

**BOROUGH OF PINE HILL  
COUNTY OF CAMDEN  
REPORT OF AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2010**

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**BOROUGH OF PINE HILL**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

## **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, 2010 and 2009, 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, 2010. 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, 2010 and 2009, 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, 2010 and 2009, 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, 2010 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 October 28, 2011 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 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 conjunction with this report 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 of Pine Hill's basic financial statements. The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, 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  
October 28, 2011

**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, 2010, and have issued our report thereon dated October 28, 2011, 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**

In planning and performing our audit, we considered the Borough of Pine Hill'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: 2010-01.

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.

**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 one instance of noncompliance that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which is described in the accompanying Schedule of Findings and Recommendations as finding no.: 2010-02.

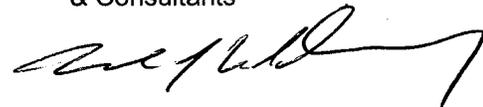
The Borough of Pine Hill's responses to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Borough of Pine Hill's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Borough, 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  
October 28, 2011

## BOROUGH OF PINE HILL

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2010 and 2009

Assets:	Ref.	2010	2009
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 1,177,354.32	\$ 1,345,560.88
Collector	SA-2	243,245.18	431,674.17
Change Fund	A	-	200.00
Petty Cash Fund	A	500.00	500.00
		<u>1,421,099.50</u>	<u>1,777,935.05</u>
Other Receivables:			
Due From State of New Jersey - Veterans and Senior Citizens Deductions	SA-6	4,646.89	6,251.51
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	688,847.80	575,008.44
Tax Title Liens Receivable	SA-4	194,347.43	86,792.18
Property Acquired for Taxes - Assessed Valuation	A	336,775.00	336,775.00
Sales Contract Receivable	SA-5	5,500.00	80,500.00
Revenue Accounts Receivable	SA-7	8,433.34	12,275.30
Due from Animal Control Fund	SB-3	55.34	32.14
Due from Trust Other Fund	SB-6	33,507.21	8,428.57
Due from General Capital	SC-5	3,275.57	87,345.33
Due from Public Assistance	SE-2	47.15	20.40
	A	<u>1,270,788.84</u>	<u>1,187,177.36</u>
Deferred Charges:			
Special Emergency Appropriations NJSA 40A:4-55	SA-8	178,200.00	237,600.00
Emergency Appropriation	A-3	100,000.00	-
		<u>278,200.00</u>	<u>237,600.00</u>
		<u>2,974,735.23</u>	<u>3,208,963.92</u>
Federal and State Grant Fund:			
Grants Receivable	SA-18	3,802.92	52,211.00
Due from General Capital Fund	SA-18	4,382.00	-
Due from Current Fund	SA-17	145,485.12	138,378.51
		<u>153,670.04</u>	<u>190,589.51</u>
		<u>\$ 3,128,405.27</u>	<u>\$ 3,399,553.43</u>

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3; SA-10	\$ 327,110.79	\$ 364,356.81
Encumbrances Payable	A-3; SA-10	91,951.20	115,909.65
Accounts Payable	A	12,111.63	35,434.95
Prepaid Taxes	SA-11	55,345.79	77,474.86
Tax Overpayments	SA-12	59,354.09	70,079.72
Due County for Added and Omitted Taxes	SA-14	1,960.85	7,232.01
Due to Federal and State Grant Fund	SA-17	145,485.12	138,378.51
Due State of New Jersey - Marriage License Fees	A-1; SA-1	300.00	2,023.00
Due Pine Hill MUA	A	142.32	142.32
Special Emergency Notes	SA-9	178,200.00	297,000.00
Reserve for Land Sale Deposits	SA-6	550.00	9,050.00
Reserve for Sanitary Landfill Closure	A	18,659.09	18,659.09
Reserve for Revaluation	SA-8	250.40	1,670.52
		<u>891,421.28</u>	<u>1,137,411.44</u>
Reserves for Receivables	A	1,270,788.84	1,187,177.36
Fund Balance	A-1	<u>812,525.11</u>	<u>884,375.12</u>
		<u>2,974,735.23</u>	<u>3,208,963.92</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-19	22,826.61	30,359.70
Appropriated Reserves	SA-20	130,745.43	99,530.24
Encumbrances Payable	SA-20	98.00	60,699.57
		<u>153,670.04</u>	<u>190,589.51</u>
		<u>\$ 3,128,405.27</u>	<u>\$ 3,399,553.43</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, 2010 and 2009

	2010	2009
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 875,000.00	\$ 825,000.00
Miscellaneous Revenues Anticipated	2,479,427.39	2,533,283.55
Receipts from Delinquent Taxes	533,245.52	670,482.78
Receipts from Current Taxes	18,126,574.43	17,247,895.13
Nonbudget Revenues	238,650.59	264,290.97
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	344,724.67	103,728.59
Interfund Returned	84,069.76	825.01
Accounts Payable - Cancelled	1,448.00	-
	<u>22,683,140.36</u>	<u>21,645,506.03</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	2,937,175.00	2,988,669.00
Other Expenses	2,773,151.00	2,470,609.00
Deferred Charges and Statutory Expenditures	479,316.40	473,387.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	19,927.10	7,160.24
Other Expenses	279,612.02	81,661.85
Capital Improvements	57,460.00	15,000.00
Municipal Debt Service	663,241.14	634,546.14
Deferred Charges	75,072.17	74,400.00
County Taxes	3,630,285.14	3,458,547.73
Due County for Added and Omitted Taxes	1,960.85	7,232.01
Local District School Tax	10,293,059.00	9,846,756.00
Special District Taxes	742,176.00	716,459.00
Prior Year Senior Citizens Disallowed	2,425.96	2,000.00
Interfund Created	25,128.59	87,345.33
	<u>21,979,990.37</u>	<u>20,863,773.30</u>
Excess in Revenues	703,149.99	781,732.73
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	803,149.99	781,732.73
Fund Balance January 1	884,375.12	927,642.39
Total	1,687,525.11	1,709,375.12
Decreased by:		
Utilization as Anticipated Revenue	875,000.00	825,000.00
Fund Balance December 31	<u>\$ 812,525.11</u>	<u>\$ 884,375.12</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, 2010

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 875,000.00		\$ 875,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages				
Other	7,000.00		7,916.05	\$ 916.05
Fees and Permits	100,000.00		140,904.00	40,904.00
Fines and Costs:				
Municipal Court	90,000.00		98,140.24	8,140.24
Interest and Costs on Taxes	85,000.00		94,502.63	9,502.63
Payment in Lieu of Taxes:				
Mansion Apartments	226,000.00		257,178.10	31,178.10
Pine Hill Gardens	320,000.00		347,401.04	27,401.04
Rental Lease Agreement - Pine Hill Golf Club	296,000.00		320,284.96	24,284.96
Consolidated Municipal Property Tax Relief Aid	162,883.00		162,455.00	(428.00)
Energy Receipts Tax P.L. 1997, Chapters 162 & 167	722,002.00		722,002.00	
Uniform Construction Code Fees	32,000.00		62,536.00	30,536.00
Sales Contract Receivable	74,800.00		74,831.67	31.67
Comcast Donation	25,500.00		25,500.00	
Pine Hill Board of Education Resource Officer	45,000.00		63,652.18	18,652.18
Public and Private Revenues Offset With Appropriations:				
Alcohol Education, Rehabilitation & Enforcement Fund	2,409.77	\$ 1,457.92	3,867.69	
Clean Communities Program	3,406.71	16,408.71	19,815.42	
Community Development Block Grant	42,460.00		42,460.00	
Drunk Driving Enforcement Fund	8,069.18		8,069.18	
Recycling Tonnage Grant	17,511.23		17,511.23	
Over the Limit, Under Arrest	6,000.00	4,400.00	10,400.00	
	<u>2,266,041.89</u>	<u>22,266.63</u>	<u>2,479,427.39</u>	<u>191,118.87</u>
Receipts from Delinquent Taxes	<u>600,000.00</u>		<u>533,245.52</u>	<u>(66,754.48)</u>
Subtotal General Revenues	3,741,041.89	22,266.63	3,887,672.91	124,364.39
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>4,222,396.84</u>		<u>4,259,804.11</u>	<u>37,407.27</u>
Budget Totals	7,963,438.73	22,266.63	8,147,477.02	161,771.66
Nonbudget Revenues			<u>238,650.59</u>	<u>238,650.59</u>
	<u>\$ 7,963,438.73</u>	<u>\$ 22,266.63</u>	<u>\$ 8,386,127.61</u>	<u>\$ 400,422.25</u>

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2010

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Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 18,126,574.43
Allocated to:	
School, County, and Special District Taxes	<u>14,667,480.99</u>
Balance for Support of Municipal Budget Revenues	3,459,093.44
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>800,710.67</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 4,259,804.11</u></u>
 <u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 520,250.75
Tax Title Lien Collections	<u>12,994.77</u>
	<u><u>\$ 533,245.52</u></u>

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2010

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Appropriation Refunds	\$	2,179.87	
Cable Television Franchise Fee		39,232.14	
Copies		4.50	
Due from Construction Code		38,557.96	
In Lieu of Taxes		41,837.66	
Inspection Fines		1,564.75	
Miscellaneous/Other		6,325.87	
Employee Health Benefit Withholding		17,420.86	
Bromley Estate Settlement		17,500.00	
JIF Refunds		2,589.00	
Police Reports		1,726.92	
Prior Year Refunds		23,174.66	
Recycling Fees		6,684.58	
State Administrative Fees		2,205.00	
Interest on Investments - Chief Financial Officer		10,101.01	
Interest on Investments - Tax Collector		4,256.70	
Tax Collector Miscellaneous		23,289.11	
			\$ 238,650.59
Cash - Collector	\$	27,545.81	
Cash - Chief Financial Officer		190,753.94	
Interfunds		20,350.84	
	\$		238,650.59

