

**BOROUGH OF PINE HILL
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2015**

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BOROUGH OF PINE HILL
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2015 and 2014, 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 - regulatory basis for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Pine Hill, in the County of Camden, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously 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, 2015 and 2014, 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 and expenditures - regulatory basis of the various funds, and general fixed assets group of accounts - regulatory basis, for the year ended December 31, 2015 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.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2015, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of these Statements only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2016 on our consideration of the Borough of Pine Hill's, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Pine Hill's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 14, 2016

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Pine Hill, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated October 14, 2016. That report indicated that the Borough of Pine Hill's 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. In addition, our report on the financial statements also included an emphasis of matter paragraph describing the adoption of new accounting principles.

Internal Control Over Financial Reporting

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

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Recommendations*, we did identify one deficiency in internal control that we consider to be a material weakness as finding no. 2015-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Pine Hill's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matter 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, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no.: 2015-001.

The Borough of Pine Hill's Response to Findings

The Borough of Pine Hill's response to the finding identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
October 14, 2016

BOROUGH OF PINE HILL

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2015 and 2014

Assets:	Ref.	2015	2014
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 2,278,536.99	\$ 1,699,466.74
Collector	SA-2		372,053.72
Petty Cash Fund	A	300.00	300.00
		<u>2,278,836.99</u>	<u>2,071,820.46</u>
Other Receivables:			
Due From State of New Jersey - Veterans and Senior Citizens Deductions	SA-5	11,497.90	5,162.35
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	763,062.92	672,653.29
Tax Title Liens Receivable	SA-4	718,762.17	599,351.23
Property Acquired for Taxes - Assessed Valuation	A	332,550.00	332,550.00
Revenue Accounts Receivable	SA-6	8,817.06	11,993.70
Due from Animal Control Fund	SB-3	4,502.10	2,834.88
Due from Trust Other Fund	SB-6	2,343.11	1,779.65
Due from General Capital Fund	SC-5	1,695.75	538.96
	A	<u>1,831,733.11</u>	<u>1,621,701.71</u>
		<u>4,122,068.00</u>	<u>3,698,684.52</u>
Federal and State Grant Fund:			
Grants Receivable	SA-15	2,610.36	
Due from Current Fund	SA-14	90,167.47	76,321.63
Deferred Charges:			
Overexpenditure of Appropriated Grants	SA-14		4,556.27
		<u>92,777.83</u>	<u>80,877.90</u>
		<u>\$ 4,214,845.83</u>	<u>\$ 3,779,562.42</u>

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3; SA-7	\$ 666,990.69	\$ 600,408.28
Encumbrances Payable	A-3; SA-7	97,871.61	146,588.97
Prepaid Taxes	SA-8	153,494.08	136,012.03
Tax Overpayments	SA-9	16,797.29	5,074.66
Due County for Added and Omitted Taxes	SA-11	3,192.56	11,949.24
Due to Federal and State Grant Fund	SA-14	90,167.47	76,321.63
Due State of New Jersey - Marriage License Fees	SA-1	242.41	217.41
		<u>1,028,756.11</u>	<u>976,572.22</u>
Reserves for Receivables	A	1,831,733.11	1,621,701.71
Fund Balance	A-1	<u>1,261,578.78</u>	<u>1,100,410.59</u>
		<u>4,122,068.00</u>	<u>3,698,684.52</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-16	11,019.00	14,775.79
Appropriated Reserves	SA-17	81,676.93	59,696.02
Encumbrances Payable	SA-17	81.90	6,406.09
		<u>92,777.83</u>	<u>80,877.90</u>
		<u>\$ 4,214,845.83</u>	<u>\$ 3,779,562.42</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 the Years Ended December 31, 2015 and 2014

	2015	2014
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 725,000.00	\$ 725,000.00
Miscellaneous Revenues Anticipated	2,305,689.29	2,331,571.31
Receipts from Delinquent Taxes	679,506.53	614,832.03
Receipts from Current Taxes	20,783,121.64	20,364,107.94
Nonbudget Revenues	103,108.94	88,025.47
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	536,526.94	287,416.36
Interfund Returned		81,127.22
Statutory Excess - Animal Control Fund	1,660.66	2,807.07
	<u>25,134,614.00</u>	<u>24,494,887.40</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	3,008,538.00	2,962,873.00
Other Expenses	3,178,010.00	3,066,247.00
Deferred Charges and Statutory Expenditures	717,381.27	722,539.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	34,165.54	27,365.00
Other Expenses	77,281.33	92,957.27
Capital Improvements	305,000.00	77,000.00
Municipal Debt Service	292,877.53	657,033.52
County Taxes	4,097,981.63	4,085,127.47
Due County for Added and Omitted Taxes	3,192.56	11,949.24
Local District School Tax	11,627,420.48	11,239,493.52
Special District Taxes	893,960.00	877,379.00
Prior Year Senior Citizens Disallowed	9,250.00	7,750.00
Interfund Created	3,387.47	
	<u>24,248,445.81</u>	<u>23,827,714.02</u>
Excess in Revenues	886,168.19	667,173.38
Fund Balance January 1	1,100,410.59	1,158,237.21
Total	1,986,578.78	1,825,410.59
Decreased by:		
Utilization as Anticipated Revenue	725,000.00	725,000.00
Fund Balance December 31	<u>\$ 1,261,578.78</u>	<u>\$ 1,100,410.59</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, 2015

