, December 31, 2022	B	<u>\$ 680,194.29</u>

"B-14"

SCHEDULE OF RESERVE FOR COUNCIL ON AFFORDABLE HOUSING

Balance, December 31, 2021	B	\$ 458,968.68
Increased by:		
Receipts	B-1	<u>30,763.20</u>
Balance, December 31, 2022	B	<u>\$ 489,731.88</u>

"B-15"

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPERS ESCROW DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2021	B		\$ 173,304.17
Increased by:			
Receipts	B-1		<u>49,764.44</u>
			\$ 223,068.61
Decreased by:			
Disbursements	B-1	\$ 26,406.78	
Accounts Payable	B-16	<u>5,684.94</u>	
			<u>32,091.72</u>
Balance, December 31, 2022	B		<u>\$ 190,976.89</u>

"B-16"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Increased by:			
Reserve for Open Space Deposits	B-7	\$ 13,381.25	
Reserve for Recreation Deposits	B-6	3,695.00	
Reserve for Various Trust Deposits	B-3	5,057.00	
Reserve for Developers Escrow Deposits	B-15	<u>5,684.94</u>	
			<u>27,818.19</u>
Balance, December 31, 2022	B		<u>\$ 27,818.19</u>

BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF DUE PAYROLL ACCOUNT

	<u>REF.</u>	
Balance, December 31, 2021 (Due To)	B	\$ <u>3,210.00</u>
Decreased by:		
Disbursements	B-1	\$ <u>3,210.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 1,865,997.63
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$ 500,000.00	
Due Current Fund	C-11	128.44	
Due Sewer Utility Capital Fund	C-12	71,318.00	
Due Open Space Trust Fund	C-13	144,400.00	
		<u>144,400.00</u>	
			<u>715,846.44</u>
			\$ 2,581,844.07
Decreased by Disbursements:			
Contracts Payable	C-8	\$ 1,374,783.15	
Due Current Fund	C-11	135.06	
		<u>135.06</u>	
			<u>1,374,918.21</u>
Balance, December 31, 2022	C		\$ <u><u>1,206,925.86</u></u>

"C-3"

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

	BALANCE DECEMBER <u>31, 2022</u>
Capital Improvement Fund	\$ 91,107.08
Fund Balance	34,397.75
Grants Receivable	(166,450.75)
Contracts Payable	755,638.85
Due Current Fund	10.75
Funded Improvement Authorizations	522,889.12
Unfunded Improvements Expended (Listed on C-5)	<u>(30,666.94)</u>
	<u>\$ 1,206,925.86</u>

REF. C

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 2,691,000.00
Decreased by:		
Bonds Paid by Budget	C-10	<u>481,000.00</u>
Balance, December 31, 2022	C	<u>\$ 2,210,000.00</u>



BOROUGH OF PEAPACK AND GLADSTONE

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE DECEMBER 31, 2022</u>
Due State of New Jersey - DCA Surcharge	\$ 3,304.00	\$ 8,671.46	\$ 7,193.00	\$ 4,782.46
Parking Offense Adjudication Act (POAA)	442.00	14.00		456.00
Accumulated Absences	194,117.60	82,897.60		277,015.20
Recycling	1,068.85		254.00	814.85
Tax Sale Premiums	133,300.00	40,500.00	4,600.00	169,200.00
Police Outside Services	76,330.25	151,067.50	161,099.50	66,298.25
Historic Preservation Commission	1,325.00			1,325.00
Storm Recovery	37,662.08		2,196.00	35,466.08
Friends of the Library	11,575.00			11,575.00
Donation from Garden Club	7,000.00			7,000.00
Liberty Park Renovations	5,000.00			5,000.00
Escrow Deposits/ Tenant Security	15,708.44		5,727.21	9,981.23
Due State of New Jersey- Marriage Licenses	275.00	375.00	525.00	125.00
Private Police Donations	3,946.07	6,275.61	4,344.42	5,877.26
Public Defender	200.00	1,200.00	1,000.00	400.00
	<u>\$ 491,254.29</u>	<u>\$ 291,001.17</u>	<u>\$ 186,939.13</u>	<u>\$ 595,316.33</u>
	REF. B	B-1		B
Disbursements			\$ 181,882.13	
Accounts Payable			5,057.00	
			<u>\$ 186,939.13</u>	

