

**BOROUGH OF PINE HILL
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2011**

BOROUGH OF PINE HILLTABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART I</u>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	4
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	6
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	8
A-2	Statement of Revenues--Regulatory Basis	9
A-3	Statement of Expenditures--Regulatory Basis	12
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	18
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	19
<u>PUBLIC ASSISTANCE FUND</u>		
E	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	20
<u>GENERAL FIXED ASSET GROUP OF ACCOUNTS</u>		
G	Statement of General Fixed Asset Group of Accounts	21
	Notes to Financial Statements	22

BOROUGH OF PINE HILLTABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>Required Supplementary Information</u>		
RSI-1	Schedule of Funding Progress for the OPEB Plan	37
RSI-2	Schedule of Employer Contributions	37
	Note to Required Supplementary Information	38
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Chief Financial Officer	41
SA-2	Statement of Current Cash--Collector	42
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	43
SA-4	Statement of Tax Title Liens	44
SA-5	Schedule of Property Acquired for Taxes	45
SA-6	Statement of Due from State of New Jersey--Veterans' and Senior Citizens' Deductions	46
SA-7	Statement of Revenue Accounts Receivable	47
SA-8	Statement of Special Emergency Authorizations	48
SA-9	Statement of Special Emergency Notes	49
SA-10	Statement of Appropriation Reserves	50
SA-11	Statement of Accounts Payable	52
SA-12	Statement of Prepaid Taxes	53
SA-13	Statement of Tax Overpayments	53
SA-14	Statement of County Taxes Payable	54
SA-15	Statement of Amount Due to County for Added Taxes	54
SA-16	Statement of Local School District Tax	55
SA-17	Statement of Special District Taxes Payable--Fire Districts	55
SA-18	Federal and State Grant Fund--Statement Due Current Fund	56
SA-19	Federal and State Grant Fund--Statement of Federal and State Grants Receivable	57
SA-20	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	58
SA-21	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	59
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash--Chief Financial Officer	61
SB-2	Statement of Trust Cash--Tax Collector	62
SB-3	Statement of Amount Due Current Fund--Animal Control Fund	63
SB-4	Statement of Amount Due to State of New Jersey--Department of Health	63
SB-5	Statement of Reserve for Animal Control Fund	64
SB-6	Statement of Due Current Fund--Trust Other Fund	65
SB-7	Statement of Miscellaneous Trust Reserves	66
SB-8	Statement of Community Development Block Grant Receivable	67
SB-9	Statement of Community Development Block Grant Reserve	67
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash--Chief Financial Officer	69
SC-2	Analysis of General Capital Cash	70
SC-3	Statement of Deferred Charges to Future Taxation--Funded	71
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	72

BOROUGH OF PINE HILLTABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
SC-5	Statement of Due to Current Fund	73
SC-6	Statement of Community Development Block Grant Receivable	73
SC-7	Statement of State Aid Receivable	74
SC-8	Statement of Encumbrances Payable	75
SC-9	Statement of Capital Improvement Fund	75
SC-10	Statement of Improvement Authorizations	76
SC-11	Statement of General Serial Bonds	77
SC-12	Statement of Green Trust Loan Payable	78
SC-13	Statement of New Jersey Environmental Infrastructure Loan Payable	79
SC-14	Statement of Bond Anticipation Notes	80
SC-15	Statement of Bonds and Notes Authorized But Not Issued	81

PUBLIC ASSISTANCE FUND

SE-1	Statement of Public Assistance Cash--Chief Financial Officer	83
SE-2	Statement of Due to Current Fund	83
SE-3	Statement of Reserve for Public Assistance	84

PART 2SCHEDULE OF FINDINGS AND RECOMMENDATIONS

Schedule of Financial Statement Findings	86
Summary Schedule of Prior Year Audit Findings and Recommendations As Prepared by Management	87
OFFICIALS IN OFFICE AND SURETY BONDS	88
APPRECIATION	89

BOROUGH OF PINE HILL
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Pine Hill
Pine Hill, New Jersey 08021

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Pine Hill, in the County of Camden, State of New Jersey as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2011. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects on the financial statements of the requirement that the Borough prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Pine Hill, in the County of Camden, State of New Jersey, as of December 31, 2011 and 2010, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Borough of Pine Hill, in the County of Camden, State of New Jersey, as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2011 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated August 1, 2012 on our consideration of the Borough of Pine Hill, in the County of Camden, State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,


BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants


Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 1, 2012

**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 Pine Hill
Pine Hill, New Jersey 08021

We have audited the financial statements (regulatory basis) of the Borough of Pine Hill, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated August 1, 2012, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Borough of Pine Hill is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified one deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Recommendations to be a material weakness: 2011-1.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies as defined above.

Compliance and Other Matters

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

The Borough of Pine Hill's response to the finding identified in our report is described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of Pine Hill's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the Borough, others within the Borough and the Division of Local Government Services, Department of Community Affairs and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
August 1, 2012

BOROUGH OF PINE HILL

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2011 and 2010

Assets:	Ref.	2011	2010
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 1,295,150.99	\$ 1,177,354.32
Collector	SA-2	299,117.23	243,245.18
Petty Cash Fund	A	300.00	500.00
		<u>1,594,568.22</u>	<u>1,421,099.50</u>
Other Receivables:			
Due From State of New Jersey - Veterans and Senior Citizens Deductions	SA-6	2,811.71	4,646.89
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	536,770.36	688,847.80
Tax Title Liens Receivable	SA-4	314,950.11	194,347.43
Property Acquired for Taxes - Assessed Valuation	SA-5	332,550.00	336,775.00
Sales Contract Receivable	A	5,500.00	5,500.00
Revenue Accounts Receivable	SA-7	9,649.83	8,433.34
Due from Animal Control Fund	SB-3	-	55.34
Due from Trust Other Fund	SB-6	48,902.56	33,507.21
Due from General Capital Fund	SC-5	891.95	3,275.57
Due from Public Assistance Fund	SE-2	0.07	47.15
	A	<u>1,249,214.88</u>	<u>1,270,788.84</u>
Deferred Charges:			
Special Emergency Appropriations NJSA 40A:4-55	SA-8	118,800.00	178,200.00
Emergency Appropriation	A-3	-	100,000.00
		<u>118,800.00</u>	<u>278,200.00</u>
		<u>2,965,394.81</u>	<u>2,974,735.23</u>
Federal and State Grant Fund:			
Grants Receivable	SA-19	-	3,802.92
Due from General Capital Fund	SA-18	-	4,382.00
Due from Current Fund	SA-18	161,130.96	145,485.12
		<u>161,130.96</u>	<u>153,670.04</u>
		<u>\$ 3,126,525.77</u>	<u>\$ 3,128,405.27</u>

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2011 and 2010

	Ref.	2011	2010
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3; SA-10	\$ 165,502.52	\$ 327,110.79
Encumbrances Payable	A-3; SA-10	59,901.68	91,951.20
Accounts Payable	SA-11	6,481.95	12,111.63
Prepaid Taxes	SA-12	79,364.29	55,345.79
Tax Overpayments	SA-13	50,045.96	59,354.09
Due County for Added and Omitted Taxes	SA-15	5,455.02	1,960.85
Due to Federal and State Grant Fund	SA-18	161,130.96	145,485.12
Due to Animal Control Fund	SB-3	4.35	
Due State of New Jersey - Marriage License Fees	SA-1	375.00	300.00
Due Pine Hill MUA	A	142.32	142.32
Special Emergency Notes	SA-9	118,800.00	178,200.00
Reserve for Land Sale Deposits	A	550.00	550.00
Reserve for Sanitary Landfill Closure	A	18,659.09	18,659.09
Reserve for Revaluation	A	250.40	250.40
		<u>666,663.54</u>	<u>891,421.28</u>
Reserves for Receivables	A	1,249,214.88	1,270,788.84
Fund Balance	A-1	<u>1,049,516.39</u>	<u>812,525.11</u>
		<u>2,965,394.81</u>	<u>2,974,735.23</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-19	27,027.44	22,826.61
Appropriated Reserves	SA-20	132,493.52	130,745.43
Encumbrances Payable	SA-20	1,610.00	98.00
		<u>161,130.96</u>	<u>153,670.04</u>
		<u>\$ 3,126,525.77</u>	<u>\$ 3,128,405.27</u>

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

BOROUGH OF PINE HILL
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For Year Ended December 31, 2011 and 2010

	2011	2010
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 675,000.00	\$ 875,000.00
Miscellaneous Revenues Anticipated	2,381,952.70	2,479,427.39
Receipts from Delinquent Taxes	673,174.48	533,245.52
Receipts from Current Taxes	18,993,637.88	18,126,574.43
Nonbudget Revenues	290,458.29	238,650.59
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	209,892.68	344,724.67
Interfund Returned	-	84,069.76
Accounts Payable - Cancelled	6,654.67	1,448.00
Tax Overpayments Canceled	9.27	-
	<u>23,230,779.97</u>	<u>22,683,140.36</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,714,789.00	2,937,175.00
Other Expenses	2,609,254.00	2,773,151.00
Deferred Charges and Statutory Expenditures	806,859.00	479,316.40
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	57,725.04	19,927.10
Other Expenses	49,742.12	279,612.02
Capital Improvements	15,000.00	57,460.00
Municipal Debt Service	656,218.65	663,241.14
Deferred Charges	159,400.00	75,072.17
County Taxes	3,826,415.00	3,630,285.14
Due County for Added and Omitted Taxes	5,455.02	1,960.85
Local District School Tax	10,629,317.00	10,293,059.00
Special District Taxes	771,379.00	742,176.00
Prior Year Senior Citizens Disallowed	1,500.00	2,425.96
Interfund Created	12,909.31	25,128.59
Cancellation of Due from State of New Jersey	2,825.55	-
	<u>22,318,788.69</u>	<u>21,979,990.37</u>
Excess in Revenues	911,991.28	703,149.99
Adjustments to Income Before Fund Balance -		
Expenditures Included Above Which Are by Statute Deferred		
Charges to Budget of Succeeding Year	-	100,000.00
Statutory Excess of Fund Balance	911,991.28	803,149.99
Fund Balance January 1	812,525.11	884,375.12
Total	1,724,516.39	1,687,525.11
Decreased by:		
Utilization as Anticipated Revenue	675,000.00	875,000.00
Fund Balance December 31	<u>\$ 1,049,516.39</u>	<u>\$ 812,525.11</u>