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, 2010

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT:</b>						
General Administration:						
Salaries and Wages	\$ 51,755.00	\$ 51,755.00	\$ 51,755.00			
Other Expenses	37,980.00	38,730.00	38,714.92		\$ 15.08	
Mayor and Council:						
Salaries and Wages	24,050.00	24,050.00	24,050.00			
Other Expenses	7,400.00	7,400.00	5,396.11		2,003.89	
Municipal Clerk:						
Salaries and Wages	75,075.00	70,575.00	67,857.93		2,717.07	
Other Expenses	16,500.00	21,000.00	20,029.23	\$ 122.43	848.34	
Financial Administration:						
Salaries and Wages	122,640.00	120,690.00	119,694.48		995.52	
Other Expenses	32,050.00	32,050.00	28,291.57	3,426.60	331.83	
Audit Services:						
Other Expenses	39,000.00	39,000.00	39,000.00			
Revenue Administration:						
Salaries and Wages	26,210.00	30,400.00	30,363.98		36.02	
Other Expenses	70,455.00	66,265.00	61,719.95	167.75	4,377.30	
Tax Assessment Administration:						
Other Expenses	23,200.00	23,200.00	21,156.77		2,043.23	
Legal Services:						
Other Expenses	76,300.00	176,300.00	121,525.31	32,696.93	22,077.76	
Engineering Services:						
Other Expenses	5,000.00	5,000.00	1,765.00	1,200.00	2,035.00	
Planning/Zoning Board:						
Salaries and Wages	10,695.00	13,195.00	12,235.49		959.51	
Other Expenses	3,400.00	900.00	382.00		518.00	
Insurance:						
Unemployment Insurance	55,000.00	55,000.00	24,286.21		30,713.79	
Liability Insurance	140,000.00	131,225.00	130,248.18	269.00	707.82	
Worker's Compensation Insurance	105,000.00	113,775.00	113,774.40		0.60	
Employee Group Insurance	750,000.00	744,050.00	694,814.51	2,040.81	47,194.68	

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" (CONT'D)</b>						
<b>PUBLIC SAFETY FUNCTIONS:</b>						
Police Department:						
Salaries and Wages	\$ 2,155,060.00	\$ 2,132,360.00	\$ 2,053,357.08		\$ 79,002.92	
Other Expenses	72,430.00	72,430.00	61,021.66	\$ 1,786.27	9,622.07	
Office of Emergency Management:						
Salaries and Wages	2,815.00	2,815.00	2,813.37		1.63	
Other Expenses	815.00	815.00	815.00			
Municipal Prosecutor:						
Salaries and Wages	1,500.00	1,500.00	1,500.00			
Other Expenses	7,500.00	7,500.00	7,500.00			
Municipal Court:						
Salaries and Wages	87,560.00	87,560.00	86,698.28		861.72	
Other Expenses	10,300.00	10,300.00	6,158.16	251.99	3,889.85	
Public Defender:						
Salaries and Wages	6,105.00	6,105.00			6,105.00	
<b>PUBLIC WORKS FUNCTION:</b>						
Street and Roads Maintenance:						
Salaries and Wages	157,130.00	157,130.00	147,008.22		10,121.78	
Other Expenses	22,400.00	22,400.00	20,591.41	817.16	991.43	
Solid Waste Collection:						
Other Expenses	385,822.00	385,822.00	384,463.71		1,358.29	
Buildings and Grounds:						
Salaries and Wages	87,300.00	76,300.00	66,464.47		9,835.53	
Other Expenses	23,150.00	23,150.00	19,196.82	2,733.01	1,220.17	
Vehicle Maintenance:						
Other Expenses	53,000.00	53,000.00	48,648.31	1,994.59	2,357.10	
<b>HEALTH AND HUMAN SERVICES:</b>						
Public Health Services:						
Other Expenses	295.00	295.00	158.76		136.24	
Environmental Health Services:						
Other Expenses	800.00	800.00	300.00		500.00	
Animal Control Services:						
Other Expenses	30,150.00	30,150.00	28,369.09		1,780.91	

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS" (CONT'D)</b>						
<b>PARK AND RECREATION FUNCTIONS:</b>						
Recreation Services and Programs:						
Other Expenses	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00			
Maintenance of Parks:						
Salaries and Wages	93,225.00	104,225.00	102,012.40		\$ 2,212.60	
Other Expenses	11,850.00	11,850.00	5,716.41		6,133.59	
Accumulated Leave Compensation	28,319.00	51,019.00	50,110.15		908.85	
<b>OTHER COMMON OPERATING FUNCTIONS:</b>						
Celebration of Public Events:						
Other Expenses	12,675.00	12,675.00	6,856.21		5,818.79	
Public Transportation:						
Other Expenses	3,200.00	4,400.00	3,934.00		466.00	
<b>UTILITY EXPENSE AND BULK PURCHASES:</b>						
Street Lighting	110,000.00	110,000.00	90,215.76	\$ 9,185.41	10,598.83	
Electricity	45,000.00	45,000.00	41,463.98	3,458.71	77.31	
Telephone	21,000.00	21,000.00	19,211.88	1,570.01	218.11	
Water	9,000.00	9,000.00	2,673.45	475.70	5,850.85	
Natural Gas	25,000.00	25,000.00	13,544.89	3,553.01	7,902.10	
Sewerage Processing and Disposal	2,300.00	2,300.00	2,207.73		92.27	
Gasoline	75,000.00	75,000.00	58,554.23	6,372.62	10,073.15	
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS:</b>						
Other Expenses	320,000.00	320,000.00	285,515.93	18,877.76	15,606.31	
<b>CODE ENFORCEMENT AND ADMINISTRATION:</b>						
Uniform Construction Code Enforcement:						
Salaries and Wages	39,375.00	43,925.00	43,675.96		249.04	
Other Expenses	22,050.00	22,262.50	22,262.50			
Other Code Enforcement Functions:						
Salaries and Wages	13,390.00	14,590.00	14,575.54		14.46	
Other Expenses	100.00	87.50	48.00	38.00	1.50	
<b>Total Operations Within "CAPS"</b>	<b>5,610,326.00</b>	<b>5,710,326.00</b>	<b>5,307,704.40</b>	<b>91,037.76</b>	<b>311,583.84</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	2,953,885.00	2,937,175.00	2,824,062.20	-	113,112.80	-
Other Expenses	2,656,441.00	2,773,151.00	2,483,642.20	91,037.76	198,471.04	-

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 56,683.75	\$ 56,683.75	\$ 56,683.75			
Social Security System (O.A.S.I.)	230,000.00	230,000.00	222,175.37		\$ 7,824.63	
Police and Fireman's Retirement System	192,632.65	192,632.65	192,632.65	-		
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>	<b>479,316.40</b>	<b>479,316.40</b>	<b>471,491.77</b>	<b>-</b>	<b>7,824.63</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>6,089,642.40</b>	<b>6,189,642.40</b>	<b>5,779,196.17</b>	<b>\$ 91,037.76</b>	<b>319,408.47</b>	<b>-</b>
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>						
SFSP Fire District Payment	3,945.00	3,945.00	3,945.00			
Contribution to:						
Public Employees' Retirement System	25,351.25	25,351.25	25,351.25			
Police and Fireman's Retirement System	192,579.35	192,579.35	192,579.35			
Recycling Tax	16,000.00	16,000.00	9,384.24	913.44	5,702.32	
Interlocal Municipal Service Agreements:						
Pine Hill School District, Library Assistance	2,000.00	2,000.00			2,000.00	
Public and Private Programs Offset by Revenues:						
Alcohol, Education, Rehabilitation	1,457.92	1,457.92	1,457.92			
Body Armor Grant	2,409.77	2,409.77	2,409.77			
Clean Communities Program	19,815.42	19,815.42	19,815.42			
Drunk Driving Enforcement	8,069.18	8,069.18	8,069.18			
Over the Limit, Under Arrest	10,400.00	10,400.00	10,400.00			
Recycling Tonnage Grant	17,511.23	17,511.23	17,511.23			
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>299,539.12</b>	<b>299,539.12</b>	<b>290,923.36</b>	<b>913.44</b>	<b>7,702.32</b>	<b>-</b>
Detail:						
Salaries and Wages	39,742.52	19,927.10	19,927.10	-	-	-
Other Expenses	259,796.60	279,612.02	270,996.26	913.44	7,702.32	-