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u>	<u>BALANCE</u>	<u>ANALYSIS OF BALANCE,</u>	
		<u>DECEMBER 31, 2021</u>	<u>DECEMBER 31, 2022</u>	<u>EXPENDITURES</u>	<u>UNEXPENDED IMPROVEMENT AUTHORIZATIONS</u>
955/956	Improvements to Highland Avenue and Trimmer Lane	\$ 159,500.00	\$ 159,500.00	\$ 30,666.94	\$ 128,833.06
992	Various Capital Improvements- Replacement of Boiler	7,500.00	7,500.00		7,500.00
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	35,000.00	35,000.00		35,000.00
1057	Various Road and Sidewalk Improvements	36,000.00	36,000.00		36,000.00
		<u>\$ 238,000.00</u>	<u>\$ 238,000.00</u>	<u>\$ 30,666.94</u>	<u>\$ 207,333.06</u>

REF.

C

C

C-3

C-9

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

	<u>REF.</u>	
Balance, December 31, 2021	C	\$ 358,417.79
Increased by:		
2022 Budget Appropriation	C-2	<u>500,000.00</u>
		\$ 858,417.79
Decreased by:		
Appropriated to Finance Improvements	C-9	<u>767,310.71</u>
Balance, December 31, 2022	C	<u><u>91,107.08</u></u>

"C-7"

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>CAPITAL PROJECT/PROGRAM</u>	BALANCE DECEMBER 31, 2021 AND <u>2022</u>
Due from State of New Jersey	
Department of Transportation Grant	\$ 144,032.75
Department of Law & Public Safety	
Ordinance 1102	<u>22,418.00</u>
	\$ <u><u>166,450.75</u></u>
<u>REF.</u>	C

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2021	C		\$ 790,448.50
Increased by:			
Charges to Improvement Authorizations	C-9		<u>1,364,961.24</u>
			\$ 2,155,409.74
Decreased by:			
Disbursements	C-2	\$ 1,374,783.15	
Canceled	C-9	<u>24,987.94</u>	
			<u>1,399,771.09</u>
Balance, December 31, 2022	C		\$ <u><u>755,638.65</u></u>

BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT AUTHORIZATION	DATE	ORDINANCE AMOUNT	BALANCE - DECEMBER 31, 2021		2022 AUTHORIZATIONS	EXPENDED	CONTRACTS PAYABLE CANCELED	BALANCE - DECEMBER 31, 2022	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
810/824/848	Various Improvements - Renovations to Fire House	06/25/02	\$ 200,000.00	\$ 2,658.30	\$ 128,833.06				\$ 2,658.30	\$ 128,833.06
955/956	Various Improvements - Highland Ave and Trimmer Lane	08/14/11	175,000.00							
922	Various Capital Improvements:									
	Resurfacing of Willow Avenue	07/23/13	170,000.00	17.14					17.14	
	Crosswalk Improvements to Highland Avenue & Main Street	07/23/13	27,000.00	148.57					148.57	
	Replacement of Boiler	07/23/13	8,000.00	500.00	7,500.00				500.00	7,500.00
	Purchase of Backhoe	07/23/13	860,000.00	246.80					246.80	
1021	Milling/Paving of Sections 1 & 3 of Mosie Road	04/12/16	295,000.00	10,312.27	35,000.00				10,312.27	35,000.00
1028	Milling/Paving of Portion of Willow Avenue	07/19/16	203,000.00	279.31					279.31	
1029	Replacement of Guardrail on Willow Avenue	04/25/17	213,000.00	93,960.00		93,960.00			44,495.03	
1041	Various Capital Improvements	06/27/17	250,000.00	44,495.03					36,778.63	
1046/1073/1081	Improvements to Liberty Park	10/24/17	68,829.05	40,047.31					73,695.32	
1057	Various Road and Sidewalk Improvements	06/12/18	476,000.00	73,695.32	36,000.00				9,519.76	
1067	Paving of Willow Avenue	12/18/18	30,000.00	9,519.76					1,867.73	
1075	Paving of Tiger Hill Drive	06/25/19	175,000.00	1,867.73					123,656.31	36,000.00
1090	Various Capital Improvements	06/09/20	1,510,000.00	121,086.37					75,000.00	
1102	Various Capital Improvements	07/20/21	688,618.00	481,000.00						
1107	Acquisition of Dump Truck with Plow and Salt Spreader	02/08/22	96,928.71			96,928.71		2,569.94		
1108	Acquisition of Rescue Fire Truck	02/08/22	250,000.00			250,000.00		22,418.00		
1113	Acquisition of New Case 2022-521G Wheel Loader	06/14/22	185,746.00			185,746.00			113.28	
1114	Various Capital Improvements	06/14/22	348,354.00			348,354.00			117,871.26	
1115	Improvements to Liberty Park	06/14/22	100,000.00			100,000.00			25,729.61	
				\$ 879,833.91	\$ 207,333.06	\$ 983,028.71	\$ 1,364,961.24	\$ 24,987.94	\$ 522,869.32	\$ 207,333.06
				C	C		C-8	C-8	C	C-C-5
	Capital Improvement Fund					\$ 767,310.71				
	Due Sewer Utility Operating Fund					71,318.00				
	Due Open Space Trust Fund					144,400.00				
						\$ 983,028.71				