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

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2011

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 675,000.00		\$ 675,000.00	
Miscellaneous Revenues:				
Licenses:				
Other	7,000.00		6,451.00	\$ (549.00)
Fees and Permits	103,000.00		116,126.51	13,126.51
Fines and Costs:				
Municipal Court	90,000.00		95,025.63	5,025.63
Interest and Costs on Taxes	85,000.00		110,167.87	25,167.87
Payment in Lieu of Taxes:				
Mansion Apartments	228,000.00		257,665.56	29,665.56
Pine Hill Gardens	320,000.00		325,622.80	5,622.80
Rental Lease Agreement - Pine Hill Golf Club	305,000.00		306,072.42	1,072.42
Consolidated Municipal Property Tax Relief Aid	145,726.00		145,726.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167	739,159.00		739,159.00	
Uniform Construction Code Fees	62,000.00		191,895.00	129,895.00
Pine Hill Board of Education Resource Officer	45,000.00			(45,000.00)
Interlocal Service Agreements				
Borough of Lindenwold				
Uniform Construction Code Enforcement	27,365.00		24,570.00	(2,795.00)
Other Code Enforcement Functions	25,870.00		24,570.00	(1,300.00)
Public and Private Revenues Offset With Appropriations:				
Alcohol Education, Rehabilitation & Enforcement Fund		\$ 916.89	916.89	
Body Armor Grant	337.50		337.50	
Clean Communities Program		15,157.41	15,157.41	
Drunk Driving Enforcement Fund	4,490.04		4,490.04	
Municipal Alliance on Alcoholism and Drug Abuse	7,145.00		7,145.00	
Recycling Tonnage Grant	10,854.07		10,854.07	
	<u>2,205,946.61</u>	<u>16,074.30</u>	<u>2,381,952.70</u>	<u>159,931.79</u>
Receipts from Delinquent Taxes	<u>625,000.00</u>		<u>673,174.48</u>	<u>48,174.48</u>
Subtotal General Revenues	3,505,946.61	16,074.30	3,730,127.18	208,106.27
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>4,391,930.23</u>		<u>4,591,968.84</u>	<u>200,038.61</u>
Budget Totals	7,897,876.84	16,074.30	8,322,096.02	408,144.88
Nonbudget Revenues			<u>290,458.29</u>	<u>290,458.29</u>
	<u>\$ 7,897,876.84</u>	<u>\$ 16,074.30</u>	<u>\$ 8,612,554.31</u>	<u>\$ 698,603.17</u>

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2011

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 18,993,637.88
Allocated to:	
School, County, and Special District Taxes	<u>15,232,566.02</u>
Balance for Support of Municipal Budget Revenues	3,761,071.86
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>830,896.98</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 4,591,968.84</u>
<u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 652,951.02
Tax Title Lien Collections	<u>20,223.46</u>
	<u>\$ 673,174.48</u>

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2011

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Appropriation Refunds	\$ 76,704.58	
Cable Television Franchise Fee	39,041.81	
Copies	7,530.40	
In Lieu of Taxes	54,854.12	
Inspection Fines	2,531.08	
Miscellaneous/Other	24,112.25	
Police Reports	1,664.98	
Recycling Fees	25,192.35	
State Administrative Fees	2,138.23	
Interest on Investments - Chief Financial Officer	14,685.45	
Interest on Investments - Tax Collector	3,941.25	
Tax Collector Miscellaneous	<u>38,061.79</u>	
		\$ <u><u>290,458.29</u></u>
Cash - Collector		\$ 42,003.04
Cash - Chief Financial Officer		245,312.80
Interfunds		<u>3,142.45</u>
		\$ <u><u>290,458.29</u></u>

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

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration:						
Salaries and Wages	\$ 51,754.00	\$ 51,755.00	\$ 51,755.00			
Other Expenses	42,400.00	39,400.00	35,666.60	\$ 3,211.65	\$ 521.75	
Mayor and Council:						
Salaries and Wages	24,048.00	24,048.00	23,701.09		346.91	
Other Expenses	6,800.00	6,800.00	3,826.65	571.19	2,402.16	
Municipal Clerk:						
Salaries and Wages	77,156.00	68,156.00	67,978.68		177.32	
Other Expenses	21,850.00	21,150.00	16,956.00	3,651.98	542.02	
Financial Administration:						
Salaries and Wages	123,895.00	123,895.00	122,710.87		1,184.13	
Other Expenses	27,258.00	33,258.00	30,932.97	1,835.64	489.39	
Audit Services:						
Other Expenses	39,000.00	39,000.00	39,000.00			
Revenue Administration:						
Salaries and Wages	28,708.00	28,208.00	26,208.00		2,000.00	
Other Expenses	77,750.00	68,250.00	67,466.05	363.50	420.45	
Tax Assessment Administration:						
Other Expenses	27,500.00	27,500.00	22,711.64	194.99	4,593.37	
Legal Services:						
Other Expenses	65,900.00	74,400.00	68,683.11		5,716.89	
Engineering Services:						
Other Expenses	5,000.00	3,000.00	820.00		2,180.00	
Planning/Zoning Board:						
Salaries and Wages	11,020.00	11,130.00	11,128.20		1.80	
Other Expenses	2,860.00	2,750.00	1,584.11	250.00	915.89	
Insurance:						
Unemployment Insurance	10,000.00	36,150.00	31,116.59		5,033.41	
Liability Insurance	135,000.00	132,000.00	131,472.43		527.57	
Worker's Compensation Insurance	122,468.00	120,068.00	119,988.10		79.90	
Employee Group Insurance	760,712.00	765,712.00	725,012.93	2,143.91	38,555.16	
Health Benefit Waiver	8,000.00	10,500.00	10,307.95		192.05	

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
PUBLIC SAFETY FUNCTIONS:						
Police Department:						
Salaries and Wages	\$ 1,950,021.00	\$ 1,958,496.00	\$ 1,958,494.55		\$ 1.45	
Other Expenses	75,100.00	68,100.00	55,582.01	\$ 6,161.45	6,356.54	
Office of Emergency Management:						
Salaries and Wages	2,814.00	2,814.00	2,656.66		157.34	
Other Expenses	1,000.00	1,000.00	815.00		185.00	
Municipal Prosecutor:						
Salaries and Wages	1,500.00	1,500.00	125.00		1,375.00	
Other Expenses	7,500.00	7,500.00	7,500.00			
Municipal Court:						
Salaries and Wages	88,321.00	88,321.00	87,782.96		538.04	
Other Expenses	10,250.00	10,250.00	6,730.82	1,381.60	2,137.58	
Public Defender:						
Salaries and Wages	6,105.00	6,105.00			6,105.00	
PUBLIC WORKS FUNCTION:						
Street and Roads Maintenance:						
Salaries and Wages	160,278.00	150,278.00	149,412.60		865.40	
Other Expenses	28,300.00	24,300.00	16,123.43	750.04	7,426.53	
Solid Waste Collection:						
Other Expenses	339,012.00	339,012.00	338,185.33		826.67	
Buildings and Grounds:						
Salaries and Wages	54,311.00	55,671.00	55,670.50		0.50	
Other Expenses	26,600.00	26,600.00	20,631.58	2,116.00	3,852.42	
Vehicle Maintenance:						
Other Expenses	53,000.00	71,000.00	65,920.62	3,922.10	1,157.28	
HEALTH AND HUMAN SERVICES:						
Public Health Services:						
Other Expenses	295.00	295.00	125.00		170.00	
Environmental Health Services:						
Other Expenses	300.00	300.00	127.50		172.50	
Animal Control Services:						
Other Expenses	32,070.00	32,070.00	27,770.45	53.00	4,246.55	

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Other Expenses	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00			
Maintenance of Parks:						
Salaries and Wages	98,570.00	98,890.00	98,885.74		\$ 4.26	
Other Expenses	11,850.00	7,530.00	3,288.47	\$ 161.99	4,079.54	
Accumulated Leave Compensation		15,700.00	15,668.45		31.55	
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	10,575.00	10,575.00	6,253.80	409.29	3,911.91	
Public Transportation:						
Other Expenses	4,000.00	4,000.00	2,911.25		1,088.75	
UTILITY EXPENSE AND BULK PURCHASES:						
Street Lighting	110,000.00	110,000.00	97,343.23	8,788.02	3,868.75	
Electricity	45,000.00	46,200.00	41,703.97	4,480.21	15.82	
Telephone	21,000.00	21,000.00	18,958.94	1,685.03	356.03	
UTILITY EXPENSE AND BULK PURCHASES (CONT'D):						
Water	6,000.00	6,000.00	3,652.45	174.54	2,173.01	
Natural Gas	25,000.00	19,240.00	13,584.56		5,655.44	
Sewerage Processing and Disposal	2,300.00	2,300.00	2,208.50		91.50	
Gasoline	70,000.00	90,000.00	66,578.43		23,421.57	
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Other Expenses	320,000.00	271,124.00	250,697.70	17,541.55	2,884.75	
CODE ENFORCEMENT AND ADMINISTRATION:						
Uniform Construction Code Enforcement:						
Salaries and Wages	36,410.00	36,410.00	36,410.00			
Other Expenses	42,510.00	41,684.00	36,703.10		4,980.90	
Other Code Enforcement Functions:						
Salaries and Wages	8,672.00	9,112.00	9,112.00			
Other Expenses	150.00	536.00		54.00	482.00	
Total Operations Within "CAPS"	5,320,893.00	5,324,043.00	5,109,641.57	59,901.68	154,499.75	-
Detail:						
Salaries and Wages	2,723,583.00	2,714,789.00	2,702,031.85	-	12,757.15	-
Other Expenses	2,597,310.00	2,609,254.00	2,407,609.72	59,901.68	141,742.60	-

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Statutory Expenditures:						
Prior Year Bill - Borough of Lindenwold	\$ 14,040.00	\$ 14,040.00				\$ 14,040.00
Contribution to:						
Public Employees' Retirement System	107,206.00	107,206.00	\$ 107,206.00			
Social Security System (O.A.S.I.)	230,000.00	226,850.00	215,847.23		\$ 11,002.77	
Police and Fireman's Retirement System	472,803.00	472,803.00	472,803.00	-		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	824,049.00	820,899.00	795,856.23	-	11,002.77	14,040.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	6,144,942.00	6,144,942.00	5,905,497.80	\$ 59,901.68	165,502.52	14,040.00
OPERATIONS EXCLUDED FROM "CAPS"						
SFSP Fire District Payment	3,945.00	3,945.00	3,945.00			
Recycling Tax	9,600.00	9,600.00	9,600.00			
Interlocal Service Agreement - Borough of Lindenwold:						
Uniform Construction Code Enforcement						
Salaries and Wages	27,365.00	27,365.00	27,365.00			
Other Code Enforcement Functions						
Salaries and Wages	25,870.00	25,870.00	25,870.00			
Public and Private Programs Offset by Revenues:						
Alcohol Education, Rehabilitation & Enforcement Fund		916.89	916.89			
Body Armor Grant	337.50	337.50	337.50			
Clean Communities Program		15,157.41	15,157.41			
Drunk Driving Enforcement	4,490.04	4,490.04	4,490.04			
Municipal Alliance on Alcoholism and Drug Abuse:						
State Share	7,145.00	7,145.00	7,145.00			
Local Share	1,786.25	1,786.25	1,786.25			
Recycling Tonnage Grant	10,854.07	10,854.07	10,854.07			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	91,392.86	107,467.16	107,467.16	-	-	-
Detail:						
Salaries and Wages	57,725.04	57,725.04	57,725.04	-	-	-
Other Expenses	33,667.82	49,742.12	49,742.12	-	-	-