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 725,000.00		\$ 725,000.00	
Miscellaneous Revenues:				
Licenses:				
Other	6,000.00		4,244.20	\$ (1,755.80)
Fees and Permits	110,000.00		139,617.00	29,617.00
Fines and Costs:				
Municipal Court	88,000.00		85,678.61	(2,321.39)
Interest and Costs on Taxes	63,000.00		180,345.08	117,345.08
Payment in Lieu of Taxes:				
Mansion Apartments	230,000.00		272,528.82	42,528.82
Pine Hill Gardens	315,000.00		362,147.33	47,147.33
Rental Lease Agreement - Pine Hill Golf Club	250,000.00		229,166.63	(20,833.37)
Consolidated Municipal Property Tax Relief Aid	77,581.00		77,581.00	
Energy Receipts Tax P.L. 1997, Chapters 162 & 167	807,304.00		807,304.00	
Uniform Construction Code Fees	60,000.00		56,315.00	(3,685.00)
Interlocal Service Agreements				
Borough of Lindenwold				
Other Code Enforcement Functions	27,365.00		27,365.00	
Public and Private Revenues Offset With Appropriations:				
Alcohol Education, Rehabilitation & Enforcement Fund		\$ 1,237.60	1,237.60	
Body Armor Grant	934.00	2,268.08	3,202.08	
Clean Communities Program		19,957.99	19,957.99	
Click it or Ticket		4,000.00	4,000.00	
Drunk Driving Enforcement Fund	1,687.38	5,113.16	6,800.54	
Municipal Alliance on Alcoholism and Drug Abuse	11,761.00		11,761.00	
Drive Sober Get Pulled over		5,000.00	5,000.00	
Recycling Tonnage Grant	11,437.41		11,437.41	
	<u>2,060,069.79</u>	<u>37,576.83</u>	<u>2,305,689.29</u>	<u>208,042.67</u>
Receipts from Delinquent Taxes	<u>625,000.00</u>		<u>679,506.53</u>	<u>54,506.53</u>
Subtotal General Revenues	2,685,069.79	37,576.83	3,710,195.82	262,549.20
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>5,084,973.44</u>		<u>5,078,967.89</u>	<u>(6,005.55)</u>
Budget Totals	7,770,043.23	37,576.83	8,789,163.71	256,543.65
Nonbudget Revenues			<u>103,108.94</u>	<u>103,108.94</u>
	<u>\$ 8,495,043.23</u>	<u>\$ 37,576.83</u>	<u>\$ 9,617,272.65</u>	<u>\$ 359,652.59</u>

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 20,783,121.64
Allocated to:	
School, County, and Special District Taxes	16,622,554.67
Balance for Support of Municipal Budget Revenues	4,160,566.97
Add:	
Appropriation: "Reserve for Uncollected Taxes"	918,400.92
Amount for Support of Municipal Budget Appropriations	\$ 5,078,967.89
<u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 610,521.04
Tax Title Lien Collections	68,985.49
	\$ 679,506.53

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2015

Analysis of Realized Revenue: (Continued)

Analysis of Non-Budget Revenue

Cable Television Franchise Fee	\$	43,228.17	
Copies		9.85	
In Lieu of Taxes		6,000.00	
Interest on Investments - Chief Financial Officer		3,866.36	
JIF Refunds		21,483.22	
Miscellaneous/Other		135.48	
NSF Check Fee		202.00	
Police Reports		1,672.71	
Prior Year Refunds		13,039.74	
Recycling Fees		1,755.68	
School Resource Officer		10,000.00	
State Administrative Fees		1,715.73	
		<u>1,715.73</u>	\$ <u>103,108.94</u>
Cash - Chief Financial Officer	\$		101,382.13
Interfunds			<u>1,726.81</u>
			\$ <u>103,108.94</u>

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

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
General Administration:						
Salaries and Wages	\$ 111,925.00	\$ 115,025.00	\$ 114,980.77		\$ 44.23	
Other Expenses	28,255.00	53,255.00	49,483.33	\$ 2,573.77		1,197.90
Mayor and Council:						
Salaries and Wages	24,469.00	24,844.00	24,837.92			6.08
Other Expenses	4,500.00	4,500.00	3,541.51	948.85		9.64
Municipal Clerk:						
Salaries and Wages	47,931.00	47,631.00	47,157.13			473.87
Other Expenses	19,350.00	19,350.00	10,155.23	5,056.30		4,138.47
Financial Administration:						
Salaries and Wages	134,565.00	135,965.00	135,273.12			691.88
Other Expenses	32,960.00	32,960.00	22,140.84	5,219.42		5,599.74
Audit Services:						
Other Expenses	47,000.00	47,000.00	47,000.00			
Revenue Administration:						
Salaries and Wages	44,025.00	44,025.00	43,297.66			727.34
Other Expenses	16,600.00	28,850.00	28,435.33	304.92		109.75
Tax Assessment Administration:						
Other Expenses	27,425.00	27,425.00	24,349.73	333.67		2,741.60
Legal Services:						
Other Expenses	68,000.00	68,000.00	53,790.72			14,209.28
Economic Development						
Other Expenses	10,250.00	10,250.00				10,250.00
Engineering Services:						
Other Expenses	30,000.00	36,000.00	32,139.85	3,571.00		289.15
Planning/Zoning Board:						
Salaries and Wages	10,602.00	10,602.00	7,226.38			3,375.62
Other Expenses	14,505.00	14,505.00	4,029.54	1,515.00		8,960.46
Insurance:						
Unemployment Insurance	10,000.00	10,000.00	1,406.41			8,593.59
Liability Insurance	158,000.00	197,000.00	196,822.85			177.15
Worker's Compensation Insurance	126,000.00	126,000.00	126,000.00			
Employee Group Insurance	842,180.00	842,180.00	777,482.61	2,402.12		62,295.27
Health Benefit Waiver	24,000.00	24,650.00	24,615.20			34.80