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2010

	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	-		
Public and Private Programs Offset by Revenues:						
Senior Citizen Center HVAC Renovations	42,460.00	42,460.00	42,460.00	-		
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>57,460.00</b>	<b>57,460.00</b>	<b>57,460.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>MUNICIPAL DEBT SERVICE -EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	330,000.00	330,000.00	330,000.00			
Payment of Bond Anticipation Notes and Capital Notes	66,816.00	66,816.00	66,816.00			
Interest on Bonds	171,250.00	171,250.00	171,247.50			\$ 2.50
Interest on Notes	14,800.00	14,800.00	14,764.82			35.18
New Jersey Environmental Infrastructure Trust:						
Loan Repayments for Principal and Interest	37,555.00	37,555.00	37,555.00			
Green Trust Loan Program						
Loan Repayments for Principal and Interest	42,860.00	42,860.00	42,857.82			2.18
<b>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>	<b>663,281.00</b>	<b>663,281.00</b>	<b>663,241.14</b>	<b>-</b>	<b>-</b>	<b>39.86</b>
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 years	59,400.00	59,400.00	59,400.00			
Deferred Charges to Future Taxation-						
Ordinance No. 763	3,000.00	3,000.00	3,000.00			
Ordinance No. 744	12,672.17	12,672.17	12,672.17			
<b>TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</b>	<b>75,072.17</b>	<b>75,072.17</b>	<b>75,072.17</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</b>	<b>1,095,352.29</b>	<b>1,095,352.29</b>	<b>1,086,696.67</b>	<b>\$ 913.44</b>	<b>\$ 7,702.32</b>	<b>39.86</b>
<b>SUBTOTAL GENERAL APPROPRIATIONS</b>	<b>7,184,994.69</b>	<b>7,284,994.69</b>	<b>6,865,892.84</b>	<b>91,951.20</b>	<b>327,110.79</b>	<b>39.86</b>

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
RESERVE FOR UNCOLLECTED TAXES	\$ 800,710.67	\$ 800,710.67	\$ 800,710.67	-	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 7,985,705.36</u>	<u>\$ 8,085,705.36</u>	<u>\$ 7,666,603.51</u>	<u>\$ 91,951.20</u>	<u>\$ 327,110.79</u>	<u>\$ 39.86</u>
N.J.S.A. 40A: 4-87		\$ 22,266.63				
Budget		7,963,438.73				
Emergency		100,000.00				
Due General Capital Fund			\$ 15,000.00			
Deferred Charge - Special Emergency			59,400.00			
Deferred Charge Future Taxation Unfunded			15,672.17			
Federal and State Grants			102,123.52			
Reserve for Uncollected Taxes			800,710.67			
Disbursed			<u>6,673,697.15</u>			
		<u>\$ 8,085,705.36</u>	<u>\$ 7,666,603.51</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, 2010 and 2009

	Ref.	2010	2009
<b>Assets:</b>			
<b>Animal Control Fund:</b>			
Cash - Chief Financial Officer	SB-1	\$ 4,604.09	\$ 3,659.44
Due from State	SB-4	-	18.20
		<u>4,604.09</u>	<u>3,677.64</u>
<b>Other Funds:</b>			
Cash - Chief Financial Officer	SB-1	636,160.52	245,313.32
Cash - Collector	SB-2	86,487.26	124,349.79
Community Development Block Grant Receivable	SB-8	53,005.00	53,005.00
		<u>775,652.78</u>	<u>422,668.11</u>
		<u>\$ 780,256.87</u>	<u>\$ 426,345.75</u>
<b>Liabilities, Reserves, and Fund Balance:</b>			
<b>Animal Control Fund:</b>			
Due to Current Fund	SB-3	\$ 55.34	\$ 32.14
Encumbrances Payable	SB-1	-	793.00
Reserve for Animal Control Fund	SB-5	4,548.75	2,852.50
		<u>4,604.09</u>	<u>3,677.64</u>
<b>Other Funds:</b>			
Due to Current Fund	SB-6	33,507.21	8,428.57
Reserve for Community Development Block Grant	SB-9	53,005.00	53,005.00
Reserve for Escrow Deposits	SB-7	24,973.64	52,589.28
Reserve for CDBG Escrows	SB-7	125.48	4,724.40
Reserve for Unemployment Compensation	SB-7	366.93	9,620.39
Reserve for Payroll	SB-7	32,213.16	29,550.37
Reserve for Off-Duty Police Employment	SB-7	113,885.60	49,105.60
Reserve for Tax Sale Premiums	SB-7	52,610.00	109,110.00
Reserve for Redemption of Tax Sale Certificates	SB-7	32,557.53	14,639.54
Reserve for Public Defender Fees	SB-7	1,912.28	2,522.75
Reserve for D.A.R.E.	SB-7	1,985.20	2,655.20
Reserve for Forfeited Funds - State	SB-7	21,577.82	23,308.69
Reserve for Forfeited Funds - Federal	SB-7	114,862.13	62,743.39
Reserve for Police K-9	SB-7	218.41	145.84
Reserve for Recreation	SB-7	150.00	150.00
Reserve for COAH	SB-7	370.94	369.09
Reserve for Police Evidence	SB-7	291,331.45	-
		<u>775,652.78</u>	<u>422,668.11</u>
		<u>\$ 780,256.87</u>	<u>\$ 426,345.75</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, 2010 and 2009

Assets:	Ref.	<u>2010</u>	<u>2009</u>
Cash - Chief Financial Officer	SC-1	\$ 283,222.43	\$ 409,850.89
Deferred Charges to Future Taxation:			
Funded	SC-3	3,879,457.06	4,276,232.58
Unfunded	SC-4	179,000.00	261,488.17
Due from Community Development Block Grant	SC-6	110,690.00	161,538.79
State Road Aid Allotments Receivable	SC-7	<u>246,532.73</u>	<u>191,127.20</u>
		<u>\$ 4,698,902.22</u>	<u>\$ 5,300,237.63</u>
Liabilities, Reserves and Fund Balance:			
Due to Current Fund	SC-5	\$ 3,275.57	\$ 87,345.33
Due to Grant Fund	SC-1	4,382.00	-
Encumbrances Payable	SC-8	197,898.74	137,258.36
Capital Improvement Fund	SC-9	44,634.05	29,634.05
Improvement Authorizations:			
Funded	SC-10	354,790.52	432,869.22
Unfunded	SC-10	6,420.00	31,325.31
General Serial Bonds	SC-11	3,335,000.00	3,665,000.00
Green Trust Loan Payable	SC-12	260,012.85	297,112.99
New Jersey Environmental Infrastructure			
Loan Payable	SC-13	284,444.21	314,119.59
Bond Anticipation Notes Payable	SC-14	179,000.00	245,816.00
Fund Balance	C-1	<u>29,044.28</u>	<u>59,756.78</u>
		<u>\$ 4,698,902.22</u>	<u>\$ 5,300,237.63</u>

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

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2010

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Balance December 31, 2009	\$	59,756.78
Decreased by:		
Appropriated To Finance Improvement Authorizations	\$	29,310.00
State Road Aid Receivable Canceled		<u>1,402.50</u>
		<u>30,712.50</u>
Balance December 31, 2010	\$	<u><u>29,044.28</u></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, 2010

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<b>Assets:</b>			
Cash - Chief Financial Officer	SE-1	\$ <u>5,361.24</u>	\$ <u>5,334.49</u>
<b>Liabilities and Reserves:</b>			
Due To Current Fund	SE-2	\$ 47.15	\$ 20.40
Reserve for Public Assistance	E	<u>5,314.09</u>	<u>5,314.09</u>
		<u>\$ 5,361.24</u>	<u>\$ 5,334.49</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, 2010

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	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
General Fixed Assets:				
Land	\$ 3,848,300.00	\$ 34,200.00	\$ 477,900.00	\$ 3,404,600.00
Buildings and Improvements	6,192,143.00		14,580.00	6,177,563.00
Machinery and Equipment	<u>2,064,634.00</u>	<u>214,082.00</u>	<u>442,104.00</u>	<u>1,836,612.00</u>
 Total General Fixed Assets	 <u>\$ 12,105,077.00</u>	 <u>\$ 248,282.00</u>	 <u>\$ 934,584.00</u>	 <u>\$ 11,418,775.00</u>
 Total Investment in General Fixed Assets	 <u>\$ 12,105,077.00</u>	 <u>\$ 248,282.00</u>	 <u>\$ 934,584.00</u>	 <u>\$ 11,418,775.00</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, 2010**

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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 2000 census is 10,880 and estimated to be 11,330 for 2009.

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.

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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.

**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.

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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.

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

**Fund Balance** - Fund Balances included in the current fund and utility operating 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. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, the Borough's bank balances of \$2,461,141.09 were exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	<u><u>\$ 122,128.78</u></u>
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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.

<b><u>Comparative Schedule of Tax Rates</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
Tax Rate	<u>\$3.502</u>	<u>\$6.445</u>	<u>\$6.330</u>	<u>\$6.143</u>	<u>\$5.951</u>
Apportionment of Tax Rate:					
Municipal	\$.782	\$1.376	\$1.306	\$1.116	\$1.115
County	.631	1.129	1.139	1.159	1.144
County Library	.043	.082	.082	.081	.084
County Open Space	---	.040	.040	.037	.032
Local School	1.908	3.559	3.513	3.512	3.388
Fire District	.138	.259	.250	.238	.188

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

2010	\$539,489,564.00
2009	276,665,560.00
2008	276,075,443.00
2007	276,080,556.00
2006	274,777,270.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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%
2006	16,397,676.40	15,836,333.42	96.58%

**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>
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%
2006	3,383.38	560,147.04	563,530.42	3.43%

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>
2010	17
2009	8
2008	12
2007	4
2006	1

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>
2010	\$336,775.00
2009	336,775.00
2008	336,775.00
2007	336,775.00
2006	1,570,400.00

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>
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%
2006	1,177,033.86	1,000,000.00	84.95%

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, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$36,885.27	\$145,485.12
Federal and State Grant Fund	149,867.12	
Trust—Animal Control		55.34
Trust-- Other Funds		33,507.21
General Capital Fund		7,657.57
Public Assistance		47.15
	<u>\$186,752.39</u>	<u>\$186,752.39</u>

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

**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.

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

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. 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>2009 Deferral</u>	<u>Non-Contributory Group Life</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Funded by Borough</u>
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
2008	36,901.00	28,437.00			65,338.00	\$ 13,067.60	52,270.40 (1)

**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. 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>2009 Deferral</u>	<u>Non-Contrib. Group Ins.</u>	<u>Total Liability</u>	<u>Funded by Borough</u>
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
2008	199,165.00	114,688.00			313,853.00	313,853.00

**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.

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

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 Township'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>
2010	\$ 214.35	\$ 214.35
2009	N/A	-
2008	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, 2010, the accrued liability to the PERS for the 1991 program was \$85,536.00 payable in annual installments of \$7,776.00 to April 1, 2021.