REF.  
C-6  
C-12  
C-13

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>OUTSTANDING DECEMBER 31, 2022</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2021</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2022</u>
General Improvement Bonds of 2015	42,200.00	\$ 1,400,000.00	\$ 220,000.00	2.000%	\$ 430,000.00	\$ 210,000.00	\$ 220,000.00
Refunding Bonds of 2017	43,032.00	2,882,000.00	273,000.00	2.200%			
			279,000.00	2.200%			
			284,000.00	2.200%			
			285,000.00	2.200%			
			290,000.00	2.200%			
			294,000.00	2.200%			
					<u>2,261,000.00</u>	<u>271,000.00</u>	<u>1,990,000.00</u>
					<u>\$ 2,691,000.00</u>	<u>\$ 481,000.00</u>	<u>\$ 2,210,000.00</u>

REF.

C

C-4

C

"C-11"

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2021 (Due To)	C	\$	17.37
Increased by:			
Receipts	C-2		<u>128.44</u>
		\$	<u>145.81</u>
Decreased by:			
Disbursements	C-2		<u>135.06</u>
Balance, December 31, 2022 (Due To)	C	\$	<u><u>10.75</u></u>

"C-12"

SCHEDULE OF DUE SEWER UTILITY CAPITAL FUND

Increased by:			
Receipts	C-2	\$	<u>71,318.00</u>
Decreased by:			
Improvement Authorizations	C-9	\$	<u>71,318.00</u>



BOROUGH OF PEAPACK AND GLADSTONE  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE OPEN SPACE TRUST FUND

	<u>REF.</u>	
Receipts	C-2	\$ <u>144,400.00</u>
Decreased by:		
Improvement Authorizations	C-9	\$ <u>144,400.00</u>

BOROUGH OF PEAPACK AND GLADSTONE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31, 2022</u>
955/956	Improvements to Highland Avenue and Trimmer Lane	\$ 159,500.00
992	Various Capital Improvements- Replacement of Boiler	7,500.00
1021	Milling/Paving of Sections 1 & 3 of Mosle Road	35,000.00
1057	Various Road and Sidewalk Improvements	36,000.00
		<hr/>
		\$ 238,000.00
		<hr/> <hr/>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF CASH - COLLECTOR-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2021	D	\$ <u>1,154,354.37</u>	\$ <u>989,698.65</u>
Increased by Receipts:			
Sewer Charges Receivable	D-7	\$ 1,144,767.54	\$
Miscellaneous Revenue Anticipated	D-1:D-3	13,677.85	
Due Current Fund	D-9	7,957.52	
Due Sewer Utility Operating Fund	D-12		79.88
Due Sewer Capital Fund	D-11	178.78	
Sewer Overpayments	D-8	<u>2,675.58</u>	
		\$ <u>1,169,257.27</u>	\$ <u>79.88</u>
		\$ <u>2,323,611.64</u>	\$ <u>989,778.53</u>
Decreased by Disbursements:			
2022 Budget Appropriations	D-4	\$ 1,266,421.27	\$
2021 Appropriation Reserves	D-15	52,133.41	
Due Current Fund	D-9	7,957.52	
Due General Capital Fund	D-10		71,318.00
Due Sewer Utility Operating Fund	D-12		178.78
Due Sewer Capital Fund	D-11	79.88	
Contracts Payable	D-13		169,242.93
Refund of Prior Year Revenue	D-1	<u>2,815.50</u>	
		\$ <u>1,329,407.58</u>	\$ <u>240,739.71</u>
Balance, December 31, 2022	D:D-7	\$ <u>994,204.06</u>	\$ <u>749,038.82</u>