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
PUBLIC SAFETY FUNCTIONS:						
Police Department:						
Salaries and Wages	\$ 2,107,451.00	\$ 2,107,451.00	\$ 2,013,074.18		\$ 94,376.82	
Other Expenses	79,500.00	79,500.00	59,848.07	\$ 19,651.93		
Office of Emergency Management:						
Salaries and Wages	2,569.00	2,609.00	2,607.73		1.27	
Other Expenses	5,610.00	5,610.00	3,591.26		2,018.74	
Municipal Prosecutor:						
Salaries and Wages	9,933.00	10,083.00	10,082.15		0.85	
Municipal Court:						
Salaries and Wages	97,231.00	97,231.00	87,237.22		9,993.78	
Other Expenses	9,200.00	9,200.00	7,868.55	1,181.27	150.18	
Public Defender:						
Salaries and Wages	6,212.00	6,212.00			6,212.00	
PUBLIC WORKS FUNCTION:						
Street and Roads Maintenance:						
Salaries and Wages	176,897.00	173,797.00	156,601.30		17,195.70	
Other Expenses	37,350.00	57,350.00	50,008.77	5,021.60	2,319.63	
Solid Waste Collection:						
Other Expenses	515,000.00	482,585.00	389,603.76	12,177.00	80,804.24	
Buildings and Grounds:						
Salaries and Wages	84,427.00	34,427.00	32,058.35		2,368.65	
Other Expenses	57,500.00	57,500.00	43,038.70	2,237.35	12,223.95	
Vehicle Maintenance:						
Other Expenses	115,000.00	115,000.00	78,045.29	6,501.60	30,453.11	
HEALTH AND HUMAN SERVICES:						
Public Health Services:						
Other Expenses	300.00	300.00	75.20		224.80	
Environmental Health Services:						
Other Expenses	100.00	350.00	311.00		39.00	
Animal Control Services:						
Other Expenses	32,850.00	32,850.00	26,539.77	167.75	6,142.48	
PARK AND RECREATION FUNCTIONS:						
Recreation Services and Programs:						
Other Expenses	1,500.00	1,500.00	1,500.00			

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Expenditures			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
PARK AND RECREATION FUNCTIONS:						
Maintenance of Parks:						
Salaries and Wages	\$ 110,338.00	\$ 110,338.00	\$ 109,305.78		\$ 1,032.22	
Other Expenses	9,050.00	14,050.00	11,038.94		3,011.06	
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	26,290.00	26,290.00	18,433.44	\$ 3,289.02	4,567.54	
Public Transportation:						
Other Expenses	4,500.00	4,500.00	2,733.75	150.00	1,616.25	
UTILITY EXPENSE AND BULK PURCHASES:						
Street Lighting	130,000.00	140,000.00	127,912.00		12,088.00	
Electricity	50,000.00	50,000.00	31,890.79		18,109.21	
Telephone	22,000.00	22,000.00	15,616.86	1,345.08	5,038.06	
Water	7,500.00	7,500.00	5,023.23	1,314.40	1,162.37	
Natural Gas	20,000.00	20,000.00	15,055.79		4,944.21	
Sewerage Processing and Disposal	2,500.00	2,500.00	2,446.50		53.50	
Gasoline	100,000.00	100,000.00	52,774.75	3,728.34	43,496.91	
LANDFILL/SOLID WASTE DISPOSAL COSTS:						
Other Expenses	430,000.00	392,250.00	217,040.78	15,354.36	159,854.86	
CODE ENFORCEMENT AND ADMINISTRATION:						
Uniform Construction Code Enforcement:						
Salaries and Wages	88,298.00	88,298.00	77,946.21		10,351.79	
Other Expenses	15,250.00	15,250.00	8,457.74	3,826.86	2,965.40	
Total Operations Within "CAPS"	6,186,898.00	6,186,548.00	5,431,933.99	97,871.61	656,742.40	-
Detail:						
Salaries and Wages	3,056,873.00	3,008,538.00	2,861,685.90	-	146,852.10	-
Other Expenses	3,130,025.00	3,178,010.00	2,570,248.09	97,871.61	509,890.30	-
DEFERRED CHARGES AND STATUTORY						
EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Deferred Charges:						
Overexpenditure	4,556.27	4,556.27	4,556.27			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	94,404.00	94,404.00	94,404.00			
Social Security System (O.A.S.I.)	240,000.00	240,000.00	235,046.67		4,953.33	

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" (CONT'D):						
Statutory Expenditures (Cont'd):						
Police and Fireman's Retirement System	\$ 376,421.00	\$ 376,421.00	\$ 376,421.00			
Defined Contribution Retirement Program	2,000.00	2,000.00	148.11		\$ 1,851.89	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	717,381.27	717,381.27	710,576.05	-	6,805.22	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	6,904,279.27	6,903,929.27	6,142,510.04	\$ 97,871.61	663,547.62	-
OPERATIONS EXCLUDED FROM "CAPS"						
SFSP Fire District Payment	3,945.00	3,945.00	3,945.00			
Recycling Tax	13,800.00	13,800.00	10,356.93		3,443.07	
Interlocal Service Agreement - Borough of Lindenwold:						
Uniform Construction Code Enforcement						
Salaries and Wages	27,365.00	27,365.00	27,365.00			
Public and Private Programs Offset by Revenues:						
Alcohol Education, Rehabilitation & Enforcement Fund (N.J.S.A. 40A:4-87)		1,237.60	1,237.60			
Body Armor Grant (N.J.S.A. 40A:4-87, \$2,268.08)	934.00	3,202.08	3,202.08			
Click it or Ticket (N.J.S.A. 40A:4-87)		4,000.00	4,000.00			
Clean Communities Program (N.J.S.A. 40A:4-87)		19,957.99	19,957.99			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87)		5,000.00	5,000.00			
Drunk Driving Enforcement (N.J.S.A. 40A:4-87, \$5,113.16)	1,687.38	6,800.54	6,800.54			
Municipal Alliance on Alcoholism and Drug Abuse:						
State Share	11,761.00	11,761.00	11,761.00			
Local Share	2,940.25	2,940.25	2,940.25			
Recycling Tonnage Grant	11,437.41	11,437.41	11,437.41			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	73,870.04	111,446.87	108,003.80	-	3,443.07	-
Detail:						
Salaries and Wages	29,052.38	34,165.54	34,165.54	-	-	-
Other Expenses	44,817.66	77,281.33	73,838.26	-	3,443.07	-