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

(1) Under the provisions of Chapter 108, P.L. 2003 the Borough's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Borough is paying 100% of the total normal contribution and accrued liability.

Note 8: **OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits, at its cost, to certain police officers. This entitlement requires that police officers retire from service with the Borough, be covered by any collective bargaining agreement between the Borough and the Police Benevolent Association and have served at least twenty-five years as a police officer in any capacity and in any jurisdiction in which that service is eligible for credit in the Police and Firemen's Pension System. The health care benefits will be in a form consistent with that provided to all active members of the Borough Police Department whose service is covered by a collective bargaining agreement between the Borough and the Police Benevolent Association.

**Note 8: OTHER POST EMPLOYMENT BENEFITS (CONT'D)**

The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During the year 2010, there were several retired employees who received this benefit resulting in the estimated payment of \$202,872.80 in related health care premiums and benefits.

An actuarial calculation of the Other Post Employment Benefits (OPEB) obligation for the future cost of health care and prescription benefits coverage to be paid by the Borough for retired employees was not obtained. Therefore, the financial statements of the Borough are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45.

**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, 2010, accrued benefits for compensated absences are valued at \$392,136.28.

**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 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$4,058,457.06	\$4,522,048.58	\$4,943,526.12
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	---	15,672.17	33,000.00
Net Debt	<u>\$4,058,457.06</u>	<u>\$4,537,720.75</u>	<u>\$4,976,526.12</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 0.74%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$11,475,000.00	\$11,475,000.00	
General	4,058,457.06		\$4,058,457.75
	<u>\$15,533,457.06</u>	<u>\$11,475,000.00</u>	<u>\$4,058,457.75</u>

Net Debt \$4,058,457.75 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$550,534,963.00 equals 0.74%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$19,268,723.71
Net Debt	<u>4,058,457.75</u>
Remaining Borrowing Power	<u>\$15,210,265.96</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>	
2011	\$417,088.18	\$167,551.97	\$584,640.15
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
2016-2020	868,620.28	335,614.59	1,204,234.87
2021-2025	840,000.00	157,725.00	997,725.00
2026	180,000.00	8,550.00	188,550.00

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, 2010, 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, 2010</u>	<u>2011 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$178,200.00	\$59,400.00
Emergency Appropriation	100,000.00	100,000.00

The appropriations in the 2011 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.

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, 2010, 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>
2010	\$3,000.00	\$16,663.99	\$366.93
2009	---	8,762.28	9,620.39
2008	4,521.09	3,636.66	18,347.29

It is estimated that unreimbursed payments on behalf of the Borough at December 31, 2010 are \$1,399.99.

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, 2010, the Authority had \$3,838,031.71 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.

**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, 2010

		Current Fund
Balance December 31, 2009		\$ 1,345,560.88
Increased by Receipts:		
Tax Collector	\$ 18,857,276.91	
Due from State - Senior Citizens & Vets	110,250.00	
Federal & State Grants Receivable	138,616.51	
Revenue Accounts Receivable	2,207,969.57	
Miscellaneous Revenue Not Anticipated	190,753.94	
Sale Contracts Receivable	66,331.67	
Due Trust Other Fund	19,618.92	
Due General Capital	54,724.81	
Marriage Licenses	1,400.00	
Change Funds	400.00	
		21,647,342.33
		22,992,903.21
Decreased by Disbursements:		
2009 Appropriation Reserves	133,921.84	
2010 Appropriations	6,673,697.15	
County Taxes	3,630,285.14	
Due County for Added and Omitted Taxes	7,232.01	
Local District School Tax	10,293,059.00	
Special District Tax	742,176.00	
Refund Tax Overpayments	29,606.84	
Federal and State Grant Expenditures	131,509.90	
Reserve for Revaluation	27,962.12	
Special Emergency Note	118,800.00	
Due Trust Other Fund	25,723.89	
Marriage Licenses	1,375.00	
Change Funds	200.00	
		21,815,548.89
Balance December 31, 2010		\$ 1,177,354.32

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Current Cash - Collector  
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 431,674.17
Increased by:		
Taxes Receivable	\$ 18,450,978.56	
Prepaid Taxes	55,345.79	
Tax Overpayments	27,480.36	
Tax Title Liens	12,994.77	
Revenue Accounts Receivable	94,502.63	
Miscellaneous Revenue Not Anticipated	27,545.81	
		18,668,847.92
		19,100,522.09
Decreased by:		
Payments to Treasurer		18,857,276.91
Balance December 31, 2010		\$ 243,245.18

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2010

Year	Balance	2010 Levy	Added Taxes	Collections		Over-Payments Applied	Canceled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2009			2009	2010				Dec. 31, 2010
2006	\$ 3,341.77				\$ 3,341.77				-
2008	3,648.77				2,501.78				\$ 1,146.99
2009	568,017.90		\$ 2,425.96		507,106.78	\$ 7,300.42	\$ 17,440.12	\$ 31,605.90	6,990.64
	575,008.44	-	2,425.96	-	512,950.33	7,300.42	17,440.12	31,605.90	8,137.63
2010		\$ 18,907,142.11		\$ 77,474.86	18,049,099.57		21,574.47	78,283.04	680,710.17
	<u>\$ 575,008.44</u>	<u>\$ 18,907,142.11</u>	<u>\$ 2,425.96</u>	<u>\$ 77,474.86</u>	<u>\$ 18,562,049.90</u>	<u>\$ 7,300.42</u>	<u>\$ 39,014.59</u>	<u>\$ 109,888.94</u>	<u>\$ 688,847.80</u>
Taxes Receivable					\$ 18,450,978.56				
Senior Citizens and Veterans					111,071.34				
					<u>\$ 18,562,049.90</u>				
<u>Analysis of 2010 Property Tax Levy</u>									
<u>Tax Yield:</u>									
General Property Tax					\$ 18,890,676.46				
Added Taxes (54:4-63.1 et. seq.)					16,465.65				
						<u>\$ 18,907,142.11</u>			
<u>Tax Levy:</u>									
Local School District Tax (Abstract)					\$ 10,293,059.00				
County Taxes:									
County Tax (Abstract)					\$ 3,630,285.14				
Due County for Added Taxes					1,960.85				
						3,632,245.99			
Special District Taxes:									
Fire District No. 1						742,176.00			
Local Tax for Municipal Purposes					4,222,396.84				
Add: Additional Tax Levied					17,264.28				
						<u>4,239,661.12</u>			
						<u>\$ 18,907,142.11</u>			

**BOROUGH OF PINE HILL**  
CURRENT FUND  
Statement of Tax Title Liens  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 86,792.18
Increased by:		
Transfers from Taxes Receivable	\$ 109,888.94	
Interest and Costs on Sale	<u>10,661.08</u>	
		<u>120,550.02</u>
		207,342.20
Decreased by:		
Cash Receipts		<u>12,994.77</u>
Balance December 31, 2010		<u><u>\$ 194,347.43</u></u>

**BOROUGH OF PINE HILL**  
CURRENT FUND  
Statement of Sales Contract Receivable  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 80,500.00
Decreased by:		
Receipts	\$ 66,331.67	
Deposits Applied	8,500.00	
Canceled	<u>168.33</u>	
		<u>75,000.00</u>
Balance December 31, 2010		<u><u>\$ 5,500.00</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, 2010

Balance December 31, 2009		\$ 6,251.51
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 46,000.00	
Veterans	62,750.00	
Deductions Allowed by Collector - 2010 Taxes	4,250.00	
		113,000.00
		119,251.51
Decreased by:		
Received from State of New Jersey	110,250.00	
Deductions Disallowed by Collector - 2010 Taxes	1,928.66	
Deductions Disallowed by Collector - 2009 Taxes	2,425.96	
		114,604.62
Balance December 31, 2010		\$ 4,646.89
 <u>Analysis of Amount Realized:</u>		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 108,750.00	
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector - 2010	4,250.00	
		\$ 113,000.00
Less:		
Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector - 2010		1,928.66
		\$ 111,071.34

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Accrued In 2010	Collected	Balance Dec. 31, 2010
Miscellaneous Revenue Anticipated:				
Licenses:				
Other		\$ 7,916.05	\$ 7,916.05	
Fees and Permits		140,904.00	140,904.00	
Fines and Costs:				
Municipal Court	\$ 7,493.30	97,294.28	98,140.24	\$ 6,647.34
Interest on Taxes		94,502.63	94,502.63	
Payments in Lieu of Taxes:				
Mansion Apartments		257,178.10	257,178.10	
Pine Hill Gardens		347,401.04	347,401.04	
Rental Lease Agreement - Pine Hill Golf Club		320,284.96	320,284.96	
Consolidated Municipal Property Tax Relief Aid		162,455.00	162,455.00	
Energy Receipts Tax		722,002.00	722,002.00	
Uniform Construction Code Fees	4,782.00	59,540.00	62,536.00	1,786.00
Sales Contracts Receivable				
Comcast Donation		25,500.00	25,500.00	
Pine Hill Board of Education Resource Officer		63,652.18	63,652.18	
	<u>\$ 12,275.30</u>	<u>\$ 2,298,630.24</u>	<u>\$ 2,302,472.20</u>	<u>\$ 8,433.34</u>
Current Fund - Treasurer			\$ 2,207,969.57	
Current Fund - Collector			<u>94,502.63</u>	
			<u>\$ 2,302,472.20</u>	