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>CAPITAL IMPROVEMENTS -EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	-		
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	15,000.00	15,000.00	15,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	350,000.00	350,000.00	350,000.00			
Payment of Bond Anticipation Notes and Capital Notes	66,500.00	66,500.00	66,500.00			
Interest on Bonds	155,340.00	155,340.00	155,340.00			
Interest on Notes	5,100.00	5,060.00	5,037.45			\$ 22.55
New Jersey Environmental Infrastructure Trust:						
Loan Repayments for Principal and Interest	36,445.00	36,485.00	36,483.38			1.62
Green Trust Loan Program						
Loan Repayments for Principal and Interest	42,860.00	42,860.00	42,857.82			2.18
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	656,245.00	656,245.00	656,218.65	-	-	26.35
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Emergency Authorizations	100,000.00	100,000.00	100,000.00			
Special Emergency Authorizations - 5 years	59,400.00	59,400.00	59,400.00			
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	159,400.00	159,400.00	159,400.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	922,037.86	938,112.16	938,085.81	-	-	26.35
SUBTOTAL GENERAL APPROPRIATIONS	7,066,979.86	7,083,054.16	6,843,583.61	\$ 59,901.68	\$ 165,502.52	14,066.35
RESERVE FOR UNCOLLECTED TAXES	830,896.98	830,896.98	830,896.98	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 7,897,876.84	\$ 7,913,951.14	\$ 7,674,480.59	\$ 59,901.68	\$ 165,502.52	\$ 14,066.35

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2011

	<u>Budget After Modification</u>	<u>Paid or Charged</u>
N.J.S.A. 40A: 4-87	\$ 16,074.30	
Budget	<u>7,897,876.84</u>	
Budget	<u><u>\$ 7,913,951.14</u></u>	
Due From Trust Other		\$ (29,229.06)
Deferred Charge - Emergency		100,000.00
Deferred Charge - Special Emergency		59,400.00
Federal and State Grants		40,687.16
Reserve for Uncollected Taxes		830,896.98
Disbursed		<u>6,672,725.51</u>
		<u><u>\$ 7,674,480.59</u></u>

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

BOROUGH OF PINE HILL

TRUST FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2011 and 2010

	Ref.	2011	2010
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 5,634.04	\$ 4,604.09
Due from Current Fund	SB-3	4.35	-
		<u>5,638.39</u>	<u>4,604.09</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	239,284.52	636,160.52
Cash - Collector	SB-2	97,660.96	86,487.26
Community Development Block Grant Receivable	SB-8	-	53,005.00
		<u>336,945.48</u>	<u>775,652.78</u>
		<u>\$ 342,583.87</u>	<u>\$ 780,256.87</u>
Liabilities, Reserves, and Fund Balance:			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ -	\$ 55.34
Reserve for Animal Control Fund	SB-5	5,638.39	4,548.75
		<u>5,638.39</u>	<u>4,604.09</u>
Other Funds:			
Due to Current Fund	SB-6	48,902.56	33,507.21
Reserve for Community Development Block Grant	SB-9	-	53,005.00
Reserve for Escrow Deposits	SB-7	24,829.11	24,973.64
Reserve for CDBG Escrows	SB-7	126.06	125.48
Reserve for Unemployment Compensation	SB-7	197.20	366.93
Reserve for Payroll	SB-7	55,449.36	32,213.16
Reserve for Off-Duty Police Employment	SB-7	25,838.60	113,885.60
Reserve for Tax Sale Premiums	SB-7	87,200.00	52,610.00
Reserve for Redemption of Tax Sale Certificates	SB-7	9,969.51	32,557.53
Reserve for Public Defender Fees	SB-7	1,884.17	1,912.28
Reserve for D.A.R.E.	SB-7	6,985.20	1,985.20
Reserve for Forfeited Funds - State	SB-7	24,674.20	21,577.82
Reserve for Forfeited Funds - Federal	SB-7	50,233.19	114,862.13
Reserve for Police K-9	SB-7	133.53	218.41
Reserve for Recreation	SB-7	150.00	150.00
Reserve for COAH	SB-7	372.79	370.94
Reserve for Police Evidence	SB-7	-	291,331.45
		<u>336,945.48</u>	<u>775,652.78</u>
		<u>\$ 342,583.87</u>	<u>\$ 780,256.87</u>

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

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Assets:			
Cash - Chief Financial Officer	SC-1	\$ 24,201.88	\$ 283,222.43
Deferred Charges to Future Taxation:			
Funded	SC-3	3,462,368.88	3,879,457.06
Unfunded	SC-4	322,500.00	179,000.00
Due from Community Development Block Grant	SC-6	115,449.82	110,690.00
State Road Aid Allotments Receivable	SC-7	397,898.41	246,532.73
		<u>\$ 4,322,418.99</u>	<u>\$ 4,698,902.22</u>
Liabilities, Reserves and Fund Balance:			
Due to Current Fund	SC-5	\$ 891.95	\$ 3,275.57
Due to Grant Fund	SC-1	-	4,382.00
Encumbrances Payable	SC-8	306,200.99	197,898.74
Capital Improvement Fund	SC-9	44,634.05	44,634.05
Improvement Authorizations:			
Funded	SC-10	253,439.21	354,790.52
Unfunded	SC-10	113,339.63	6,420.00
General Serial Bonds	SC-11	2,985,000.00	3,335,000.00
Green Trust Loan Payable	SC-12	222,167.00	260,012.85
New Jersey Environmental Infrastructure Loan Payable	SC-13	255,201.88	284,444.21
Bond Anticipation Notes Payable	SC-14	112,500.00	179,000.00
Fund Balance	C	29,044.28	29,044.28
		<u>\$ 4,322,418.99</u>	<u>\$ 4,698,902.22</u>

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

BOROUGH OF PINE HILL
PUBLIC ASSISTANCE FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 For the Year Ended December 31, 2011

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Assets:			
Cash - Chief Financial Officer	SE-1	\$ <u>0.07</u>	\$ <u>5,361.24</u>
 Liabilities and Reserves:			
Due To Current Fund	SE-2	\$ 0.07	\$ 47.15
Reserve for Public Assistance	SE-3	<u>-</u>	<u>5,314.09</u>
		<u>\$ 0.07</u>	<u>\$ 5,361.24</u>

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

TOWNSHIP OF PINE HILL
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts
For the Year Ended December 31, 2011

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
General Fixed Assets:				
Land	\$ 3,404,600.00			\$ 3,404,600.00
Buildings and Improvements	6,177,563.00			6,177,563.00
Machinery and Equipment	<u>1,836,612.00</u>	\$ <u>150,447.00</u>	\$ <u>26,131.00</u>	<u>1,960,928.00</u>
Total General Fixed Assets	<u>\$ 11,418,775.00</u>	<u>\$ 150,447.00</u>	<u>\$ 26,131.00</u>	<u>\$ 11,543,091.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 11,418,775.00</u>	 <u>\$ 150,447.00</u>	 <u>\$ 26,131.00</u>	 <u>\$ 11,543,091.00</u>

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

BOROUGH OF PINE HILL
Notes to Financial Statements
For the Year Ended December 31, 2011

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Description of Financial Reporting Entity - The Borough of Pine Hill was incorporated in May, 1929 and is located in southwestern New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 10,233.

The Borough has a Mayor-Council form of government in accordance with N.J.A.C. 40A:60-1. The Mayor is separately elected every four years. Executive and administrative responsibility rests with the Mayor / Borough Administrator, who is assisted by the Borough Clerk. Council members are elected for three year terms.

Component Units - The financial statements of the component units of the Borough of Pine Hill are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Pine Hill Municipal Utilities Authority
907 Turnerville Road
Pine Hill, New Jersey 08021

Annual financial reports may be inspected directly at the office of the component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough of Pine Hill contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Pine Hill accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

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

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

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Public Assistance Fund - The Public Assistance Fund accounts for receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes. On May 12, 2003, the governing body resolved to transfer all public assistance activities to the County of Camden effective June 1, 2003. The fund was closed in 2011.

Budgets and Budgetary Accounting - The Borough of Pine Hill must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough of Pine Hill requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

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

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Fund Balance - Fund Balance included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance 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.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Camden, Borough of Pine Hill School District and Borough of Pine Hill Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Pine Hill School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

County Taxes - The municipality is responsible for levying, collecting and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting Fire District Taxes for Borough of Pine Hill Fire District No. 1. Operations are charged for the full amount required to be raised by taxation to support the districts for the year.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end 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.

Long-Term Debt - Long-Term Debt, relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings or funds that may pass to the Borough relative to the happening of a future condition.

As of December 31, 2011, the Borough's bank balances of \$1,977,381.81 were completely insured and collateralized.