"D-6"

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

ANALYSIS OF CAPITAL CASH

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
SEWER:	
Fund Balance	\$ 19,754.31
Contracts Payable	4,157.00
Due Sewer Operating	6.04
Capital Improvement Fund	665,168.27
Deferred Charge- Expenditure without an Ordinance	(16,267.50)
Improvement Authorizations - Funded:	
Ord. # 736 Acquisition of Sewer Department Equipment	839.13
Ord. # 758 Acquisition of Sewer Department Equipment	2,131.04
Ord. # 862 Acquisition of Sewer Department Equipment	1,829.50
Ord. # 1062 Miller Lane Pump Station	8,061.39
Ord. # 1102 Various Sewer Improvements	0.07
Various Reserves for Expenditures	<u>63,359.57</u>
	<u>\$ 749,038.82</u>

REF.

D:D-5

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2021	D		\$ 49,406.94
Increased by:			
Sewer Charges Levied (Net)			<u>1,163,312.28</u>
			\$ <u>1,212,719.22</u>
Decreased By:			
Collections	D-5	\$ 1,144,767.54	
Sewer Overpayments Applied	D-8	<u>1,143.26</u>	
	D-3		<u>1,145,910.80</u>
Balance, December 31, 2022	D		\$ <u><u>66,808.42</u></u>

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF SEWER USE CHARGE OVERPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 1,143.26
Increased by:		
Receipts	D-5	<u>2,675.58</u>
		\$ <u>3,818.84</u>
Decreased by:		
Applied	D-7	<u>1,143.26</u>
Balance, December 31, 2022	D	\$ <u><u>2,675.58</u></u>

"D-9"

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Increased by:		
Receipts	D-6	\$ <u>7,957.52</u>
Decreased by:		
Disbursements	D-6	\$ <u>7,957.52</u>

"D-10"

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

	<u>REF.</u>	
Increased by:		
Capital Improvement Fund	D-17	\$ <u>71,318.00</u>
Decreased by:		
Disbursements	D-6	\$ <u>71,318.00</u>



"D-11"

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF DUE SEWER UTILITY CAPITAL FUND

	<u>REF.</u>		
Balance, December 31, 2021 (Due From)	D	\$	104.94
Increased by:			
Disbursements	D-5		<u>79.88</u>
		\$	<u>184.82</u>
Decreased by:			
Receipts	D-5		<u>178.78</u>
Balance, December 31, 2022 (Due From)	D	\$	<u><u>6.04</u></u>

"D-12"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE SEWER UTILITY OPERATING FUND

Balance, December 31, 2021 (Due To)	D	\$	104.94
Increased by:			
Receipts	D-5		<u>79.88</u>
		\$	<u>184.82</u>
Decreased by:			
Disbursements	D-5		<u>178.78</u>
Balance, December 31, 2022 (Due To)	D	\$	<u><u>6.04</u></u>

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$
Increased by:		
Charges to Improvement Authorizations	D-16	<u>173,399.93</u>
		\$ <u>173,399.93</u>
Decreased by:		
Disbursements	D-5	<u>169,242.93</u>
Balance, December 31, 2022	D	\$ <u><u>4,157.00</u></u>