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Special Emergency Authorizations  
For the Year Ended December 31, 2010

Date Authorized	Purpose	Amount Authorized	1/5 of Amount Authorized	Balance Dec. 31, 2009	Raised in 2010 Budget	Balance Dec. 31, 2010
3/17/08	Revision of Tax Maps	\$ 255,000.00	\$ 51,000.00	\$ 204,000.00	\$ 51,000.00	\$ 153,000.00
12/8/08	Complete Revaluation Program	42,000.00	8,400.00	<u>33,600.00</u>	<u>8,400.00</u>	<u>25,200.00</u>
				<u>\$ 237,600.00</u>	<u>\$ 59,400.00</u>	<u>\$ 178,200.00</u>

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statement of Special Emergency Notes  
 For the Year Ended December 31, 2010

Ordinance Number	Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
812	Revision of Tax Maps	3/27/09	3/27/09 3/25/10	3/26/10 3/24/11	2.38% 1.34%	\$ 42,000.00	\$ 25,200.00	\$ 42,000.00	- \$ 25,200.00
828	Complete Revaluation Program	3/27/09	3/27/09 3/25/10	3/26/10 3/24/11	2.38% 1.34%	255,000.00	153,000.00	255,000.00	- 153,000.00
						<u>\$ 297,000.00</u>	<u>\$ 178,200.00</u>	<u>\$ 297,000.00</u>	<u>\$ 178,200.00</u>
						Rollover	\$ 178,200.00	\$ 178,200.00	
						Cash		118,800.00	
						<u>\$ 178,200.00</u>	<u>\$ 297,000.00</u>		

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP":					
General Administration:					
Salaries and Wages		\$ 804.87	\$ 804.87	-	\$ 804.87
Other Expenses	\$ 127.00	39.20	266.20	\$ 172.58	93.62
Mayor and Council:					
Salaries and Wages	8.61	289.86	298.47	8.61	289.86
Other Expenses	554.75	2,374.62	2,829.37	531.35	2,298.02
Municipal Clerk:					
Salaries and Wages		6,522.86	6,522.86	-	6,522.86
Other Expenses	2,305.84	1,090.38	3,396.22	2,306.50	1,089.72
Financial Administration:					
Salaries and Wages		3,187.86	3,187.86	-	3,187.86
Other Expenses	1,646.87	1,878.20	3,525.07	146.87	3,378.20
Revenue Administration:					
Salaries and Wages		18,917.80	18,917.80	-	18,917.80
Other Expenses	84.00	703.03	787.03	84.00	703.03
Tax Assessment Administration:					
Other Expenses	33.33	2,855.04	2,888.37	33.33	2,855.04
Legal Services:					
Salaries and Wages		4.32	4.32	-	4.32
Other Expenses		1,993.01	5,103.01	5,100.92	2.09
Engineering Services:					
Other Expenses		445.25	445.25	-	445.25
Planning/Zoning Board:					
Salaries and Wages		112.52	112.52	-	112.52
Other Expenses	27.76	343.04	370.80	257.76	113.04
Insurance:					
Unemployment Insurance	0.04	619.88	619.92	0.04	619.88
Employee Group Insurance	13,709.02	27,665.00	41,374.02	16,909.81	24,464.21
Liability Insurance		4,139.64	4,139.64	-	4,139.64
Worker's Compensation Insurance		190.46	190.46	-	190.46
Police:					
Salaries and Wages	278.79	151,476.63	151,755.42	278.79	151,476.63
Other Expenses	14,131.96	5,226.10	19,358.06	14,181.96	5,176.10
Office of Emergency Management:					
Salaries and Wages		1.63	1.63	-	1.63
Other Expenses	180.00		180.00	180.00	-
Municipal Court:					
Salaries and Wages		491.56	491.56	-	491.56
Other Expenses	1,202.36	797.91	2,000.27	1,212.56	787.71
Street and Roads Maintenance:					
Salaries and Wages		6,729.27	6,729.27	-	6,729.27
Other Expenses	5,153.58	4,974.65	10,128.23	5,153.58	4,974.65
Solid Waste Collection:					
Other Expenses		2,015.70	12,550.70	12,549.00	1.70
Buildings and Grounds:					
Salaries and Wages		13,500.42	13,500.42	-	13,500.42
Other Expenses	564.00	673.04	1,237.04	407.36	829.68
Vehicle Maintenance:					
Other Expenses	7,523.13	8,475.06	12,888.19	8,527.20	4,360.99
Public Health Services:					
Other Expenses	114.00	86.00	200.00	114.00	86.00
Animal Control:					
Other Expenses		1,661.04	1,661.04	-	1,661.04

(Continued)

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Maintenance of Parks:					
Salaries and Wages		\$ 2,026.70	\$ 2,026.70	-	\$ 2,026.70
Other Expenses		3,575.95	3,575.95	-	3,575.95
Celebration of Public Events:					
Other Expenses	\$ 2,860.00	2,749.60	5,609.60	\$ 2,860.00	2,749.60
Public Transportation:					
Other Expenses		13.75	13.75	-	13.75
Utilities:					
Street Lighting	9,382.71	24,278.08	33,660.79	9,382.71	24,278.08
Electricity	3,368.09	2,956.86	6,324.95	4,312.25	2,012.70
Telephone	1,607.66	5,101.73	6,709.39	1,607.66	5,101.73
Water	2,442.30	2,370.28	4,812.58	2,442.30	2,370.28
Natural Gas	3,529.69	5,340.10	8,869.79	3,529.69	5,340.10
Sewerage Processing and Disposal		295.00	295.00	-	295.00
Gasoline	16,751.59	17,532.83	34,284.42	16,751.59	17,532.83
Landfill/Solid Waste Disposal Costs:					
Other Expenses	25,445.76	10,558.23	25,468.99	25,445.76	23.23
Public Defender:					
Salaries and Wages		6,195.00	6,195.00		6,195.00
Uniform Construction Code Enforcement:					
Salaries and Wages		1,582.33	1,582.33	-	1,582.33
Other Expenses	855.48	393.44	1,248.92	1,032.28	216.64
Other Code Enforcement Functions:					
Salaries and Wages		37.50	37.50	-	37.50
Other Expenses		17.00	17.00	-	17.00
Total General Appropriations for Municipal Purposes Within "CAP"	<u>113,888.32</u>	<u>355,310.23</u>	<u>469,198.55</u>	<u>135,520.46</u>	<u>333,678.09</u>
Statutory Expenditures within "CAPS"					
Contribution to:					
PERS	-	14.13	14.13	-	14.13
Social Security System (O.A.S.I.)	21.33	9,031.95	9,053.28	21.33	9,031.95
PFRS	-	0.50	0.50	-	0.50
Total Statutory Expenditures - Municipal Within "CAPS"	<u>21.33</u>	<u>9,046.58</u>	<u>9,067.91</u>	<u>21.33</u>	<u>9,046.58</u>
Operations Excluded From "CAPS"					
Interlocal Municipal Service Agreements					
Pine Hill School District, Library Assistance	2,000.00		2,000.00		2,000.00
	<u>\$ 115,909.65</u>	<u>\$ 364,356.81</u>	<u>\$ 480,266.46</u>	<u>\$ 135,541.79</u>	<u>\$ 344,724.67</u>
			Cash Disbursed	\$ 133,921.84	
			Accounts Payable	<u>1,619.95</u>	
				<u>\$ 135,541.79</u>	

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2010

---

Balance December 31, 2009 (2010 Taxes)		\$ 77,474.86
Increased by:		
Collection (2011 Taxes)		<u>55,345.79</u>
		132,820.65
Decreased by:		
Application to 2010 Taxes		<u>77,474.86</u>
Balance December 31, 2010 (2011 Taxes)		<u><u>\$ 55,345.79</u></u>

Exhibit SA-12

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 70,079.72
Increased by:		
Overpayments		<u>27,480.36</u>
		97,560.08
Decreased by:		
Overpayments Applied	\$ 7,300.42	
Refunds Disbursed	29,606.84	
Accounts Payable	<u>1,298.73</u>	
		<u>38,205.99</u>
Balance December 31, 2010		<u><u>\$ 59,354.09</u></u>

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2010

---

2010 Levy:		
County General	\$ 3,401,870.77	
County Library	<u>228,414.37</u>	
		\$ 3,630,285.14
Decreased by:		
Disbursements		<u>\$ 3,630,285.14</u>

## Exhibit SA-14

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
Statement of Amount Due to County for Added Taxes  
For the Year Ended December 31, 2010

---

Balance December 31, 2009		\$ 7,232.01
Increased by:		
County Share of 2010 Levy		<u>1,960.85</u>
		9,192.86
Decreased by:		
Disbursements		<u>7,232.01</u>
Balance December 31, 2010		<u>\$ 1,960.85</u>

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statement of Local School District Tax  
 For the Year Ended December 31, 2010

---

Increased by:		
2010 Levy-Calendar Year	\$	10,293,059.00
Decreased by:		
Disbursements	\$	<u>10,293,059.00</u>