Note 3: **PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

<u>Comparative Schedule of Tax Rates</u>	<u>2011</u>	<u>2010 (1)</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	<u>\$3.678</u>	<u>\$3.502</u>	<u>\$6.445</u>	<u>\$6.330</u>	<u>\$6.143</u>
Apportionment of Tax Rate:					
Municipal	\$.823	\$.782	\$ 1.376	\$ 1.306	\$ 1.116
County	.655	.631	1.129	1.139	1.159
County Library	.043	.043	.082	.082	.081
County Open Space	.020	---	.040	.040	.037
Local School	1.992	1.908	3.559	3.513	3.512
Fire District	.145	.138	.259	.250	.238

(1) – Revaluation effective January 1, 2010

Note 3: **PROPERTY TAXES****Assessed
Valuation**

2011	\$533,558,765.00
2010	539,489,564.00 (1)
2009	276,665,560.00
2008	276,075,443.00
2007	276,080,556.00

(1) – Revaluation effective January 1, 2010

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2011	\$19,654,695.20	\$18,993,637.88	96.64%
2010	18,907,142.11	18,126,574.43	95.87%
2009	17,874,026.92	17,247,895.13	96.50%
2008	17,494,802.27	16,785,878.97	95.95%
2007	17,012,600.93	16,318,816.61	95.92%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2011	\$314,950.11	\$536,770.36	\$851,720.47	4.33%
2010	194,347.43	688,847.80	883,195.23	4.67%
2009	86,792.18	575,008.44	661,800.62	3.70%
2008	39,889.17	687,749.34	727,638.51	4.16%
2007	28,501.80	685,963.27	714,465.07	4.20%

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

<u>Year</u>	<u>Number</u>
2011	64
2010	17
2009	8
2008	12
2007	4

Note 4: **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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2011	\$332,550.00
2010	336,775.00
2009	336,775.00
2008	336,775.00
2007	336,775.00

Note 5: **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2011	\$1,049,516.39	\$715,000.00	68.13%
2010	812,525.11	675,000.00	83.07%
2009	884,375.12	875,000.00	98.94%
2008	927,642.39	825,000.00	88.93%
2007	1,041,800.33	930,000.00	89.26%

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$49,794.58	\$161,135.31
Federal and State Grant Fund	161,130.96	---
Trust—Animal Control	4.35	---
Trust-- Other Funds	---	48,902.56
General Capital Fund	---	891.95
Public Assistance	---	.07
	<u>\$210,929.89</u>	<u>\$210,929.89</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During 2012, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: **PENSION PLANS**

The Borough of Pine Hill contributes to two cost-sharing multiple-employer defined benefit pension plans, the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS), which are administered by the New Jersey Division of Pensions and Benefits. In addition, two Borough employees participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Note 7: **PENSION PLANS (CONT'D)**

Public Employees' Retirement System - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Pension Deferral</u>	<u>Non-Contributory Group Life</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2011	\$ 35,521.00	\$ 56,601.00		\$ 6,997.00	\$ 99,119.00	\$ 99,119.00
2010	28,542.00	36,673.00		9,044.00	74,259.00	74,259.00
2009	29,537.00	34,163.00	\$ (31,850.00)	7,918.00	39,768.00	39,768.00

Police and Firemen's Retirement System - The PFRS was established in 1944. The PFRS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement System are required to contribute 8.5% of their annual covered salary. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate will be increased to 10% in October, 2011. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Borough is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Pension Deferral</u>	<u>Non-Contrib. Group Ins.</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2011	\$ 254,102.00	\$ 198,345.00		\$ 20,356.00	\$ 472,803.00	\$ 472,803.00
2010	216,142.00	149,816.00		19,254.00	385,212.00	385,212.00
2009	205,117.00	138,010.00	\$ (171,563.50)	14,555.00	186,118.50	186,118.50

Note 7: **PENSION PLANS (CONT'D)**

Pension Deferral – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The payments were due on April 1, 2009 (with a grace period until April 30). The amount will be repaid starting in April of 2012 over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

The Borough applied for and received approval from the Local Finance Board to defer a portion of the 2009 liability due for both PERS and PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough's contributions were as follows:

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
2011	\$ 124.35	\$ 124.35
2010	214.35	214.35
2009	N/A	-

Early Retirement Incentive Program – Legislation enacted in 1991 and 1993 made early retirement available through Early Retirement Incentive Programs. These programs, which were subject to the approval of the Borough's governing body, were available to employees who met certain minimum requirements. The governing body of the Borough approved the program in 1991 for eligible members of the PERS. One employee applied for early retirement during the 1991 program. Program costs are billed annually by the Division of Pensions. As of December 31, 2011, the accrued liability to the PERS for the 1991 program was \$80,870.00 payable in annual installments of \$8,087.00 to April 1, 2021.

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 8: **POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

The financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Note 8: **POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)*****Plan Description***

The Borough's defined benefit postemployment healthcare plan, the Borough of Pine Hill Postemployment Benefits Plan (the "Borough Plan"), allows for e retiring with twenty-five (25) full-time years of service with the Borough, or twenty-five (25) or more years of service credit in a state or locally administered retirement system, regardless of age, or employees retiring on an accidental disability pension, to receive health care benefits consistent with the benefits offered to active employees covered under the collective bargaining agreement.

The Borough Plan also requires that retirees that become eligible for Medicare benefits utilize the Borough Plan as the secondary insurance coverage. The employees will be required to purchase the Medicare coverage without reimbursement, but the retirees will not be expected to contribute to the secondary Borough coverage. The level of coverage for an employee and their dependents is based upon the applicable employment agreements.

The Borough Plan is a single-employer postemployment healthcare plan administered by the Borough. The benefit provisions of the plans that participate may be established or amended by the Borough Council; for the Borough Plan that authority rests with the Borough Council. The plan does not issue a separate financial report.

Funding Policy

The contribution requirement of the Borough is established by policy of the Borough Council and reflected in the various union contracts. The Council may amend its policy, subject to contract inclusion, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements. For the year 2011, the Borough contributed \$265,260.00 for current premiums for retirees. Various factors, as stipulated in employee contracts, dictate whether plan members are required to make contributions to the plan.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Borough's net OPEB obligation to the Plan:

Normal Cost	\$ 479,858.00
Unfunded Actuarial Liability	688,303.00
Annual Required Contribution (Expense)	1,168,161.00
Contribution Made	<u>(265,260.00)</u>
Net OPEB Obligation – 1/1/2011	<u>---</u>
Net OPEB Obligation – 12/31/11	<u><u>\$ 902,901.00</u></u>

Note 8: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)***Funded Status and Funding Progress***

As of December 31, 2011, the most recent actuarial valuation date, the Borough's Plan was 0% funded. The actuarial accrued liability for benefits was \$11.2 million, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$11.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$1.7 million, and the ratio of the UAAL to the covered payroll was 655.43%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below as required supplementary information, compares the assets used for funding purposes to the comparable liabilities to determine how well the Borough Plan is funded. The actuarial liability is compared to the actuarial value of assets to determine the funding ratio. The Actuarial Accrued Liability under GASB is determined assuming that the Borough Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a discount rate of 4.5%, an annual healthcare cost trend rate of 9% reducing by 0.5% per annum, leveling at 5% per annum in 2020, and administration expenses of approximately 2% is included in the annual healthcare costs. The Borough Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2011 was twenty-nine years.

Note 9: COMPENSATED ABSENCES

Full-time employees are entitled to eighteen paid sick leave days each year. Employees who are part of the Council Ten Union are entitled to carry forward sick and vacation time. The maximum accrual of sick time is equal to the four hundred five (405) hours in addition to the amount of sick time they had accumulated prior to the consummation of their agreement in 2001. Vacation time accrued and unused in the current prior can be carried for no greater than one (1) year. Employees under the collective bargaining agreement for the Police are entitled to no greater than forty (40) hours of accumulated vacation time accumulation and an unlimited accumulation of sick time. Employees not covered under the above agreements may accumulate up to forty (40) hours of vacation and an unlimited accumulation of sick time.

The Borough of Pine Hill compensates employees for unused sick leave upon termination or retirement. The Borough's liability is limited to the accrual provisions as outlined above.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2011, accrued benefits for compensated absences are valued at \$417,757.03.

Note 10: **DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 11: **CAPITAL DEBT**

Summary of Debt

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$3,574,868.88	\$4,058,457.06	\$4,522,048.58
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	210,000.00	---	15,672.17
Total Issued and Authorized but Not Issued	3,784,868.88	4,058,457.06	4,537,720.75
Deductions:			
Refunding Bonds	210,000.00		
Net Debt	<u>\$3,574,868.88</u>	<u>\$4,058,457.06</u>	<u>\$4,537,720.75</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.66%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$10,355,000.00	\$10,355,000.00	
General	3,784,868.88	210,000.00	\$3,574,868.88
	<u>\$14,139,868.88</u>	<u>\$10,565,000.00</u>	<u>\$3,574,868.88</u>

Net Debt \$3,574,868.88 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$539,507,522.00 equals 0.66%.

Note 11: **CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$18,882,763.27
Net Debt	<u>3,574,868.88</u>
Remaining Borrowing Power	<u><u>\$15,307,894.39</u></u>

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2012	\$440,623.57	\$149,241.27	\$589,864.84
2013	460,822.19	129,970.27	590,792.46
2014	476,036.37	109,716.19	585,752.56
2015	196,266.47	88,726.19	284,992.66
2016	201,512.83	81,602.45	283,115.28
2017-2021	827,107.45	300,362.14	1,127,469.59
2022-2026	860,000.00	119,925.00	979,925.00

Note 12: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$118,000.00	\$59,400.00

The appropriations in the 2012 Budget as adopted are not less than that required by the statutes.

Note 13: **JOINT INSURANCE POOL**

The Borough of Pine Hill is a member of the Camden County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Workers' Compensation and Employer's Liability
- Liability other than Motor Vehicles
- Property Damage other than Motor Vehicles
- Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Note 13: **JOINT INSURANCE POOL (CONT'D)**

The Fund provides the Borough with the following coverage:

Fidelity Bonds – Public Employees & Public Officials
 General and Automobile Liability
 Excess Liability
 Workers' Compensation Liability
 Property - Blanket Building and Grounds

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2011, which can be obtained from:

Camden County Municipal Joint Insurance Fund
 P.O. Box 345
 Voorhees, New Jersey 08043

Note 14: **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. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$29,852.00	\$30,030.10	\$197.20
2010	3,000.00	16,663.99	366.93
2009	---	8,762.28	9,620.39

Note 15: **DEBT SERVICE AGREEMENT**

The Borough entered into a debt service agreement with the Pine Hill Municipal Utilities Authority on November 1, 1986. This agreement obligates the Borough to advance payment for any debt service deficiency of the Authority. The Authority is obligated, by the agreement, to repay to the Borough all advances paid on their behalf, upon the financial ability to do so. At December 31, 2011, the Authority had \$3,589,825.91 in outstanding debt covered by this agreement.