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2015

	Appropriations		Paid or Charged	Expenditures		Unexpended Balance Canceled
	Budget	Budget After Modification		Encumbered	Reserved	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 305,000.00	\$ 305,000.00	\$ 305,000.00			
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	120,000.00	120,000.00	120,000.00			
Interest on Bonds	83,025.00	83,025.00	83,025.00			
Interest on Notes	8,500.00	8,500.00	7,535.87			\$ 964.13
New Jersey Environmental Infrastructure Trust:						
Loan Repayments for Principal and Interest	39,110.00	39,460.00	39,458.84			1.16
Green Trust Loan Program						
Loan Repayments for Principal and Interest	42,858.00	42,858.00	42,857.82			0.18
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	293,493.00	293,843.00	292,877.53	-	-	965.47
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	672,363.04	710,289.87	705,881.33	-	\$ 3,443.07	965.47
SUBTOTAL GENERAL APPROPRIATIONS	7,576,642.31	7,614,219.14	6,848,391.37	\$ 97,871.61	666,990.69	965.47
RESERVE FOR UNCOLLECTED TAXES	918,400.92	918,400.92	918,400.92	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 8,495,043.23	\$ 8,532,620.06	\$ 7,766,792.29	\$ 97,871.61	\$ 666,990.69	\$ 965.47
N.J.S.A. 40A: 4-87		\$ 37,576.83				
Budget		8,495,043.23				
Due to Federal and State Grant Fund			\$ 4,556.27			
Federal and State Grants			66,336.87			
Reserve for Uncollected Taxes			918,400.92			
Disbursed			6,777,498.23			
		\$ 8,532,620.06	\$ 7,766,792.29			

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

BOROUGH OF PINE HILL
TRUST FUND
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 9,984.50	\$ 7,916.08
Other Funds:			
Cash - Chief Financial Officer	SB-1	308,278.92	237,191.06
Cash - Collector	SB-2	944,255.82	375,720.97
		<u>1,252,534.74</u>	<u>612,912.03</u>
		<u>\$ 1,262,519.24</u>	<u>\$ 620,828.11</u>
Liabilities, Reserves, and Fund Balance:			
Animal Control Fund:			
Due to Current Fund	SB-3	\$ 4,502.10	\$ 2,834.88
Due to State of New Jersey	SB-4	1.20	4.20
Reserve for Animal Control Fund	SB-5	5,481.20	5,077.00
		<u>9,984.50</u>	<u>7,916.08</u>
Other Funds:			
Due to Current Fund	SB-6	2,343.11	1,779.65
Reserve for Escrow Deposits	SB-7	145,739.17	41,213.99
Reserve for Unemployment Compensation	SB-7	18,501.18	22,657.54
Reserve for Payroll	SB-7	51,329.10	50,178.04
Reserve for Off-Duty Police Employment	SB-7	7,374.59	21,282.32
Reserve for Tax Sale Premiums	SB-7	768,099.58	170,799.58
Reserve for Redemption of Tax Sale Certificates	SB-7	174,508.77	203,636.87
Reserve for Public Defender Fees	SB-7	12,831.14	14,016.17
Reserve for D.A.R.E.	SB-7	5,494.54	4,214.54
Reserve for Forfeited Funds - State	SB-7	7,235.90	15,616.07
Reserve for Forfeited Funds - Federal	SB-7	3,031.03	17,130.45
Reserve for Police K-9	SB-7	1,908.97	749.39
Reserve for Recreation	SB-7	53,759.98	49,259.98
Reserve for COAH	SB-7	377.68	377.44
		<u>1,252,534.74</u>	<u>612,912.03</u>
		<u>\$ 1,262,519.24</u>	<u>\$ 620,828.11</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 Balance - Regulatory Basis
 As of December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assets:			
Cash - Chief Financial Officer	SC-1	\$ 2,620,952.40	\$ 1,448,733.89
Deferred Charges to Future Taxation:			
Funded	SC-3	4,933,620.28	2,084,886.75
Unfunded	SC-4	667.00	2,666,667.00
Due from Community Development Block Grant	SC-6	48,311.00	48,311.00
State Road Aid Allotments Receivable	SC-7	333,335.68	250,192.54
Due from Camden County Open Space	SC-10	25,000.00	25,000.00
		<u>\$ 7,961,886.36</u>	<u>\$ 6,523,791.18</u>
Liabilities, Reserves and Fund Balance:			
Due to Current Fund	SC-5	\$ 1,695.75	\$ 538.96
Encumbrances Payable	SC-8	367,505.75	175,068.35
Capital Improvement Fund	SC-9	285,682.14	682.14
Improvement Authorizations:			
Funded	SC-10	2,335,440.34	439,381.85
Unfunded	SC-10	667.00	2,666,667.00
General Serial Bonds	SC-11	4,760,000.00	1,835,000.00
Green Trust Loan Payable	SC-12	63,022.14	104,003.77
New Jersey Environmental Infrastructure Loan Payable	SC-13	110,598.14	145,882.98
Bond Anticipation Notes Payable	SC-14	-	1,120,000.00
Fund Balance	C-1	37,275.10	36,566.13
		<u>\$ 7,961,886.36</u>	<u>\$ 6,523,791.18</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, 2015