**BOROUGH OF PINE HILL**  
**CURRENT FUND**  
 Statement of Special District Taxes Payable -- Fire Districts  
 For the Year Ended December 31, 2010

---

2010 Levy	\$	742,176.00
Decreased by:		
Disbursements	\$	<u>742,176.00</u>

**BOROUGH OF PINE HILL**  
FEDERAL AND STATE GRANT FUND  
Statement of Due Current Fund  
For the Year Ended December 31, 2010

---

Balance December 31, 2009	\$ 138,378.51
Increased by:	
Grant Revenues Deposited to Current Fund	<u>138,616.51</u>
	276,995.02
Decreased by:	
Grant Expenditures Paid by Current Fund	<u>131,509.90</u>
Balance December 31, 2010	<u>\$ 145,485.12</u>

**BOROUGH OF PINE HILL**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal and State Grants Receivable  
For the Year Ended December 31, 2010

<u>Program</u>	Balance Dec. 31, 2009	Accrued	Received	Balance Dec. 31, 2010
Federal Grants:				
Community Development Block Grant		\$ 42,460.00	\$ 42,115.00	\$ 345.00
Edward Byrne Memorial Justice Over the Limit, Under Arrest	\$ 27,854.00		27,854.00	-
		10,400.00	8,400.00	2,000.00
Total Federal Grants	<u>27,854.00</u>	<u>52,860.00</u>	<u>78,369.00</u>	<u>2,345.00</u>
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant		1,457.92		1,457.92
Body Armor Grant		1,374.69	1,374.69	-
Clean Communities Program		20,898.75	20,898.75	-
Municipal Alliance Grant	7,807.00	7,145.00	14,952.00	-
Recycling Tonnage Grant		10,854.07	10,854.07	-
Total State Grants	<u>7,807.00</u>	<u>41,730.43</u>	<u>48,079.51</u>	<u>1,457.92</u>
County Grants:				
Camden County Open Space	16,550.00		16,550.00	-
	<u>16,550.00</u>	<u>-</u>	<u>16,550.00</u>	<u>-</u>
	<u>\$ 52,211.00</u>	<u>\$ 94,590.43</u>	<u>\$ 142,998.51</u>	<u>\$ 3,802.92</u>
Cash Receipts			\$ 138,616.51	
Due from General Capital Fund			<u>4,382.00</u>	
			<u>\$ 142,998.51</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, 2010

<u>Program</u>	Balance Dec. 31, 2009	Federal and State Grants Receivable	Realized as Revenue in 2010 Budget	Balance Dec. 31, 2010
<b>Federal Grants</b>				
Community Development Block Grant Over the Limit, Under Arrest		\$ 42,460.00	\$ 42,460.00	-
		10,400.00	10,400.00	-
Total Federal Grants	-	52,860.00	52,860.00	-
<b>State Grants:</b>				
Alcohol, Education, Rehabilitation and Enforcement Grant		1,457.92	1,457.92	-
Body Armor Grant	\$ 1,372.58	1,374.69	2,409.77	\$ 337.50
Clean Communities Program	3,406.71	20,898.75	19,815.42	4,490.04
Drunk Driving Enforcement Grant	8,069.18	-	8,069.18	-
Municipal Alliance Grant		7,145.00	-	7,145.00
Recycling Tonnage Grant	17,511.23	10,854.07	17,511.23	10,854.07
Total State Grants	30,359.70	41,730.43	49,263.52	22,826.61
	\$ 30,359.70	\$ 94,590.43	\$ 102,123.52	\$ 22,826.61

**BOROUGH OF PINE HILL**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserve for Federal and State Grants -- Appropriated  
For the Year Ended December 31, 2010

Program	Balance Dec. 31, 2009		Transferred from 2010 Budget Appropriation	Disbursed	Encumbered	Balance Dec. 31, 2010
	Appropriated	Encumbered				
<b>Federal Grants:</b>						
Municipal Stormwater Regulation Program	\$ 7,655.00					\$ 7,655.00
Buckle Up South Jersey	2,000.00					2,000.00
Community Development Block Grant			\$ 42,460.00	\$ 42,115.00	\$ 98.00	247.00
Edward Byrne Memorial Justice Assistance Over the Limit, Under Arrest		\$ 27,854.00		27,854.00		-
			10,400.00			10,400.00
<b>Total Federal Grants</b>	<b>9,655.00</b>	<b>27,854.00</b>	<b>52,860.00</b>	<b>69,969.00</b>	<b>98.00</b>	<b>20,302.00</b>
<b>State Grants:</b>						
Alcohol, Education, Rehabilitation and Enforcement Grant	7,929.90		1,457.92	2,300.00		7,087.82
Body Armor Grant	2,104.38		2,409.77	4,514.15		-
Bulletproof Vest Fund	1,715.40					1,715.40
Clean Communities Program	32,614.30	\$ 6,159.77	19,815.42	8,056.37		50,533.12
Drunk Driving Enforcement Fund	2,832.35	248.80	8,069.18	7,267.59		3,882.74
Municipal Alliance Grant	18,087.95			8,402.99		9,684.96
NJDOT Special Purpose Grant - GPS	1,763.00	8,237.00		10,000.00		-
Recycling Tonnage Grant	11,210.91		17,511.23	2,799.80		25,922.34
<b>Total State Grants</b>	<b>78,258.19</b>	<b>14,645.57</b>	<b>49,263.52</b>	<b>43,340.90</b>	<b>-</b>	<b>98,826.38</b>
<b>County Grants:</b>						
Camden County Open Space Trust Fund	-	16,550.00		16,550.00		-
<b>Total County Grants</b>	<b>-</b>	<b>16,550.00</b>	<b>-</b>	<b>16,550.00</b>	<b>-</b>	<b>-</b>
<b>Private Grants:</b>						
Economic Development - Private Contributions	8,421.00					8,421.00
Tomlinson House	3,196.05	1,650.00		1,650.00		3,196.05
<b>Total Private Grants</b>	<b>11,617.05</b>	<b>1,650.00</b>	<b>-</b>	<b>1,650.00</b>	<b>-</b>	<b>11,617.05</b>
	<b>\$ 99,530.24</b>	<b>\$ 60,699.57</b>	<b>\$ 102,123.52</b>	<b>\$ 131,509.90</b>	<b>\$ 98.00</b>	<b>\$ 130,745.43</b>

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
Statement of Trust Cash - Chief Financial Officer  
For the Year Ended December 31, 2010

	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2009	\$ 3,659.44	\$ 245,313.32
Increased by Receipts:		
License Fees	\$ 3,259.30	
State Dog License Fees	436.20	
Due Current Fund	23.20	\$ 833.33
Miscellaneous Reserves		<u>4,180,370.80</u>
	<u>3,718.70</u>	<u>4,181,204.13</u>
	7,378.14	4,426,517.45
Decreased by Disbursements		
Dog License Expenses	1,544.85	
Encumbrances Payable	793.00	
Due to State of New Jersey	436.20	
Miscellaneous Reserves		<u>3,790,356.93</u>
	<u>2,774.05</u>	<u>3,790,356.93</u>
Balance December 31, 2010	<u>\$ 4,604.09</u>	<u>\$ 636,160.52</u>

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
Statement of Trust Cash - Tax Collector  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 124,349.79
Increased by Receipts:		
Miscellaneous Reserves	\$ 1,492,494.13	
Interest Earned - Due Current Fund	<u>719.48</u>	
		<u>1,493,213.61</u>
		1,617,563.40
Decreased by Disbursements:		
Miscellaneous Reserves		<u>1,531,076.14</u>
Balance December 31, 2010		<u><u>\$ 86,487.26</u></u>

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
 Statement of Amount Due Current Fund - Animal Control Fund  
 For the Year Ended December 31, 2010

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Balance December 31, 2009		\$	32.14
Increased by:			
Interest Earned			23.20
Balance December 31, 2010		\$	55.34

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
 Statement of Amount Due State of New Jersey - Department of Health  
 For the Year Ended December 31, 2010

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Balance December 31, 2009 (Due from)		\$	(18.20)
Increased by:			
2010 State License Fees	\$	436.20	
Canceled		18.20	
			454.40
			436.20
Decreased by:			
Disbursements to the State			436.20

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
 Statement of Reserve for Animal Control Fund  
 For the Year Ended December 31, 2010

Balance December 31, 2009		\$	2,852.50
Increased by:			
Dog License Fees Collected	\$	2,764.80	
Cat License Fees Collected		94.00	
Late Fees Collected		400.50	
			3,259.30
			6,111.80
Decreased by:			
Animal Control Expenses		1,544.85	
Prior Year Receivable Cancelled		18.20	
			1,563.05
Balance December 31, 2010		\$	4,548.75

Dog License Fees Collected

Year	Amount
2008	\$ 2,066.80
2009	4,446.80
	\$ 6,513.60

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
Statement of Due Current Fund - Trust Other Fund  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 8,428.57
Increased by:		
Interest Earned - Treasurer	\$ 833.33	
Interest Earned - Collector	719.48	
Expenditures paid by Current Fund	<u>23,525.83</u>	
		<u>25,078.64</u>
Balance December 31, 2010		<u>\$ 33,507.21</u>