Note 16: **LITIGATION**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF PINE HILL
 Required Supplementary Information
 Schedule of Funding Progress for the OPEB Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - (AAL) (b)	Unfunded AAL (UAAL) (b) - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
12/31/11	-	\$ 11,211,693	\$ 11,211,693	0%	\$ 1,710,598	655.43%

SCHEDULE RSI-2

Required Supplementary Information
 Schedule of Employer Contributions

<u>Year Ended December 31,</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
2011	\$1,168,161.00	22.71%

BOROUGH OF PINE HILL
 Note to Required Supplementary Information
 For the Year Ended December 31, 2011

Other Postemployment Benefits

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	December 31, 2011
Actuarial Cost Method	Unit Credit
Amortization Method	Level percent, open
Remaining Amortization Period	29 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.5%
Rate of Medical Inflation	9% pre-Medicare and 5% post-Medicare
Administration Expenses	2% (included in annual health care costs)

For determining the GASB ARC, the rate of employer contributions to the plan is composed of the Normal Cost plus amortization of the Unfunded Actuarial Liability. The Normal Cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The Actuarial Liability is that portion of the Present Value of Projected Benefits that will not be paid by Future Employer Normal Costs or active employee contributions. The difference between this liability and the funds accumulated as of the same date is the Unfunded Actuarial Liability.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Current Cash - Chief Financial Officer
For the Year Ended December 31, 2011

		Current Fund
Balance December 31, 2010		\$ 1,177,354.32
Increased by Receipts:		
Tax Collector	\$ 19,689,518.91	
Due from State - Senior Citizens & Vets	106,911.73	
Federal & State Grants Receivable	47,483.74	
Revenue Accounts Receivable	2,232,883.92	
Miscellaneous Revenue Not Anticipated	245,312.80	
Due Animal Control	55.34	
Due Trust Other Fund	16,184.04	
Due General Capital	3,245.57	
Due Public Assistance	47.08	
Marriage Licenses	1,350.00	
Petty Cash	200.00	
		22,343,193.13
		23,520,547.45
Decreased by Disbursements:		
2010 Appropriation Reserves	207,969.31	
2011 Appropriations	6,672,725.51	
County Taxes	3,826,415.00	
Due County for Added and Omitted Taxes	1,960.85	
Local District School Tax	10,629,317.00	
Special District Tax	771,379.00	
Refund Tax Overpayments	21,090.15	
Federal and State Grant Expenditures	33,624.15	
Accounts Payable	175.01	
Special Emergency Note	59,400.00	
Due Trust Other Fund	65.48	
Marriage Licenses	1,275.00	
		22,225,396.46
Balance December 31, 2011		\$ 1,295,150.99

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Current Cash - Collector
For the Year Ended December 31, 2011

<hr/>	
Balance December 31, 2010	\$ 243,245.18
Increased by:	
Taxes Receivable	\$ 19,481,841.01
Prepaid Taxes	79,364.29
Tax Overpayments	11,791.29
Tax Title Liens	20,223.46
Revenue Accounts Receivable	110,167.87
Miscellaneous Revenue Not Anticipated	42,003.04
	19,745,390.96
	19,988,636.14
Decreased by:	
Payments to Chief Financial Officer	19,689,518.91
Balance December 31, 2011	\$ 299,117.23

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2011

Year	Balance	2011 Levy	Added Taxes	Collections		Canceled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2010			2010	2011			Dec. 31, 2011
2008	\$ 1,146.99							\$ 1,146.99
2009	6,990.64				\$ 2,755.20			4,235.44
2010	<u>680,710.17</u>		\$ 1,500.00		<u>650,195.82</u>	\$ 666.41	\$ 20,744.99	<u>10,602.95</u>
	688,847.80	-	1,500.00	-	652,951.02	666.41	20,744.99	15,985.38
2011		\$ 19,654,695.20		\$ 55,345.79	18,938,292.09	26,349.40	113,922.94	520,784.98
	<u>\$ 688,847.80</u>	<u>\$ 19,654,695.20</u>	<u>\$ 1,500.00</u>	<u>\$ 55,345.79</u>	<u>\$ 19,591,243.11</u>	<u>\$ 27,015.81</u>	<u>\$ 134,667.93</u>	<u>\$ 536,770.36</u>
Taxes Receivable					\$ 19,481,841.01			
Senior Citizens and Veterans					<u>109,402.10</u>			
					<u>\$ 19,591,243.11</u>			
<u>Analysis of 2011 Property Tax Levy</u>								
<u>Tax Yield:</u>								
General Property Tax						\$ 19,620,832.10		
Added Taxes (54:4-63.1 et. seq.)						<u>33,863.10</u>		
							\$ <u>19,654,695.20</u>	
<u>Tax Levy:</u>								
Local School District Tax (Abstract)						\$ 10,629,317.00		
County Taxes:								
County Tax (Abstract)						\$ 3,826,415.00		
Due County for Added Taxes						<u>5,455.02</u>		
						3,831,870.02		
Special District Taxes:								
Fire District No. 1						771,379.00		
Local Tax for Municipal Purposes						4,391,930.23		
Add: Additional Tax Levied						<u>30,198.95</u>		
						4,422,129.18		
							\$ <u>19,654,695.20</u>	

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 194,347.43
Increased by:		
Transfers from Taxes Receivable	\$ 134,667.93	
Interest and Costs on Sale	<u>6,158.21</u>	
		<u>140,826.14</u>
		335,173.57
Decreased by:		
Cash Receipts		<u>20,223.46</u>
Balance December 31, 2011		<u><u>\$ 314,950.11</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Schedule of Property Acquired for Taxes
For the Year Ended December 31, 2011

Balance December 31, 2010	\$ 336,775.00
Decreased by:	
Adjustments to Assessed Valuation	<u>4,225.00</u>
Balance December 31, 2011	<u><u>\$ 332,550.00</u></u>

BOROUGH OF PINE HILL

CURRENT FUND

Statement of Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	4,646.89
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	34,750.00	
Veterans		71,000.00	
Deductions Allowed by Collector - 2011 Taxes		<u>5,500.00</u>	
			<u>111,250.00</u>
			115,896.89
Decreased by:			
Received from State of New Jersey		106,911.73	
Deductions Disallowed by Collector - 2011 Taxes		1,847.90	
Deductions Disallowed by Collector - 2010 Taxes		1,500.00	
Cancellation of Receivable		<u>2,825.55</u>	
			<u>113,085.18</u>
Balance December 31, 2011		\$	<u><u>2,811.71</u></u>
 <u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	105,750.00	
Senior Citizens' and Veterans'			
Deductions Allowed by Tax Collector - 2011		<u>5,500.00</u>	
			\$ 111,250.00
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Tax Collector - 2011			<u>1,847.90</u>
			\$ <u><u>109,402.10</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2011

	<u>Balance Dec. 31, 2010</u>	<u>Accrued In 2011</u>	<u>Collected</u>	<u>Balance Dec. 31, 2011</u>
Miscellaneous Revenue Anticipated:				
Licenses:				
Other		\$ 6,451.00	\$ 6,451.00	
Fees and Permits		116,126.51	116,126.51	
Fines and Costs:				
Municipal Court	\$ 6,647.34	94,510.12	95,025.63	\$ 6,131.83
Interest on Taxes		110,167.87	110,167.87	
Payments in Lieu of Taxes:				
Mansion Apartments		257,665.56	257,665.56	
Pine Hill Gardens		325,622.80	325,622.80	
Rental Lease Agreement - Pine Hill Golf Club		306,072.42	306,072.42	
Consolidated Municipal Property Tax Relief Aid		145,726.00	145,726.00	
Energy Receipts Tax		739,159.00	739,159.00	
Uniform Construction Code Fees	1,786.00	193,627.00	191,895.00	3,518.00
Interlocal Agreements				
Borough of Lindenwold:				
Uniform Construction Code Enforcement		24,570.00	24,570.00	
Other Code Enforcement		24,570.00	24,570.00	
	<u>\$ 8,433.34</u>	<u>\$ 2,344,268.28</u>	<u>\$ 2,343,051.79</u>	<u>\$ 9,649.83</u>
Current Fund - Treasurer			\$ 2,232,883.92	
Current Fund - Collector			<u>110,167.87</u>	
			<u>\$ 2,343,051.79</u>	

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Special Emergency Authorizations
For the Year Ended December 31, 2011

Date Authorized	Purpose	Amount Authorized	1/5 of Amount Authorized	Balance Dec. 31, 2010	Raised in 2011 Budget	Balance Dec. 31, 2011
3/17/08	Revision of Tax Maps	\$ 255,000.00	\$ 51,000.00	\$ 153,000.00	\$ 51,000.00	\$ 102,000.00
12/8/08	Complete Revaluation Program	42,000.00	8,400.00	<u>25,200.00</u>	<u>8,400.00</u>	<u>16,800.00</u>
				<u>\$ 178,200.00</u>	<u>\$ 59,400.00</u>	<u>\$ 118,800.00</u>

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Special Emergency Notes
 For the Year Ended December 31, 2011

Ordinance Number	Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
812	Revision of Tax Maps	3/27/09	3/27/09 3/25/10	3/26/10 3/24/11	2.38% 1.34%	\$ 25,200.00	\$ 16,800.00	\$ 25,200.00	- 16,800.00
828	Complete Revaluation Program	3/27/09	3/27/09 3/25/10	3/26/10 3/24/11	2.38% 1.34%	153,000.00	102,000.00	153,000.00	- 102,000.00
						<u>\$ 178,200.00</u>	<u>\$ 118,800.00</u>	<u>\$ 178,200.00</u>	<u>\$ 118,800.00</u>
							Rollover Cash	\$ 118,800.00 59,400.00	
							<u>\$ 118,800.00</u>	<u>\$ 178,200.00</u>	