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2021	D	\$ 41,336.56
Increased by:		
2022 Appropriations	D-4	<u>36,897.06</u>
		\$ 78,233.62
Decreased by:		
2021 Appropriation Reserves	D-15	<u>41,336.56</u>
Balance, December 31, 2022	D	<u><u>\$ 36,897.06</u></u>

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF 2021 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2021</u>	<u>BALANCE</u> <u>AFTER</u> <u>MODIFICATION</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 1,770.22	\$ 1,770.22	\$	\$ 1,770.22
Other Expenses	13,674.28	55,010.84	52,133.41	2,877.43
Statutory Expenditures:				
Contribution to Social Security System	<u>11.85</u>	<u>11.85</u>		<u>11.85</u>
	<u>\$ 15,456.35</u>	<u>\$ 56,792.91</u>	<u>\$ 52,133.41</u>	<u>\$ 4,659.50</u>
<u>REF.</u>				
D			D-5	D-1
D	\$ 15,456.35			
D-14	<u>41,336.56</u>			
	<u>\$ 56,792.91</u>			
Balance, December 31, 2021				
Transfer of Encumbrances Payable				

"D-16"

BOROUGH OF PEAPACK AND GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2021</u> <u>FUNDED</u>	<u>CONTRACTS</u> <u>PAYABLE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u> <u>FUNDED</u>
736	Acquisition of Sewer Department Equipment	\$ 839.13	\$	839.13
758	Acquisition of Sewer Department Equipment	2,131.04		2,131.04
862	Acquisition of Sewer Department Equipment	1,829.50		1,829.50
1062	Miller Lane Pump Station	8,061.39		8,061.39
1102	Various Sewer Improvements	173,400.00	173,399.93	0.07
		<u>\$ 186,261.06</u>	<u>\$ 173,399.93</u>	<u>12,861.13</u>

REF.

D

D-13

D

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

	<u>REF.</u>		
Balance, December 31, 2021	D	\$	736,486.27
Decreased by:			
Appropriated to Finance General Capital Improvements	D-10		<u>71,318.00</u>
Balance, December 31, 2022	D	\$	<u><u>665,168.27</u></u>

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>63,359.57</u>

ANALYSIS OF BALANCE

Reserve for Contribution in Aid of Construction	\$	29,359.57
Reserve for Sewer Pump		9,000.00
Reserve for Capital Improvements- Shared Services		<u>25,000.00</u>
	\$	<u>63,359.57</u>

"D-19"

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>BALANCE DECEMBER 31, 2021 AND 2022</u>
Acqisition of Sewer Department Equipment	04/08/97	\$ 57,000.00
Purchase of Mason Dump Truck	04/13/99	11,000.00
Purchase of Mason Dump Truck	05/10/05	21,600.00
Miller Lane Pump Station	09/11/18	75,000.00
Various Sewer Improvements	07/20/21	<u>173,400.00</u>
		<u>\$ 338,000.00</u>
	<u>REF.</u>	D

"D-20"

SCHEDULE OF FIXED CAPITAL

Balance, December 31, 2021  
and December 31, 2022

\$ 8,384,348.85

REF.

D



"D-21"

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2021 AND 2022</u>
736	Acquisition of Sewer Department Equipment	\$ 57,000.00
758	Acquisition of Sewer Department Equipment	11,000.00
862	Acquisition of Sewer Department Equipment	21,600.00
1062	Miller Lane Pump Station	75,000.00
1102	Various Sewer Improvements	<u>173,400.00</u>
		<u>\$ 338,000.00</u>

REF.                      D

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>8,384,348.85</u>

BOROUGH OF PEAPACK GLADSTONE

SEWER UTILITY FUND

SCHEDULE OF DEFERRED CHARGES- EXPENDITURE WITHOUT AN APPROPRIATION

	<u>REF.</u>	
Balance, December 31, 2021 and December 31, 2022	D	\$ <u>16,267.50</u>

BOEOUGH OF PEAPACK AND GLADSTONE

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>BALANCE FUND TOTAL</u>	<u>PUBLIC ASSISTANCE TRUST FUND I</u>
Balance, December 31, 2021	E	\$ 3,446.57	\$ 3,446.57
Increased by:			
Interest Earned		<u>0.34</u>	<u>0.34</u>
Balance, December 31, 2022	E	<u>\$ 3,446.91</u>	<u>\$ 3,446.91</u>