**BOROUGH OF PINE HILL**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Receipts	Disbursements	Balance Dec. 31, 2010
Escrow Deposits	\$ 52,589.28	\$ 15,539.42	\$ 43,155.06	\$ 24,973.64
CDBG Escrows	4,724.40	20.83	4,619.75	125.48
Unemployment Compensation	9,620.39	7,410.53	16,663.99	366.93
Payroll	29,550.37	3,679,411.62	3,676,748.83	32,213.16
Off-Duty Police Employment	49,105.60	64,780.00		113,885.60
Tax Sale Premiums	109,110.00		56,500.00	52,610.00
Redemption of Tax Sale Certificates	14,639.54	1,492,494.13	1,474,576.14	32,557.53
Public Defender Fees	2,522.75	5,494.50	6,104.97	1,912.28
D.A.R.E.	2,655.20		670.00	1,985.20
Forfeited Funds - State	23,308.69	3,721.97	5,452.84	21,577.82
Forfeited Funds - Federal	62,743.39	112,457.91	60,339.17	114,862.13
Police K-9	145.84	200.72	128.15	218.41
Recreation	150.00			150.00
COAH	369.09	1.85		370.94
Police Evidence		291,331.45		291,331.45
	<u>\$ 361,234.54</u>	<u>\$ 5,672,864.93</u>	<u>\$ 5,344,958.90</u>	<u>\$ 689,140.57</u>
Treasurer		\$ 4,180,370.80	\$ 3,790,356.93	
Tax Collector		1,492,494.13	1,531,076.14	
Due Current			23,525.83	
		<u>\$ 5,672,864.93</u>	<u>\$ 5,344,958.90</u>	

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
Statement of Community Development Block Grant Receivable  
For the Year Ended December 31, 2010

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Balance December 31, 2009	\$	53,005.00
Increased by:		
Grant Awarded - Year 32		53,005.00
		106,010.00
Decreased by:		
Appropriated in General Capital Fund Ordinance Grant Award - Year 31		53,005.00
Balance December 31, 2010	\$	53,005.00

## Exhibit SB-9

**BOROUGH OF PINE HILL**  
**TRUST FUND**  
Statement of Community Development Block Grant Reserve  
For the Year Ended December 31, 2010

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Balance December 31, 2009	\$	53,005.00
Increased by:		
Grant Awarded - Year 32		53,005.00
		106,010.00
Decreased by:		
Appropriated in General Capital Fund Ordinance Grant Award - Year 31		53,005.00
Balance December 31, 2010	\$	53,005.00

**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, 2010

Balance December 31, 2009		\$	409,850.89
Increased by Receipts:			
State Aid Receivable	\$	113,467.27	
Community Development Block Grant Receivable		49,129.29	
Due Current Fund		1,327.22	
Due Grant Fund		<u>4,382.00</u>	
			<u>168,305.78</u>
			578,156.67
Decreased by Disbursements:			
Improvement Authorizations	\$	168,856.01	
Encumbrances Payable		<u>126,078.23</u>	
			<u>294,934.24</u>
Balance December 31, 2010		\$	<u><u>283,222.43</u></u>

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Receipts		Disbursements			Balance Dec. 31, 2010	
		Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers			
					From	To		
Fund Balance	\$ 59,756.78				\$ 30,712.50		\$ 29,044.28	
Capital Improvement Fund	29,634.05					\$ 15,000.00	44,634.05	
Encumbrances Payable	137,258.36			\$ 126,078.23	9,646.51	196,365.12	197,898.74	
Due Current Fund	87,345.33	\$ 1,327.22			85,396.98		3,275.57	
Due Federal and State Grant Fund	-	4,382.00					4,382.00	
<b>Improvement Authorizations:</b>								
<u>Ordinance</u>								
<u>Number</u>								
744	Acquisition of Public Works Equip	(12,672.17)				12,672.17	-	
751	Various Improvements: Veterans Park	34,058.00	\$ 750.00			5,678.26	38,986.26	
763	Branch Avenue Sidewalks	(82,842.08)	49,129.29	10,197.35		57,724.81	13,814.67	
783(a)	Construction of Public Works Facility	68,334.55		969.89	65,000.00		2,364.66	
783(b)	Acquisition of Lift and Front End Loader	39,800.00			39,800.00		-	
783(c)	Acquisition of Public Safety Equipment	1,458.00		50.00			1,408.00	
783(d)	Improvements of Parks	25,000.00					25,000.00	
783(e)	Acquisition of Office Equipment	73.36					73.36	
783(f)	Acquisition of Public Works Equipment	(21,544.91)		17,980.09		39,800.00	275.00	
783(g)/857	Renovations to Various Municipal Buildings			33,221.45		65,000.00	31,778.55	
787	Third Avenue Pedestrian	(1,402.50)				1,402.50	-	
796	Reconstruction of E. 13th Avenue	8,000.62				3,968.25	11,968.87	
806(a)	Resurface Parking Lot	6,420.00		3,253.63			3,166.37	
806(b)	Acquisition of Public Works Equipment	10,358.61			10,358.61		-	
806(c)	Purchase of Office Equipment	-		7,104.98		10,358.61	3,253.63	
806(d)	Acquisition of Various Equipment	11,852.70		11,852.70			-	
814	Reconstruction of East Clearview Avenue	11,912.22					11,912.22	
848	Borough Building Improvements	1,424.97		1,396.86			28.11	
849	Reconstruction of Lake Avenue	(4,375.00)	113,467.27	55,409.06	87,191.07		(33,507.86)	
852	Reconstruction of Greenwood Ave			12,275.75	13,639.25	20,000.00	(5,915.00)	
862	Reconstruction of Forrester Ave			14,394.25	95,534.80	9,310.00	(100,619.05)	
		\$ 409,850.89	\$ 168,305.78	\$ 168,856.01	\$ 126,078.23	\$ 437,279.72	\$ 437,279.72	\$ 283,222.43

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 4,276,232.58
Decreased by:		
2010 Budget Appropriation to Pay:		
General Serial Bonds	\$ 330,000.00	
Green Trust Loan	37,100.14	
NJ Environmental Infrastructure Trust Loan	<u>29,675.38</u>	
		<u>396,775.52</u>
Balance December 31, 2010		<u>\$ 3,879,457.06</u>

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation - Unfunded  
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Balance Dec. 31, 2010	Analysis of Balance December 31, 2010
						Financed by Notes
635	Acquisition of Real Property	\$ 100,000.00		\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
744	Acquisition of Public Works Equip	12,672.17	\$ 12,672.17		-	
763	Branch Avenue Sidewalks	3,000.00	3,000.00		-	
806(a)	Resurface Parking Lot	6,114.00		714.00	5,400.00	5,400.00
806(b)	Acquisition of Public Works Equipment	20,381.00		2,481.00	17,900.00	17,900.00
806(c)	Purchase of Office Equipment	56,802.00		6,802.00	50,000.00	50,000.00
806(d)	Acquisition of Various Equipment	62,519.00		6,819.00	55,700.00	55,700.00
		<u>\$ 261,488.17</u>	<u>\$ 15,672.17</u>	<u>\$ 66,816.00</u>	<u>\$ 179,000.00</u>	<u>\$ 179,000.00</u>

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement Due to Current Fund  
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 87,345.33
Decreased by:		
Interest Earned		1,327.22
		88,672.55
Increased by:		
CDBT receipts deposited to Current Fund	\$ 54,724.81	
Budget Appropriation not transferred	15,000.00	
Deferred Charge Raised in Budget	15,672.17	
		85,396.98
Balance December 31, 2010		\$ 3,275.57

Exhibit SC-6

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement Community Development Block Grant Receivable  
For the Year Ended December 31, 2010

Balance December 31, 2009		\$ 161,538.79
Increased by:		
Grant Award		
Year 29	\$ 4,680.00	
Year 30	53,005.00	
Year 31	53,005.00	
		110,690.00
		272,228.79
Decreased by:		
Receipts	\$ 49,129.29	
Receipts deposited to Current Fund	54,724.81	
Canceled	57,684.69	
		161,538.79
Balance December 31, 2010		\$ 110,690.00

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of State Aid Receivable  
For the Year Ended December 31, 2010

<hr/>		
Balance December 31, 2009	\$	191,127.20
Increased by:		
Department of Transportation Grant - Greenwood Avenue		<u>180,000.00</u>
		371,127.20
Decreased by:		
Receipts	\$	113,467.27
State Road Aid Receivable Canceled:		
Fund Balance		1,402.50
Improvement Authorizations		<u>9,724.70</u>
		<u>124,594.47</u>
Balance December 31, 2010	\$	<u><u>246,532.73</u></u>

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Encumbrances Payable  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 137,258.36
Increased by:		
Improvement Authorizations		196,365.12
		333,623.48
Decreased by:		
Disbursements	\$ 126,078.23	
Encumbrances Payable Canceled	9,646.51	
		135,724.74
Balance December 31, 2010		\$ 197,898.74

Exhibit SC-9

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2010

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Balance December 31, 2009		\$ 29,634.05
Increased by:		
Budget Appropriation		15,000.00
Balance December 31, 2010		\$ 44,634.05