Balance December 31, 2014	\$ 36,566.13
Increased by:	
Improvements Authorizations Canceled	<u>708.97</u>
Balance December 31, 2015	<u><u>\$ 37,275.10</u></u>

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

BOROUGH OF PINE HILL
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Additions	Deletions	Balance Dec. 31, 2015
General Fixed Assets:				
Land	\$ 3,404,600.00			\$ 3,404,600.00
Buildings and Improvements	6,177,563.00			6,177,563.00
Machinery and Equipment	1,825,676.00	\$ 647,825.00	\$ 40,039.00	2,433,462.00
Total General Fixed Assets	<u>\$ 11,407,839.00</u>	<u>\$ 647,825.00</u>	<u>\$ 40,039.00</u>	<u>\$ 12,015,625.00</u>
Total Investment in General Fixed Assets	<u>\$ 11,407,839.00</u>	<u>\$ 647,825.00</u>	<u>\$ 40,039.00</u>	<u>\$ 12,015,625.00</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, 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity – The Borough of Pine Hill (hereafter referred to as the “Borough”) was incorporated as a borough by an act of the New Jersey legislature in May of 1929. The Borough, located in Camden County, New Jersey, has a total area of approximately 4.1 miles, and is located approximately fifteen miles southeast of the City of Philadelphia. The Borough borders the Boroughs of Berlin, Clementon, Lindenwold, and Pine Valley; and the Townships of Gloucester and Winslow. According to the 2010 census, the population is 10,233.

The Borough is governed under the Mayor-Council form of government, with a Mayor and six-member Council. The Mayor and Council are elected directly by the voters in partisan elections, the Mayor to serve a four year term in office and the Council to serve three-year terms in office on a staggered basis, with two seats coming up for election each year. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Administrator and Borough Clerk. Legislative responsibility is vested with the Council.

Component Units - The financial statements of the component units of the Borough are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, 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 Turnersville Road
Pine Hill, New Jersey 08021

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Borough 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Borough 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 requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, 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 group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

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

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

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

Fund Balance - Fund balance included in the current fund represents 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 is 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 of Pine Hill'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 of Pine Hill's annual budget, but also the amounts required in support of the budgets of the County of Camden, the Borough of Pine Hill School District, and the Borough of Pine Hill Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough 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. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to 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 the Borough of Pine Hill Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31.

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 and interest payments on outstanding general capital and utility bonds and notes are provided 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 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.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2015, the Borough adopted GASB 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. As a result of adopting such Statements, the Borough was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their defined benefit pensions. As a result of the regulatory basis of accounting previously described in note 1, the implementation of these Statements only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2015, the Borough's bank balances of \$7,158,582.34 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,386,351.57
Uninsured and Uncollateralized	<u>772,230.77</u>
Total	<u>\$ 7,158,582.34</u>

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 calendar years:

	<u>Year Ended</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	\$ 4.100	\$ 3.982	\$ 3.914	\$ 3.809	\$ 3.678
Apportionment of Tax Rate:					
Municipal	\$.960	\$.930	\$.894	\$.858	\$.823
County	.713	.707	.706	.694	.655
County Library	.044	.045	.045	.045	.043
County Open Space	.018	.019	.019	.020	.020
Local School	2.196	2.116	2.084	2.030	1.992
Fire District	.169	.165	.166	.162	.145

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2015	\$ 529,485,581.00
2014	530,978,571.00
2013	527,757,560.00
2012	530,387,634.00
2011	533,558,765.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 21,738,035.84	\$ 20,783,121.64	95.61%
2014	21,218,564.59	20,364,107.94	95.97%
2013	20,910,031.32	20,014,431.13	95.72%
2012	20,225,128.86	19,471,723.00	96.27%
2011	19,654,695.20	18,993,637.88	96.64%

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>
2015	\$ 718,762.17	\$ 763,062.92	\$ 1,481,825.09	6.82%
2014	599,351.23	672,653.29	1,272,004.52	5.99%
2013	481,611.56	639,594.25	1,121,205.81	5.36%
2012	415,375.03	635,704.29	1,051,079.32	5.20%
2011	314,950.11	536,770.36	851,720.47	4.33%

Note 3: PROPERTY TAXES (CONT'D)

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>
2015	205
2014	139
2013	94
2012	68
2011	64

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>
2015	\$ 332,550.00
2014	332,550.00
2013	332,550.00
2012	332,550.00
2011	332,550.00

Note 5: FUND BALANCES APPROPRIATED

The following schedules detail 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:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2015	\$ 1,261,578.78	\$ 840,000.00	66.58%
2014	1,100,410.59	725,000.00	65.88%
2013	1,158,237.21	725,000.00	62.59%
2012	902,396.62	695,000.00	77.02%
2011	1,049,516.39	715,000.00	68.13%

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, 2015:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 8,540.96	\$ 90,167.47
Federal and State Grant	90,167.47	
Trust - Animal Control		4,502.10
Trust - Other		2,343.11
General Capital		1,695.75
	<u>\$ 98,708.43</u>	<u>\$ 98,708.43</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2016, the Borough of Pine Hill expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following 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, several Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for 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
<http://www.state.nj.us/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 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.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 12.01% of the Borough's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – Based on the most recent PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$91,218.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$80,031.00 which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$58,041.38.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

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

The Borough's contractually required contribution rate for the year ended December 31, 2015 was 24.04% of the Borough's covered-employee payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 is \$405,027.00, and is payable by April 1, 2016. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2014, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2014 was \$350,667.00, which was paid on April 1, 2015. Employee contributions to the plan during the year ended December 31, 2015 were \$168,499.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2015 was 2.25% of the Borough's covered-employee payroll.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 is \$37,888.00, and is payable by April 1, 2016. Based on the PFRS measurement date of June 30, 2014, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2014 was \$25,679.00, which was paid on April 1, 2015.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2015, employee contributions totaled \$486.33, and the Borough of Pine Hill's contributions were \$148.11. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability was \$2,381,744.00. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Borough of Pine Hill's proportion of the net pension liability was based on a projection of the Borough of Pine Hill's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was .0106100530%, which was an increase of .0009020957% from its proportion measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$121,146.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PERS were \$80,031.00, and were paid on April 1, 2015.