PART II

BOROUGH OF PEAPACK AND GLADSTONE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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

	<u>YEAR 2022</u>		<u>YEAR 2021</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,750,000.00	9.80%	\$ 1,850,000.00	10.41%
Miscellaneous - From Other Than Local Property Tax Levies	1,516,764.84	8.50%	1,830,761.41	10.30%
Collection of Delinquent Taxes and Tax Title Liens	188,416.17	1.06%	115,674.46	0.65%
Collections of Current Tax Levy	<u>14,394,366.60</u>	<u>80.64%</u>	<u>13,976,321.84</u>	<u>78.64%</u>
<u>Total Revenue</u>	<u>\$ 17,849,547.61</u>	<u>100.00%</u>	<u>\$ 17,772,757.71</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 5,850,686.21	36.79%	\$ 6,006,420.88	37.80%
County Taxes	3,030,214.02	19.05%	2,959,573.30	18.62%
Local School Taxes	6,753,864.00	42.47%	6,670,464.00	41.97%
Municipal Open Space taxes	238,033.42	1.50%	226,971.54	1.43%
Other Expenditures	<u>31,416.53</u>	<u>0.19%</u>	<u>28,590.79</u>	<u>0.18%</u>
<u>Total Expenditures</u>	<u>\$ 15,904,214.18</u>	<u>100.00%</u>	<u>\$ 15,892,020.51</u>	<u>100.00%</u>
 Excess in Revenue	 \$ 1,945,333.43		 \$ 1,880,737.20	
 Fund Balance - January 1	 <u>2,189,703.15</u>		 <u>2,158,965.95</u>	
	\$ 4,135,036.58		\$ 4,039,703.15	
 Less: Utilization as Anticipated Revenue	 <u>1,750,000.00</u>		 <u>1,850,000.00</u>	
 Fund Balance, December 31	 <u>\$ 2,385,036.58</u>		 <u>\$ 2,189,703.15</u>	

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

	<u>YEAR 2022</u>		<u>YEAR 2021</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 340,000.00	22.60%	\$ 150,000.00	10.47%
Collection of Sewer Use Charges	1,145,910.80	76.18%	1,110,344.20	77.53%
Miscellaneous	<u>18,337.35</u>	<u>1.22%</u>	<u>171,756.30</u>	<u>12.00%</u>
<u>Total Revenue</u>	<u>\$ 1,504,248.15</u>	<u>100.00%</u>	<u>\$ 1,432,100.50</u>	<u>100.00%</u>
 <u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 1,401,170.00	96.57%	\$ 1,206,430.00	95.91%
Deferred Charges and Statutory Expenditures	46,927.00	3.23%	51,503.41	4.09%
Miscellaneous	<u>2,815.50</u>	<u>0.20%</u>	<u>                    </u>	<u>                    </u>
<u>Total Expenditures</u>	<u>\$ 1,450,912.50</u>	<u>100.00%</u>	<u>\$ 1,257,933.41</u>	<u>100.00%</u>
Excess in Revenue	\$ 53,335.65		\$ 174,167.09	
Fund Balance, January 1	<u>1,096,523.14</u>		<u>1,072,356.05</u>	
	\$ 1,149,858.79		\$ 1,246,523.14	
Less: Utilization as Anticipated Revenue	<u>340,000.00</u>		<u>150,000.00</u>	
Fund Balance, December 31	<u>\$ 809,858.79</u>		<u>\$ 1,096,523.14</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$1.838</u>	<u>\$1.891</u>	<u>\$1.879</u>
Appointment of Tax Rate:			
Municipal	\$0.566	\$0.566	\$0.550
Municipal Open Space	\$0.030	\$0.030	\$0.030
County	0.382	0.399	0.401
Regional School	<u>0.860</u>	<u>0.896</u>	<u>0.898</u>

Assessed Valuation:

2022	\$	<u>785,120,100.00</u>	
2021			\$ <u>753,372,070.00</u>
2020			\$ <u>737,337,570.00</u>