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2009		2010 Authorizations	Balances Canceled	Encumbrances		Balance December 31, 2010	
		Date	Amount	Funded	Unfunded			Payable Canceled	Paid or Charged	Funded	Unfunded
751	Various Improvements: Veterans Park	06/20/05	\$ 292,000.00	\$ 34,058.00				\$ 5,678.26	\$ 750.00	\$ 38,986.26	
763	Branch Avenue Sidewalks	09/19/05	75,000.00	78,696.71	\$ 3,000.00		\$ 57,684.69		10,197.35	13,814.67	
783/848/857	Various Improvements: Public Works Facility	05/15/06				\$ (65,000.00)			-	-	
	Public Works Equipment	09/21/09	2,035,000.00	68,334.55					969.89	2,364.66	
	Public Safety Equipment		65,000.00	1,458.00					50.00	1,408.00	
	Improvements of Parks		25,000.00	25,000.00					-	25,000.00	
	Office Equipment		15,000.00	73.36					-	73.36	
	Public Works Equipment		89,800.00	18,255.09					17,980.09	275.00	
	Renovations to Various Municipal Buildings		65,000.00			65,000.00			33,221.45	31,778.55	
787	Third Avenue Pedestrian	07/17/06	90,000.00	7,962.77			7,962.77		-	-	
796	Reconstruction of E. 13th Avenue	02/26/07	85,000.00	9,762.55			1,761.93	3,968.25	-	11,968.87	
806(a)	Resurface Parking Lot	10/22/07	6,420.00	306.00	6,114.00				3,253.63	-	\$ 3,166.37
806/852(b)	Acquisition of Public Works Equipment	10/22/07	11,041.39	-	10,358.61	(10,358.61)			-	-	
806/852(c)	Purchase of Office Equipment	10/22/07	70,000.61	-		10,358.61			7,104.98	-	3,253.63
806(d)	Acquisition of Various Equipment	10/22/07	65,645.00	-	11,852.70				11,852.70	-	
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	1,424.97					1,396.86	28.11	
849	Reconstruction of Lake Avenue	09/21/09	205,000.00	175,625.00					142,600.13	33,024.87	
852	Reconstruction of Greenwood Ave	02/22/10	200,000.00			200,000.00			25,915.00	174,085.00	
862	Reconstruction of Forrester Ave	09/13/10	120,000.00			120,000.00			109,929.05	10,070.95	
				<u>\$ 432,869.22</u>	<u>\$ 31,325.31</u>	<u>\$ 320,000.00</u>	<u>\$ 67,409.39</u>	<u>\$ 9,646.51</u>	<u>\$ 365,221.13</u>	<u>\$ 354,790.52</u>	<u>\$ 6,420.00</u>
						Capital Fund Balance	\$ 29,310.00				
						State Aid Receivable	180,000.00	\$ 9,724.70			
						CDBG Receivable	110,690.00	57,684.69			
						Cash Disbursements			\$ 168,856.01		
						Encumbrances Payable			196,365.12		
							<u>\$ 320,000.00</u>	<u>\$ 67,409.39</u>	<u>\$ 365,221.13</u>		

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of General Serial Bonds  
For the Year Ended December 31, 2010

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
General Improvement Bonds	8/1/99	\$ 3,130,000.00	8/1/11	\$ 250,000	4.95%	\$ 1,305,000.00	\$ 235,000.00	\$ 1,070,000.00
			8/1/12	260,000				
			8/1/13	275,000				
			8/1/14	285,000				
General Improvement Bonds	8/1/06	2,630,000.00	8/1/11	100,000	4.50%			
			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>\$ 3,665,000.00</u>	<u>\$ 330,000.00</u>	<u>\$ 3,335,000.00</u>	

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
 Statement of Green Trust Loan Payable  
 For the Year Ended December 31, 2010

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
Charles Bowen Recreational Complex	1/22/1998	\$ 660,000.00	2011	\$ 37,845.85	2.00%	\$ <u>297,112.99</u>	\$ <u>37,100.14</u>	\$ <u>260,012.85</u>
			2012	38,606.55				
			2013	39,382.55				
			2014	40,174.13				
			2015	40,981.63				
			2016	41,805.37				
			2017	21,216.77				

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Loan Payable  
For the Year Ended December 31, 2010

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010
			Date	Amount				
Storm Sewer System Improvements	11/5/98	\$ 305,000.00	8/1/2011	\$ 15,000.00	4.40%	\$ 175,000.00	\$ 15,000.00	\$ 160,000.00
			8/1/12-17	20,000.00				
			8/1/18	25,000.00				
Storm Sewer System Improvements	11/5/98	301,289.00	2011	14,242.33	NIL	<u>139,119.59</u>	<u>14,675.38</u>	<u>124,444.21</u>
			2012	17,017.02				
			2013	16,439.64				
			2014	15,862.24				
			2015	15,284.84				
			2016	14,707.46				
			2017	14,130.06				
			2018	16,760.62				
					<u>\$ 314,119.59</u>	<u>\$ 29,675.38</u>	<u>\$ 284,444.21</u>	

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Bond Anticipation Notes  
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2009	Increased	Decreased	Balance Dec. 31, 2010
635	Various Improvements	2/7/01	1/20/09	1/19/10	6.00%	\$ 100,000.00		\$ 100,000.00	-
635	Various Improvements		1/15/10	1/14/11	1.87%		\$ 50,000.00		\$ 50,000.00
806(a)	Resurface Parking Lot	12/21/07	12/16/09	12/15/10	1.18%	6,114.00		6,114.00	-
			12/14/10	12/13/11	1.34%		5,400.00		5,400.00
806(b)	Acquisition of Public Works Equipment	12/21/07	12/16/09	12/15/10	1.18%	20,381.00		20,381.00	-
			12/14/10	12/13/11	1.34%		17,900.00		17,900.00
806(c)	Purchase of Office Equipment	12/21/07	12/16/09	12/15/10	1.18%	56,802.00		56,802.00	-
			12/14/10	12/13/11	1.34%		50,000.00		50,000.00
806(d)	Acquisition of Various Equipment	12/21/07	12/16/09	12/15/10	1.18%	62,519.00		62,519.00	-
			12/14/10	12/13/11	1.34%		55,700.00		55,700.00
						<u>\$ 245,816.00</u>	<u>\$ 179,000.00</u>	<u>\$ 245,816.00</u>	<u>\$ 179,000.00</u>
							\$ 179,000.00	\$ 179,000.00	
								66,816.00	
							<u>\$ 179,000.00</u>	<u>\$ 245,816.00</u>	

**BOROUGH OF PINE HILL**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	Funded by Budget Appropriation	Balance Dec. 31, 2010
744	Acquisition of Public Works Equipment	\$ 12,672.17	\$ 12,672.17	-
763	Installation of Sidewalks on Branch Avenue	<u>3,000.00</u>	<u>3,000.00</u>	<u>-</u>
		<u>\$ 15,672.17</u>	<u>\$ 15,672.17</u>	<u>\$ -</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, 2010

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Balance December 31, 2009	\$	5,334.49
Increased by Receipts:		
Due Current Fund - Interest Earned		26.75
Balance December 31, 2010	\$	5,361.24

Exhibit SE-2

**BOROUGH OF PINE HILL**  
**PUBLIC ASSISTANCE FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2010

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Balance December 31, 2009	\$	20.40
Increased by:		
Receipts		26.75
Balance December 31, 2010	\$	47.15

**BOROUGH OF PINE HILL**  
**PART 2**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**BOROUGH OF PINE HILL**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2010**

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***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.

**Finding No. 2010-1**

**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**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2010**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2010-2**

**Criteria or Specific Requirement**

Pursuant to Governmental Accounting Standards Board Statement No. 45 and requirements prescribed by the Division of Local Governmental Services, municipalities are required to disclose the liability of non-pension benefits that they have contractually or otherwise agreed to provide to employees once they have retired.

**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.

**Context**

An actuarial valuation report was prepared as of December 31, 2008, but did not contain adequate information to provide a fair and accurate presentation in the Notes to the Financial Statements for the year ended December 31, 2010.

**Effect**

Non-compliance with Governmental Accounting Standards Board Statement No. 45 and rules promulgated by the Division of Local Governmental Services.

**Cause**

The Borough's health care provider submitted the OPEB actuarial valuation report for December 31, 2008, however the report did not contain adequate information to provide a fair and accurate presentation in the Notes to the Financial Statements for the year ended December 31, 2010.

**Recommendation**

That the Borough engage an actuary in order to provide the necessary information to comply with Governmental Accounting Standards Board Statement No. 45.

**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**

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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. 2009-1**

**Condition**

The computerized general ledger cash balances as of December 31, 2009 do not agree to the reconciled cash balance for the Current, Animal Control, and General Capital funds per the subsidiary bank reconciliations.

**Current Status**

The condition remains unresolved.

**Planned Corrective Action**

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

**Finding No. 2009-2**

**Condition**

The Borough did not update the fixed asset accounting system for additions and disposals in accordance with N.J.A.C. 5:30-5.6 as of December 31, 2009.

**Current Status**

The condition has been resolved.

**Finding No. 2009-3**

**Condition**

Twenty-seven of the seventy-six purchase orders examined did not possess the required claimant's certification.

**Current Status**

The condition has been resolved.

**Finding No. 2009-4**

**Condition**

The Borough did not determine the liability for post-employment health care and prescription benefits required to be disclosed in the Notes to the Financial Statements.

**Current Status**

The condition remains unresolved.

**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**

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*Schedule of Prior Year Audit Findings (Cont'd)*

**Finding No. 2009-5**

**Condition**

A fraud occurred in the tax office during 2009 with respect to the misappropriation and intentional mis-posting of cash receipts. Prior year property tax overpayments were not reviewed and disposed of on a timely basis.

**Current Status**

The condition has been resolved.

**BOROUGH OF PINE HILL**  
**Officials in Office and Surety Bonds**

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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	
Ross Del Rossi	Council President	
Charles Reilly	Councilman	
Christopher Green	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	

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**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

A handwritten signature in black ink, appearing to read "Michael J. Welding", written in a cursive style.

Michael J. Welding  
Certified Public Accountant  
Registered Municipal Accountant