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP":					
Mayor and Council:					
Other Expenses		\$ 2,003.89	\$ 2,003.89	\$ 224.99	\$ 1,778.90
Municipal Clerk:					
Other Expenses	\$ 122.43	848.34	970.77	580.87	389.90
Financial Administration:					
Other Expenses	3,426.60	331.83	12,308.43	12,301.60	6.83
Revenue Administration:					
Other Expenses	167.75	4,377.30	4,545.05	764.75	3,780.30
Legal Services:					
Other Expenses	32,696.93	22,077.76	49,674.69	41,630.52	8,044.17
Engineering Services:					
Other Expenses	1,200.00	2,035.00	3,235.00	1,200.00	2,035.00
Planning/Zoning Board:					
Other Expenses		518.00	518.00	460.00	58.00
Insurance:					
Unemployment Insurance		30,713.79	30,713.79	19.93	30,693.86
Employee Group Insurance	2,040.81	47,194.68	49,235.49	9,658.09	39,577.40
Liability Insurance	269.00	707.82	976.82	269.00	707.82
Police:					
Salaries and Wages		79,002.92	79,002.92	59,080.18	19,922.74
Other Expenses	1,786.27	9,622.07	11,408.34	2,072.16	9,336.18
Municipal Court:					
Other Expenses	251.99	3,889.85	4,141.84	956.39	3,185.45
Street and Roads Maintenance:					
Salaries and Wages		10,121.78	10,121.78	427.97	9,693.81
Other Expenses	817.16	991.43	1,808.59	1,748.79	59.80
Solid Waste Collection:					
Other Expenses		1,358.29	9,858.29	9,759.00	99.29
Buildings and Grounds:					
Other Expenses	2,733.01	1,220.17	3,953.18	3,291.27	661.91
Vehicle Maintenance:					
Other Expenses	1,994.59	2,357.10	4,351.69	4,339.44	12.25
Maintenance of Parks:					
Salaries and Wages		2,212.60	2,212.60	448.16	1,764.44
Celebration of Public Events:					
Other Expenses		5,818.79	5,818.79	60.00	5,758.79
Public Transportation:					
Other Expenses		466.00	466.00	466.00	-
Utilities:					
Street Lighting	9,185.41	10,598.83	19,784.24	14,020.69	5,763.55
Electricity	3,458.71	77.31	3,536.02	3,458.71	77.31
Telephone	1,570.01	218.11	1,788.12	1,570.01	218.11
Water	475.70	5,850.85	6,326.55	475.70	5,850.85
Natural Gas	3,553.01	7,902.10	11,455.11	3,553.01	7,902.10
Gasoline	6,372.62	10,073.15	16,445.77	14,513.64	1,932.13
Landfill/Solid Waste Disposal Costs:					
Other Expenses	18,877.76	15,606.31	22,534.07	18,877.76	3,656.31
Other Code Enforcement Functions:					
Other Expenses	38.00	1.50	39.50	38.00	1.50
Total General Appropriations for Municipal Purposes Within "CAP"	91,037.76	278,197.57	369,235.33	206,266.63	162,968.70

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Appropriation Reserves
 For the Year Ended December 31, 2011

	Balance Dec. 31, 2010		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Statutory Expenditures within "CAPS"					
Contribution to:					
Social Security System (O.A.S.I.)		\$ 7,824.63	\$ 7,824.63	\$ 1,989.24	\$ 5,835.39
Total Statutory Expenditures - Municipal Within "CAPS"	-	7,824.63	7,824.63	1,989.24	5,835.39
Operations Excluded from "CAP":					
Recycling Tax	\$ 913.44	5,702.32	6,615.76	913.44	5,702.32
Total General Appropriations for Municipal Purposes Excluded from "CAP"	913.44	5,702.32	6,615.76	913.44	5,702.32
All Other Accounts - No Change		35,386.27	35,386.27		35,386.27
	\$ 91,951.20	\$ 327,110.79	\$ 419,061.99	\$ 209,169.31	\$ 209,892.68

Cash Disbursed	\$ 207,969.31
Accounts Payable	1,200.00
	<u>\$ 209,169.31</u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 12,111.63
Increased by:		
2010 Appropriation Reserves		<u>1,200.00</u>
		13,311.63
Decreased by:		
Disbursements	\$ 175.01	
Canceled	<u>6,654.67</u>	
		<u>6,829.68</u>
Balance December 31, 2011		<u><u>\$ 6,481.95</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2011

Balance December 31, 2010 (2011 Taxes)		\$ 55,345.79
Increased by:		
Collection (2012 Taxes)		<u>79,364.29</u>
		134,710.08
Decreased by:		
Application to 2011 Taxes		<u>55,345.79</u>
Balance December 31, 2011 (2012 Taxes)		<u><u>\$ 79,364.29</u></u>

Exhibit SA-13

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 59,354.09
Increased by:		
Overpayments		<u>11,791.29</u>
		71,145.38
Decreased by:		
Canceled	\$ 9.27	
Refunds Disbursed	<u>21,090.15</u>	
		<u>21,099.42</u>
Balance December 31, 2011		<u><u>\$ 50,045.96</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2011

2011 Levy:			
County General	\$	3,492,660.12	
County Library		226,188.88	
County Open Space Preservation		<u>107,566.00</u>	
			\$ 3,826,415.00
Decreased by:			
Disbursements			<u>\$ 3,826,415.00</u>

Exhibit SA-15

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2011

Balance December 31, 2010	\$	1,960.85
Increased by:		
County Share of 2011 Levy		<u>5,455.02</u>
		7,415.87
Decreased by:		
Disbursements		<u>1,960.85</u>
Balance December 31, 2011	\$	<u><u>5,455.02</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2011

Increased by:		
2011 Levy-Calendar Year	\$	10,629,317.00
Decreased by:		
Disbursements	\$	<u>10,629,317.00</u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Special District Taxes Payable -- Fire Districts
For the Year Ended December 31, 2011

2011 Levy	\$	771,379.00
Decreased by:		
Disbursements	\$	<u>771,379.00</u>

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 145,485.12
Increased by:		
Grant Revenues Deposited to Current Fund	\$ 43,101.74	
General Capital Interfund Received in Current Fund	4,382.00	
Local Match Due from Current Fund	1,786.25	
		49,269.99
		194,755.11
Decreased by:		
Grant Expenditures Paid by Current Fund		33,624.15
Balance December 31, 2011		\$ 161,130.96

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
 Statement of Federal and State Grants Receivable
 For the Year Ended December 31, 2011

<u>Program</u>	<u>Balance Dec. 31, 2010</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2011</u>
Federal Grants:					
Community Development Block Grant	\$ 345.00			\$ 345.00	\$ -
Over the Limit, Under Arrest	2,000.00			2,000.00	-
Total Federal Grants	<u>2,345.00</u>	<u>-</u>	<u>-</u>	<u>2,345.00</u>	<u>-</u>
State Grants:					
Alcohol, Education, Rehabilitation and Enforcement Grant	1,457.92	\$ 916.89	\$ 916.89	1,457.92	-
Body Armor Grant		2,289.36	2,289.36		-
Clean Communities Program		15,157.41	15,157.41		-
Drunk Driving Enforcement Grant		3,382.98	3,382.98		-
Municipal Alliance Grant		11,067.00	11,067.00		-
Recycling Tonnage Grant		10,288.10	10,288.10		-
Total State Grants	<u>1,457.92</u>	<u>43,101.74</u>	<u>43,101.74</u>	<u>1,457.92</u>	<u>-</u>
	<u>\$ 3,802.92</u>	<u>\$ 43,101.74</u>	<u>\$ 43,101.74</u>	<u>\$ 3,802.92</u>	<u>\$ -</u>

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2011

<u>Program</u>	<u>Balance Dec. 31, 2010</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2011 Budget</u>	<u>Balance Dec. 31, 2011</u>
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant		\$ 916.89	\$ 916.89	-
Body Armor Grant	\$ 337.50	2,289.36	337.50	\$ 2,289.36
Clean Communities Program		15,157.41	15,157.41	-
Drunk Driving Enforcement Grant	4,490.04	3,382.98	4,490.04	3,382.98
Municipal Alliance Grant	7,145.00	11,067.00	7,145.00	11,067.00
Recycling Tonnage Grant	10,854.07	10,288.10	10,854.07	10,288.10
	<u>22,826.61</u>	<u>43,101.74</u>	<u>38,900.91</u>	<u>27,027.44</u>
Total State Grants	<u>\$ 22,826.61</u>	<u>\$ 43,101.74</u>	<u>\$ 38,900.91</u>	<u>\$ 27,027.44</u>

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2011

Program	Balance Dec. 31, 2010		Transferred from 2011 Budget Appropriation	Disbursed	Encumbered	Canceled	Balance Dec. 31, 2011
	Appropriated	Encumbered					
Federal Grants:							
Municipal Stormwater Regulation Program	\$ 7,655.00						\$ 7,655.00
Buckle Up South Jersey	2,000.00						2,000.00
Community Development Block Grant Over the Limit, Under Arrest	247.00	\$ 98.00				\$ 345.00	-
	10,400.00					2,000.00	8,400.00
Total Federal Grants	20,302.00	98.00	-	-	-	2,345.00	18,055.00
State Grants:							
Alcohol, Education, Rehabilitation and Enforcement Grant	7,087.82		\$ 916.89	\$ 3,170.00		1,457.92	3,376.79
Body Armor Grant	-		337.50				337.50
Bulletproof Vest Fund	1,715.40				\$ 812.50		902.90
Clean Communities Program	50,533.12		15,157.41	17,845.11	600.00		47,245.42
Drunk Driving Enforcement Fund	3,882.74		4,490.04	1,810.33			6,562.45
Municipal Alliance Grant	9,684.96		8,931.25	10,660.71	197.50		7,758.00
Recycling Tonnage Grant	25,922.34		10,854.07	138.00			36,638.41
Total State Grants	98,826.38	-	40,687.16	33,624.15	1,610.00	1,457.92	102,821.47
Private Grants:							
Economic Development - Private Contributions	8,421.00						8,421.00
Tomlinson House	3,196.05						3,196.05
Total Private Grants	11,617.05	-	-	-	-	-	11,617.05
	\$ 130,745.43	\$ 98.00	\$ 40,687.16	\$ 33,624.15	\$ 1,610.00	\$ 3,802.92	\$ 132,493.52
Realized as Revenue in Budget			\$ 38,900.91				
Local Match - Due from Current Fund			1,786.25				
Cash Disbursements				\$ 33,624.15			
			\$ 40,687.16	\$ 33,624.15			

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF PINE HILL
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2011

	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2010	\$ 4,604.09	\$ 636,160.52
Increased by Receipts:		
License Fees	\$ 2,944.40	
State Dog License Fees	411.60	
Due Current Fund	27.79	\$ 909.46
Miscellaneous Reserves		<u>3,987,169.05</u>
	<u>3,383.79</u>	<u>3,988,078.51</u>
	7,987.88	4,624,239.03
Decreased by Disbursements		
Dog License Expenses	1,854.76	
Due to State of New Jersey	411.60	
Due Current Fund	87.48	13,914.89
Miscellaneous Reserves		<u>4,371,039.62</u>
	<u>2,353.84</u>	<u>4,384,954.51</u>
Balance December 31, 2011	<u>\$ 5,634.04</u>	<u>\$ 239,284.52</u>

BOROUGH OF PINE HILL
TRUST FUND
Statement of Trust Cash - Tax Collector
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 86,487.26
Increased by Receipts:		
Miscellaneous Reserves	\$ 1,221,400.90	
Interest Earned - Due Current Fund	927.34	
		1,222,328.24
		1,308,815.50
Decreased by Disbursements:		
Interest Earned - Due Current Fund	1,709.72	
Miscellaneous Reserves	1,209,444.82	
		1,211,154.54
Balance December 31, 2011		\$ 97,660.96

BOROUGH OF PINE HILL
TRUST FUND
Statement of Amount Due Current Fund - Animal Control Fund
For the Year Ended December 31, 2011