Police and Firemen's Retirement System - At December 31, 2015, the Borough of Pine Hill's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 8,229,601.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>727,847.00</u>
	<u>\$ 8,957,448.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2015 measurement date, the Borough's proportion was .0498279608%, which was an increase of .0041723010% from its proportion measured as of June 30, 2014. Likewise, at June 30, 2015, the State of New Jersey's proportion, on-behalf of the Borough, was .0498279608%, which was an increase of .0041723010% from its proportion, on-behalf of the Borough, measured as of June 30, 2014.

At December 31, 2015, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2015 measurement date is \$863,381.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2015, the Borough's contributions to PFRS were \$350,667.00, and were paid on April 1, 2015.

At December 31, 2015, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2015 measurement date is \$90,788.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2015, the Borough of Pine Hill had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 56,820.00	\$ -	\$ 56,820.00	\$ -	\$ 71,587.00	\$ 71,587.00
Changes of Assumptions	255,780.00	1,532,313.00	1,788,093.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	38,294.00	144,447.00	182,741.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	143,292.00	650,302.00	793,594.00	290,620.00	-	290,620.00
Borough Contributions Subsequent to the Measurement Date	45,609.00	202,514.00	248,123.00	-	-	-
	<u>\$ 501,501.00</u>	<u>\$ 2,385,129.00</u>	<u>\$ 2,886,630.00</u>	<u>\$ 328,914.00</u>	<u>\$ 216,034.00</u>	<u>\$ 544,948.00</u>

\$45,609.00 and \$202,514.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2016. These amounts were based on an estimated April 1, 2017 contractually required contribution, prorated from the pension plans measurement date of June 30, 2015 to the Borough of Pine Hill's year end of December 31, 2015.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2016	\$ 14,492.00	\$ 396,747.00	\$ 411,239.00
2017	14,492.00	396,747.00	411,239.00
2018	14,494.00	396,747.00	411,241.00
2019	41,572.00	543,264.00	584,836.00
2020	41,928.00	233,076.00	275,004.00
	<u>\$ 126,978.00</u>	<u>\$ 1,966,581.00</u>	<u>\$ 2,093,559.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.04%	3.04%
Salary Increases:		
2012-2021	2.15% - 4.40% Based on Age	2.60% - 9.48% Based on Age
Thereafter	3.15% - 5.40% Based on Age	3.60% - 10.48% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2008 - June 30, 2011	July 1, 2010 - June 30, 2013

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

For PFRS, mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds / Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2015 was 4.90% for PERS and 5.79% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and for PFRS, the non-employer contributing entity, will be made based on the average of the last five years of contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS and through 2045 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS and through 2045 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Borough of Pine Hill's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,960,217.00</u>	<u>\$ 2,381,744.00</u>	<u>\$ 1,896,757.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2015, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 5.79%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's Proportionate Share of the Net Pension Liability	\$ 10,849,227.00	\$ 8,229,601.00	\$ 6,093,530.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>959,533.00</u>	<u>727,847.00</u>	<u>538,927.00</u>
	<u>\$ 11,808,760.00</u>	<u>\$ 8,957,448.00</u>	<u>\$ 6,632,457.00</u>

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0106100530%	0.0097079573%	0.0119135280%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,381,744.00	\$ 1,817,595.00	\$ 2,276,912.00
Borough's Covered-Employee Payroll	\$ 734,932.00	\$ 674,748.00	\$ 822,876.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	324.08%	269.37%	276.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 91,218.00	\$ 80,031.00	\$ 89,766.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(91,218.00)</u>	<u>(80,031.00)</u>	<u>(89,766.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered-Employee Payroll	\$ 759,647.00	\$ 748,180.00	\$ 727,931.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	12.01%	10.70%	12.33%

Note 7: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Borough of Pine Hill's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Three Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0498279608%	0.0456556598%	0.0435116068%
Borough's Proportionate Share of the Net Pension Liability	\$ 8,229,601.00	\$ 5,743,059.00	\$ 5,784,475.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>727,847.00</u>	<u>618,431.00</u>	<u>539,183.00</u>
Total	<u>\$ 8,957,448.00</u>	<u>\$ 6,361,490.00</u>	<u>\$ 6,323,658.00</u>
Borough's Covered-Employee Payroll	\$ 1,625,428.00	\$ 1,488,380.00	\$ 1,411,840.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	506.30%	385.86%	409.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Schedule of the Borough of Pine Hill's Contributions - Police and Firemen's Retirement System (PFRS) (Last Three Years)

	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 405,027.00	\$ 350,667.00	\$ 317,451.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(405,027.00)</u>	<u>(350,667.00)</u>	<u>(317,451.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered-Employee Payroll	\$ 1,684,990.00	\$ 1,631,411.00	\$ 1,518,399.00
Borough's Contributions as a Percentage of it's Covered-Employee Payroll	24.04%	21.49%	20.91%