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 COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2022	\$14,599,461.69	\$14,394,366.60	98.59%
2021	\$14,172,158.21	\$13,976,321.84	98.61%
2020	\$13,856,854.13	\$13,736,964.87	99.13%



DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

<u>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>
2022	\$18,706.92	\$199,824.79	\$218,531.71	1.50%
2021	\$13,949.53	\$189,993.24	\$203,942.77	1.44%
2020	\$9,340.08	\$115,674.47	\$125,014.55	0.90%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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>
2022	\$139,900.00
2021	\$139,900.00
2020	\$139,900.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2022	\$2,385,036.58	\$1,700,000.00
	2021	2,189,703.15	1,750,000.00
	2020	2,158,965.95	1,850,000.00
	2019	2,469,566.39	2,150,000.00
	2018	3,091,807.09	1,600,000.00
Sewer Utility Fund	2022	\$809,858.79	\$380,000.00
	2021	1,096,523.14	340,000.00
	2020	1,072,356.05	150,000.00
	2019	862,723.12	150,000.00
	2018	897,472.39	300,000.00

## 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>
Gregory Skinner	Mayor	
Mark Corigliano	President of Council	
GP Caminiti	Councilperson	
Amy Dietrich	Councilperson	
Donald Lemma	Councilperson	
Jamie Murphy	Councilperson	
John Sweeney	Councilperson	
Nancy Bretzger	Borough Administrator, Borough Clerk, Human Resource Manager, Registrar	*
John E. Bruder	Attorney	*
Michael Pitts	Director of Finance Qualified Purchasing Agent	*
Dale Melville	Chief Financial Officer, Tax Collector	*
Edward L. Kerwin Jr	Tax Assessor	*
Nicole Izzo	Deputy Tax Assessor	*
Katherine Howes	Municipal Court Judge	*
Terry Van Allen	Court Administrator	*
Daniella Cordero	Deputy Court Administrator	*
Stephen Ferrante	Police Chief	*

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
John McDermott	Fire Chief	*	
William D. Ryden	Engineer	*	
Frank Laguarina	Construction Code Official	*	
Lucy Forgione	Health Officer	*	
William Allen	Superintendent of Public Works	*	
Brad Fagan	Public Works Director	*	
Kingsley Hill	Emergency Management Coordinator	*	
Dan Dolan	Recreation Director	*	

\* Public Employees Faithful Performance Bond in force covering each employee for \$1,000,000.00 (Fidelity and Deposit Co of MD).

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

N.J.S.A. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for the sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (c.40A:11-3), except by contract or agreement."

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the borough has a qualified purchasing agent. The Borough has a qualified purchasing agent however a resolution increasing the bid threshold to \$44,000.00 was never passed by the governing body therefore the bid threshold remains at \$40,000.00

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that there were no bids in 2022.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" were awarded during 2022 for the following professional services:

Borough Attorney  
Bond Counsel  
Labor Counsel

Engineering Services  
Borough Planner  
Registered Municipal Accountant

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

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 taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.
2. There will be a ten (10) day grace period on quarterly tax payments.
3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 2, 2022 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2022	1
2021	1
2020	1

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2023 Taxes	50
Payments of 2022 Taxes	50
Delinquent Taxes	25
Payments of Sewer Utility Charges	25

## OTHER COMMENTS

### Interfund Balances

Reference to the various balance sheets show the interfund balances remaining at year end. Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus, creating interfund balances. As a general rule all interfund balances should be closed at the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

### Purchasing

During the course of our audit; we noted numerous purchase orders that were processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

In accordance with N.J.A.C. 40A: 11-4 the Borough may establish their bid threshold at \$44,000.00 however the Borough has not yet done this so their bid threshold remains at \$40,000.00. Our examination of the Borough's financial records revealed that not all contracts over the bid threshold were awarded in the minutes by resolution of the governing body with a definite amount or a not to exceed amount along with a certification of funds.



## RECOMMENDATIONS

That the practice of issuing confirming orders be discontinued.

That all contracts exceeding the bid threshold be awarded by separate resolution of the governing body with a definite amount or a not to exceed amount. A certification of funds should also be done at this time.