Balance December 31, 2010 (Due To)	\$	55.34
Increased by:		
Interest Earned		27.79
		83.13
Decreased by:		
Disbursements		87.48
Balance December 31, 2011 (Due From)	\$	4.35

Exhibit SB-4

BOROUGH OF PINE HILL
TRUST FUND
Statement of Amount Due State of New Jersey - Department of Health
For the Year Ended December 31, 2011

Increased by:		
2011 State License Fees	\$	411.60
Decreased by:		
Disbursements to the State	\$	411.60

BOROUGH OF PINE HILL
TRUST FUND
 Statement of Reserve for Animal Control Fund
 For the Year Ended December 31, 2011

Balance December 31, 2010		\$	4,548.75
Increased by:			
Dog License Fees Collected	\$	2,624.40	
Cat License Fees Collected		45.00	
Late Fees Collected		<u>275.00</u>	
			<u>2,944.40</u>
			7,493.15
Decreased by:			
Animal Control Expenses			<u>1,854.76</u>
Balance December 31, 2011		\$	<u><u>5,638.39</u></u>

Dog License Fees Collected

Year	Amount
2009	\$ 4,446.80
2010	<u>3,259.30</u>
	<u><u>\$ 7,706.10</u></u>

BOROUGH OF PINE HILL
TRUST FUND
Statement of Due Current Fund - Trust Other Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 33,507.21
Increased by:		
Interest Earned - Treasurer	\$ 909.46	
Interest Earned - Collector	927.34	
Expenditures paid by Current Fund	<u>29,229.06</u>	
		<u>31,065.86</u>
		64,573.07
Decreased by:		
Disbursements - Treasurer	13,914.89	
Disbursements - Collector	1,709.72	
Due Current Fund	<u>45.90</u>	
		<u>15,670.51</u>
Balance December 31, 2011		<u><u>\$ 48,902.56</u></u>

BOROUGH OF PINE HILL
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2011

	Balance Dec. 31, 2010	Receipts	Disbursements	Balance Dec. 31, 2011
Escrow Deposits	\$ 24,973.64	\$ 71,809.16	\$ 71,953.69	\$ 24,829.11
CDBG Escrows	125.48	0.58		126.06
Unemployment Compensation	366.93	29,860.37	30,030.10	197.20
Payroll	32,213.16	3,746,488.80	3,723,252.60	55,449.36
Off-Duty Police Employment	113,885.60	53,102.50	141,149.50	25,838.60
Tax Sale Premiums	52,610.00	149,045.90	114,455.90	87,200.00
Redemption of Tax Sale Certificates	32,557.53	1,072,400.90	1,094,988.92	9,969.51
Public Defender Fees	1,912.28	6,417.00	6,445.11	1,884.17
D.A.R.E.	1,985.20	5,000.00		6,985.20
Forfeited Funds - State	21,577.82	5,783.76	2,687.38	24,674.20
Forfeited Funds - Federal	114,862.13	68,560.44	133,189.38	50,233.19
Police K-9	218.41	100.69	185.57	133.53
Recreation	150.00			150.00
COAH	370.94	1.85		372.79
Police Evidence	291,331.45	43.90	291,375.35	-
	<u>\$ 689,140.57</u>	<u>\$ 5,208,615.85</u>	<u>\$ 5,609,713.50</u>	<u>\$ 288,042.92</u>
Treasurer		\$ 3,987,169.05	\$ 4,371,039.62	
Tax Collector		1,221,400.90	1,209,444.82	
Due Current		45.90	29,229.06	
		<u>\$ 5,208,615.85</u>	<u>\$ 5,609,713.50</u>	

BOROUGH OF PINE HILL
TRUST FUND
Statement of Community Development Block Grant Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$	53,005.00
Increased by:		
Grant Awarded - Year 33		<u>51,000.00</u>
		104,005.00
Decreased by:		
Appropriated in General Capital Fund Ordinance	\$	<u><u>104,005.00</u></u>

BOROUGH OF PINE HILL
TRUST FUND
Statement of Community Development Block Grant Reserve
For the Year Ended December 31, 2011

Balance December 31, 2010	\$	53,005.00
Increased by:		
Grant Awarded - Year 33		<u>51,000.00</u>
		104,005.00
Decreased by:		
Appropriated in General Capital Fund Ordinance	\$	<u><u>104,005.00</u></u>

SUPPLEMENTAL EXHIBITS
GENERAL CAPITAL FUND

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	283,222.43
Increased by Receipts:			
Capital Improvement Fund	\$	15,000.00	
State Aid Receivable		98,634.32	
Community Development Block Grant Receivable		109,055.87	
Due Current Fund		861.95	
		223,552.14	223,552.14
			506,774.57
Decreased by Disbursements:			
Improvement Authorizations	\$	279,330.75	
Due to Federal & State Grant Fund		4,382.00	
Encumbrances Payable		195,614.37	
Due Current Fund		3,245.57	
		482,572.69	482,572.69
Balance December 31, 2011		\$	24,201.88

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2011

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2011	
	Balance Dec. 31, 2010	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 29,044.28						\$ 29,044.28	
Capital Improvement Fund	44,634.05	\$ 15,000.00			\$ 15,000.00		44,634.05	
Encumbrances Payable	197,898.74			\$ 195,614.37	2,284.37	\$ 306,200.99	306,200.99	
Due Current Fund	3,275.57	861.95		3,245.57			891.95	
Due Federal and State Grant Fund	4,382.00			4,382.00			-	
Improvement Authorizations:								
<u>Ordinance</u>								
<u>Number</u>								
751	Veterans Park Improvements	38,986.26			5,678.26		33,308.00	
763	Branch Avenue Sidewalks	13,814.67					13,814.67	
783(a)	Construction of Public Works Facility	2,364.66				1,428.66	3,793.32	
783(c)	Acquisition of Public Safety Equipment	1,408.00					1,408.00	
783(d)	Improvements of Parks	25,000.00					25,000.00	
783(e)	Acquisition of Office Equipment	73.36	\$ 199.45		27,732.00	30,000.00	2,141.91	
783(f)	Acquisition of Public Works Equipment	275.00				-	275.00	
783(g)/857	Renovations to Various Municipal Buildings	31,778.55		1,778.55	30,000.00		-	
796	Reconstruction of E. 13th Avenue	11,968.87					11,968.87	
806(a)	Resurface Parking Lot	3,166.37					3,166.37	
806(c)	Purchase of Office Equipment	3,253.63					3,253.63	
814	Reconstruction of East Clearview Avenue	11,912.22					11,912.22	
848	Borough Building Improvements	28.11					28.11	
849	Reconstruction of Lake Avenue	(33,507.86)		19,218.31			(52,726.17)	
852	Reconstruction of Greenwood Ave	(5,915.00)	98,634.32	112,217.95	25,574.07		(45,072.70)	
862	Reconstruction of Forrester Ave	(100,619.05)	109,055.87		2,010.02	2,489.53	8,916.33	
870	Reconstruction of Madison Avenue			33,540.62	154,605.96	15,000.00	(173,146.58)	
875	Reconstruction of Bramau Avenue			9,295.50	93,868.32	1,633.82	(101,530.00)	
879	Refunding Bond Ordinance			103,080.37			(103,080.37)	
		\$ 283,222.43	\$ 223,552.14	\$ 279,330.75	\$ 203,241.94	\$ 356,753.00	\$ 356,753.00	\$ 24,201.88

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 3,879,457.06
Decreased by:		
2011 Budget Appropriation to Pay:		
General Serial Bonds	\$ 350,000.00	
Green Trust Loan	37,845.85	
NJ Environmental Infrastructure Trust Loan	29,242.33	
		<u>417,088.18</u>
Balance December 31, 2011		<u><u>\$ 3,462,368.88</u></u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2011	Analysis of Balance December 31, 2011		Unexpended Improvement Authorization
						Financed by Notes	Expended	
635	Acquisition of Real Property	\$ 50,000.00		\$ 50,000.00	-			
806(a)	Resurface Parking Lot	5,400.00		700.00	\$ 4,700.00	\$ 4,700.00		
806(b)	Acquisition of Public Works Equipment	17,900.00		2,300.00	15,600.00	15,600.00		
806(c)	Purchase of Office Equipment	50,000.00		6,400.00	43,600.00	43,600.00		
806(d)	Acquisition of Various Equipment	55,700.00		7,100.00	48,600.00	48,600.00		
					-			
879	Refunding Bond Ordinance		\$ 210,000.00		210,000.00		\$ 103,080.37	\$ 106,919.63
		<u>\$ 179,000.00</u>	<u>\$ 210,000.00</u>	<u>\$ 66,500.00</u>	<u>\$ 322,500.00</u>	<u>\$ 112,500.00</u>	<u>103,080.37</u>	<u>106,919.63</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement Due to Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	3,275.57
Decreased by:			
Interest Earned			861.95
			4,137.52
Increased by:			
Interest Paid to Current			3,245.57
Balance December 31, 2011		\$	891.95

Exhibit SC-6

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement Community Development Block Grant Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	110,690.00
Increased by:			
Grant Award			
Year 32	\$	53,005.00	
Year 33		60,811.00	
			113,816.00
			224,506.00
Decreased by:			
Receipts		109,055.87	
Canceled		0.31	
			109,056.18
Balance December 31, 2011		\$	115,449.82

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of State Aid Receivable
For the Year Ended December 31, 2011

Balance December 31, 2010	\$	246,532.73
Increased by:		
Department of Transportation Grant - Greenwood Avenue		250,000.00
		496,532.73
Decreased by:		
Receipts		98,634.32
Balance December 31, 2011	\$	397,898.41
<u>Analysis of Balance</u>		
Department of Transportation Grant - Lake Avenue	\$	66,532.73
Department of Transportation Grant - Greenwood Avenue		81,365.68
Department of Transportation Grant - Madison Avenue		250,000.00
	\$	397,898.41

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Encumbrances Payable
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	197,898.74
Increased by:			
Improvement Authorizations			306,200.99
			504,099.73
Decreased by:			
Disbursements	\$	195,614.37	
Encumbrances Payable Canceled		2,284.37	
			197,898.74
Balance December 31, 2011		\$	306,200.99

Exhibit SC-9

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$	44,634.05
Increased by:			
Budget Appropriation			15,000.00
			59,634.05
Decreased by:			
Appropriated to Finance			
Improvement Authorizations			15,000.00
Balance December 31, 2011		\$	44,634.05