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – New assumptions related to future increases on Social Security Wage Base and the 401(a)(17) compensation limit have been added as follows:

401(a)(17) Pay Limit – 3.00 per annum
Social Security Wage Base – 4.00 per annum

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 6.32% as of June 30, 2014, to 5.79% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Other Changes in Assumptions – Demographic assumptions with respect to no-vested withdrawal, disability, service retirement, active death, salary increases rates and inactive mortality were revised in accordance with the results of the July 1, 2010 – June 30, 2013 experience study and approved by the Board of Trustees of the PERS Pension Plan at its February 9, 2015 Board Meeting.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

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

Funding Policy - The contribution requirements of plan members and the Borough are established and may be amended by the Borough's governing body. Various factors, as stipulated in employee contracts, dictate whether plan members are required to make contributions to the plan.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Retirees - The Borough of Pine Hill presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The Borough of Pine Hill's contributions to the plan for the years ended December 31, 2015, 2014, and 2013 were \$298,388.74, \$330,923.00, and \$325,845.00, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Borough of Pine Hill is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$1,166,210.00 at an unfunded discount rate of 5.0%. As stated above, the Borough has funded the cost of existing retirees in the amount of \$298,388.74, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2015, the Borough's annual OPEB cost (expense) of \$1,127,613.60 for the plan was equal to the ARC plus certain adjustments because the Borough's actual contributions in prior years differed from the ARC. The Borough's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2015, 2014, and 2013 are as follows:

Annual OPEB Cost

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 1,166,210.00	\$ 1,166,210.00	\$ 1,168,161.00
Interest on the Net OPEB Obligation	169,407.55	129,114.01	88,000.68
Adjustment to the ARC	<u>(208,003.95)</u>	<u>(158,530.27)</u>	<u>(108,050.02)</u>
Annual OPEB Cost	1,127,613.60	1,136,793.74	1,148,111.66
Pay-as-You Go Cost (Existing Retirees)	<u>(298,388.74)</u>	<u>(330,923.00)</u>	<u>(325,845.00)</u>
Increase (Decrease) in the Net OPEB Obligation	829,224.86	805,870.74	822,266.66
Net OPEB Obligation, January 1	<u>3,388,150.93</u>	<u>2,582,280.19</u>	<u>1,760,013.53</u>
Net OPEB Obligation, December 31	<u>\$ 4,217,375.79</u>	<u>\$ 3,388,150.93</u>	<u>\$ 2,582,280.19</u>
Percentage of Annual OPEB Cost Contributed	26.46%	29.11%	28.38%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funded Status and Funding Progress - The funded status of the plan as of the two past actuarial valuation dates is as follows:

Schedule of Funding Progress by Actuarial Valuation Date

	<u>2014</u>	<u>2011</u>
Actuarial Accrued Liability (AAL)	\$ 11,259,752.00	\$ 11,211,693.00
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 11,259,752.00</u>	<u>\$ 11,211,693.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 1,933,812.00	\$ 1,710,597.72
UAAL as a Percentage of Covered Payroll	582.26%	655.43%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* at first eligibility after completing 20 years of service.
- *Full Attribution Period.* service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Medical Trend.* 8% in 2014, reducing by .5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates

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 of Pine Hill does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2015, accrued benefits for compensated absences are valued at \$535,293.21.

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: LEASE OBLIGATIONS

At December 31, 2015, the Borough of Pine Hill had lease agreements in effect for the following:

Operating:
 One (1) Postage Machine
 Two (2) Ford Focus Cars

Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 10,057.63
2017	8,357.63
2018	8,357.63

Rental payments under operating leases for the year 2015 were \$10,397.63.

Note 12: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2006 - On August 1, 2006, the Borough of Pine Hill issued \$2,630,000.00 of general improvement bonds, with interest rates ranging from 4.5% to 4.75%. The bonds were issued for the purpose of funding various capital projects in the Borough of Pine Hill. The final maturity of the bonds is August 1, 2026.

General Improvement Bonds, Series 2015 - On August 25, 2015, the Borough of Pine Hill issued \$3,045,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 2.5%. The bonds were issued for the purpose of funding various capital projects in the Borough of Pine Hill. The final maturity of the bonds is September 1, 2026.

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

General Debt - Serial Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 375,000.00	\$ 142,326.39	\$ 517,326.39
2017	385,000.00	133,550.00	518,550.00
2018	395,000.00	122,475.00	517,475.00
2019	405,000.00	111,075.00	516,075.00
2020	420,000.00	99,350.00	519,350.00
2021-2025	2,285,000.00	301,700.00	2,586,700.00
2026	495,000.00	16,425.00	511,425.00
	<u>\$ 4,760,000.00</u>	<u>\$ 926,901.39</u>	<u>\$ 5,686,901.39</u>

General Debt - New Jersey Environmental Infrastructure Loans

On November 5, 1998, the Borough of Pine Hill entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$301,289.00, at no interest, from the fund loan, and \$305,000.00 at interest rates ranging of 4.40% from the trust loan. The proceeds were used to fund storm sewer system improvements. Semiannual debt payments are due February 1st and August 1st through 2018.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Environmental Infrastructure loans:

General Debt - New Jersey Environmental Infrastructure Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 34,707.46	\$ 2,925.00	\$ 37,632.46
2017	34,130.06	2,025.00	36,155.06
2018	41,760.62	1,125.00	42,885.62
	<u>\$ 110,598.14</u>	<u>\$ 6,075.00</u>	<u>\$ 116,673.14</u>

Note 12: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres Loans**

On January 22, 1998, the Borough of Pine Hill entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$660,000.00, at an interest rate of 2.0%. The proceeds were used to fund the improvements to the Charles Bowen Recreational Complex. Semiannual debt payments are due May 22nd and November 22nd through 2017.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