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2010		2011 Authorizations	Balances Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance December 31, 2011	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
751	Veterans Park Improvements	06/20/05	\$ 292,000.00	\$ 38,986.26					\$ 5,678.26	\$ 33,308.00	
763	Branch Avenue Sidewalks	09/19/05	75,000.00	13,814.67					-	13,814.67	
783/848/ 857/876	Various Improvements:	05/15/06									
	Public Works Facility	09/21/09	2,035,000.00	2,364.66				\$ 1,428.66	-	3,793.32	
	Public Safety Equipment	03/15/10	65,000.00	1,408.00					-	1,408.00	
	Improvements of Parks	12/12/11	25,000.00	25,000.00					-	25,000.00	
	Office Equipment		15,000.00	73.36		\$ 30,000.00			27,931.45	2,141.91	
	Public Works Equipment		89,800.00	275.00					-	275.00	
	Renovations to Various Municipal Buildings		65,000.00	31,778.55		(30,000.00)			1,778.55	0.00	
796	Reconstruction of E. 13th Avenue	02/26/07	85,000.00	11,968.87					-	11,968.87	
806(a)	Resurface Parking Lot	10/22/07	6,420.00	-	\$ 3,166.37				-	-	\$ 3,166.37
806/852(c)	Purchase of Office Equipment	10/22/07	70,000.61	-	3,253.63				-	-	3,253.63
814	Reconstruction of East Clearview Avenue	05/19/08	170,000.00	11,912.22					-	11,912.22	
848	Borough Building Improvements	09/21/09	10,000.00	28.11					-	28.11	
849	Reconstruction of Lake Avenue	09/21/09	205,000.00	33,024.87					19,218.31	13,806.56	
852	Reconstruction of Greenwood Ave	02/22/10	200,000.00	174,085.00					137,792.02	36,292.98	
862	Reconstruction of Forrester Ave	09/13/10	120,000.00	10,070.95		(1,633.82)	\$ 0.31	855.71	376.20	8,916.33	
870	Reconstruction of Madison Avenue	05/16/11	265,000.00			265,000.00			188,146.58	76,853.42	
875	Reconstruction of Bramau Avenue	09/19/11	115,449.82			115,449.82			101,530.00	13,919.82	
879	Refunding Bond Ordinance	12/12/11	210,000.00			210,000.00			103,080.37	-	106,919.63
				<u>\$ 354,790.52</u>	<u>\$ 6,420.00</u>	<u>\$ 588,816.00</u>	<u>\$ 0.31</u>	<u>\$ 2,284.37</u>	<u>\$ 585,531.74</u>	<u>\$ 253,439.21</u>	<u>\$ 113,339.63</u>
				Capital Improvement Fund	\$ 15,000.00						
				Deferred Charges to Future Taxation	210,000.00						
				State Aid Receivable	250,000.00						
				CDBG Receivable	113,816.00						
				Cash Disbursements					\$ 279,330.75		
				Encumbrances Payable					306,200.99		
						<u>\$ 588,816.00</u>			<u>\$ 585,531.74</u>		

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
General Improvement Bonds	8/1/99	\$ 3,130,000.00	8/1/12	\$ 260,000	4.95%	\$ 1,070,000.00	\$ 250,000.00	\$ 820,000.00
			8/1/13	275,000				
			8/1/14	285,000				
General Improvement Bonds	8/1/06	2,630,000.00	8/1/12	105,000	4.50%			
			8/1/13	110,000	4.50%			
			8/1/14	115,000	4.50%			
			8/1/15	120,000	4.50%			
			8/1/16	125,000	4.50%			
			8/1/17	135,000	4.50%			
			8/1/18	140,000	4.50%			
			8/1/19	145,000	4.50%			
			8/1/20	150,000	4.50%			
			8/1/21	160,000	4.50%			
			8/1/22	165,000	4.50%			
			8/1/23	170,000	4.50%			
			8/1/24	170,000	4.50%			
			8/1/25	175,000	4.50%			
			8/1/26	180,000	4.75%			
					<u>2,265,000.00</u>	<u>100,000.00</u>	<u>2,165,000.00</u>	
					<u>\$ 3,335,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 2,985,000.00</u>	

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Green Trust Loan Payable
For the Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
Charles Bowen Recreational Complex	1/22/1998	\$ 660,000.00	2012	\$ 38,606.55				
			2013	39,382.55				
			2014	40,174.13				
			2015	40,981.63				
			2016	41,805.37				
			2017	21,216.77	2.00%	\$ 260,012.85	\$ 37,845.85	\$ 222,167.00

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
 Statement of New Jersey Environmental Infrastructure Loan Payable
 For the Year Ended December 31, 2011

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2011		Interest Rate	Balance Dec. 31, 2010	Decreased	Balance Dec. 31, 2011
			Date	Amount				
Storm Sewer System Improvements	11/5/98	\$ 305,000.00	8/1/12-17 8/1/18	\$ 20,000.00 25,000.00	4.40%	\$ 160,000.00	\$ 15,000.00	\$ 145,000.00
Storm Sewer System Improvements	11/5/98	301,289.00	2012 2013 2014 2015 2016 2017 2018	17,017.02 16,439.64 15,862.24 15,284.84 14,707.46 14,130.06 16,760.62	NIL	<u>124,444.21</u>	<u>14,242.33</u>	<u>110,201.88</u>
						<u>\$ 284,444.21</u>	<u>\$ 29,242.33</u>	<u>\$ 255,201.88</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011
635	Various Improvements	2/7/01	1/15/10	1/14/11	1.87%	\$ 50,000.00		\$ 50,000.00	-
806(a)	Resurface Parking Lot	12/21/07	12/14/10 12/12/11	12/13/11 12/11/12	1.34% 1.38%	5,400.00	\$ 4,700.00	5,400.00	- \$ 4,700.00
806(b)	Acquisition of Public Works Equipment	12/21/07	12/14/10 12/12/11	12/13/11 12/11/12	1.34% 1.38%	17,900.00	15,600.00	17,900.00	- 15,600.00
806(c)	Purchase of Office Equipment	12/21/07	12/14/10 12/12/11	12/13/11 12/11/12	1.34% 1.38%	50,000.00	43,600.00	50,000.00	- 43,600.00
806(d)	Acquisition of Various Equipment	12/21/07	12/14/10 12/12/11	12/13/11 12/11/12	1.34% 1.38%	55,700.00	48,600.00	55,700.00	- 48,600.00
						<u>\$ 179,000.00</u>	<u>\$ 112,500.00</u>	<u>\$ 179,000.00</u>	<u>\$ 112,500.00</u>
							\$ 112,500.00	\$ 112,500.00	
							-	66,500.00	
							<u>\$ 112,500.00</u>	<u>\$ 179,000.00</u>	

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2011

Ordinance Number	Improvement Description	2011 Authorizations	Balance Dec. 31, 2011
879	Refunding Bond Ordinance	\$ 210,000.00	\$ 210,000.00
		<u>\$ 210,000.00</u>	<u>\$ 210,000.00</u>

SUPPLEMENTAL EXHIBITS

PUBLIC ASSISTANCE FUND

BOROUGH OF PINE HILL
PUBLIC ASSISTANCE FUND
Statement of Public Assistance Cash - Chief Financial Officer
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 5,361.24
Increased by Receipts:		
Due Current Fund - Interest Earned		24.46
		5,385.70
Decreased by Disbursements:		
Transfer to Current Fund to Close Fund	\$ 5,314.09	
Due Current Fund - Interest Earned	71.54	
		5,385.63
Balance December 31, 2011		\$ 0.07

Exhibit SE-2

BOROUGH OF PINE HILL
PUBLIC ASSISTANCE FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2011

Balance December 31, 2010		\$ 47.15
Increased by:		
Receipts		24.46
		71.61
Decreased by:		
Disbursements		71.54
Balance December 31, 2011		\$ 0.07

BOROUGH OF PINE HILL
PUBLIC ASSISTANCE FUND
Statement of Reserve for Public Assistance
For the Year Ended December 31, 2011

		P.A.T.F. Account #1 (75%)
		<u> </u>
Balance December 31, 2010	\$	5,314.09
Decreased by:		
Transfer to Current Fund to Close Fund		<u>5,314.09</u>
Balance December 31, 2011	\$	<u><u> -</u></u>

BOROUGH OF PINE HILL
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

BOROUGH OF PINE HILL
Schedule of Findings and Recommendations
For the Year Ended December 31, 2011

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

FINANCIAL STATEMENT FINDINGS

Finding No. 2011-1

Criteria or Specific Requirement

Pursuant to N.J.A.C. 5:30-5.7, the general ledger, together with the books of original entry and supporting subsidiary ledgers shall constitute a complete accounting system which all local units shall have and maintain. Good internal control practices dictate that a complete and accurate general ledger should be maintained for each fund to ensure adequate control over the preparation of financial statements including the related footnotes.

Condition

The computerized general ledger was not properly maintained for all required funds.

Context

The general ledger required adjustment to properly reflect the financial activity of the Borough.

Effect

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures and fund balance cannot be achieved.

Cause

Proper internal control policies and procedures over financial transactions are not in place to properly maintain the general ledger and corresponding subsidiary ledgers.

Recommendation

That the general ledger for each fund be accurately and completely maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PINE HILL
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

FINANCIAL STATEMENT FINDINGS

Finding No. 2010-1

Condition

The computerized general ledger was not properly maintained for all required funds.

Current Status

The condition remains unresolved.

Planned Corrective Action

The Borough will be providing additional training to the finance office employees to correct this issue.

Finding No. 2010-2

Condition

The Borough did not update the actuarial valuation report which reports the estimated liability for post-employment health care and prescription benefits required to be disclosed in the Notes to the Financial Statements.

Current Status

The condition has been resolved.

BOROUGH OF PINE HILL
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 Surety Bond</u>
Fred Costantino	Mayor, Borough Administrator	
Christopher Green	Council President	
Charles Reilly	Councilman (resigned March 9, 2011)	
Leslie Gallagher	Councilman (appointed April 11, 2011)	
Stephen Shultz	Councilman	
Thomas Knott	Councilman	
Charles Warrington, Jr.	Councilman	
Ruth McCullen	Councilwoman	
Thomas Cardis	Chief Financial Officer	\$1,000,000.00
Deidre Besnick	Deputy Treasurer	
Loretta Buchanan	Acting Municipal Clerk	
Margie L. Schieber	Tax Collector	1,000,000.00
Michael Raio	Tax Assessor	
Charles Shimberg, Esq.	Municipal Court Judge	1,000,000.00
Barbara A. Heriegel	Municipal Court Administrator	1,000,000.00
Margaret Worthman	Deputy Municipal Court Administrator	1,000,000.00
Raymond Hallworth	Construction Code Official	
Neil Clark	Zoning Officer	
John Kearney, Esq.	Solicitor	
Remington & Vernick	Engineers	

17300

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