General Debt - New Jersey Green Acres Loans

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 41,805.37	\$ 1,052.45	\$ 42,857.82
2017	21,216.77	212.14	21,428.91
	<u>\$ 63,022.14</u>	<u>\$ 1,264.59</u>	<u>\$ 64,286.73</u>

The following schedule represents the Borough of Pine Hill's summary of debt for the current and two previous years:

Summary of Debt

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Issued</u>			
Bonds, Loans and Notes	\$ 4,933,620.28	\$ 4,751,553.75	\$ 2,630,923.12
<u>Authorized but not Issued</u>			
Bonds, Loans and Notes	667.00		
<u>Deductions</u>			
Refunding Bonds			70,000.00
Net Debt	<u>\$ 4,934,287.28</u>	<u>\$ 4,751,553.75</u>	<u>\$ 2,560,923.12</u>

Note 12: CAPITAL DEBT (CONT'D)**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 1.053%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 10,990,000.00	\$ 10,990,000.00	
General	4,934,287.28		\$ 4,934,287.28
	<u>\$ 15,924,287.28</u>	<u>\$ 10,990,000.00</u>	<u>\$ 4,934,287.28</u>

Net debt \$4,934,287.28 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$468,806,000.00, equals 1.053%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 16,408,210.00
Less: Net Debt	<u>4,934,287.28</u>
Remaining Borrowing Power	<u>\$ 11,473,922.72</u>
Equalized Valuation Basis	<u>\$468,806,000.00</u>
Statutory Net Debt Percentage	<u>1.053%</u>

Note 13: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Borough of Pine Hill has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough of Pine Hill 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 of Pine Hill is billed quarterly for amounts due to the State.

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ -	\$ 5,379.79	\$ 15.34	\$ 3,602.80	\$ 18,501.18
2014	-	5,307.29	68.80	5,256.30	22,657.54
2013	-	5,239.56	49.00	3,353.00	34,875.37

Note 13: RISK MANAGEMENT (CONT'D)

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:

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

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Borough of Pine Hill'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 \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

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

Note 14: 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, 2015, the Authority had \$3,184,433.60 in outstanding debt covered by this agreement.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough of Pine Hill expects such amount, if any, to be immaterial.

Litigation - The Borough of Pine Hill 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 of Pine Hill, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

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, 2015

		Current Fund
Balance December 31, 2014		\$ 1,699,466.74
Increased by Receipts:		
Taxes Receivable	\$ 21,151,183.79	
Prepaid Taxes	153,494.08	
Tax Overpayments	25,741.16	
Tax Title Liens	68,985.49	
Due from State - Senior Citizens & Vets	85,786.65	
Federal & State Grants Receivable	57,029.47	
Revenue Accounts Receivable	2,242,292.67	
Miscellaneous Revenue Not Anticipated	101,382.13	
Due Tax Collector Account	372,053.72	
Marriage Licenses	1,325.00	
		24,259,274.16
		25,958,740.90
Decreased by Disbursements:		
2014 Appropriation Reserves	210,470.31	
2015 Appropriations	6,777,498.23	
County Taxes	4,097,981.63	
Due County for Added and Omitted Taxes	11,949.24	
Local District School Tax	11,627,420.48	
Special District Tax	893,960.00	
Refund Tax Overpayments	8,943.87	
Federal and State Grant Expenditures	50,680.15	
Marriage Licenses	1,300.00	
		23,680,203.91
Balance December 31, 2015		\$ 2,278,536.99

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Current Cash - Collector
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 372,053.72
Decreased by:	
Transferred to Treasurer	<u>372,053.72</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2015

Year	Balance	2015 Levy	Added Taxes	Collections		Over-Payments Applied	Canceled	Transferred To Tax Title Liens	Balance
	Dec. 31, 2014			2014	2015				Dec. 31, 2015
2008	\$ 310.25			\$ 310.25					
2009	4,235.44			4,235.44					
2010	6,937.14			6,013.18		\$ 409.40	\$ 514.56		
2011	11,080.77			5,336.95			5,743.82		
2012	7,761.94			644.22			5,702.48	\$ 1,415.24	
2013	12,482.25		\$ 250.00	363.41			51.07	6,072.67	6,245.10
2014	629,845.50		9,000.00	588,542.93		\$ 5,074.66	343.18	21,537.78	23,346.95
	672,653.29	-	9,250.00	-	605,446.38	5,074.66	803.65	39,571.31	31,007.29
2015		\$ 21,738,035.84		\$ 136,012.03	20,647,109.61		78,295.04	144,563.53	732,055.63
	<u>\$ 672,653.29</u>	<u>\$ 21,738,035.84</u>	<u>\$ 9,250.00</u>	<u>\$ 136,012.03</u>	<u>\$ 21,252,555.99</u>	<u>\$ 5,074.66</u>	<u>\$ 79,098.69</u>	<u>\$ 184,134.84</u>	<u>\$ 763,062.92</u>
Taxes Receivable				\$ 21,151,183.79					
Senior Citizens and Veterans				101,372.20					
				<u>\$ 21,252,555.99</u>					
<u>Analysis of 2015 Property Tax Levy</u>									
<u>Tax Yield:</u>									
General Property Tax					\$ 21,704,479.54				
Added Taxes (54:4-63.1 et. seq.)					33,556.30				
							\$ 21,738,035.84		
<u>Tax Levy:</u>									
Local School District Tax (Abstract)					\$ 11,627,420.48				
County Taxes:									
County Tax (Abstract)				\$ 4,097,981.63					
Due County for Added Taxes				3,192.56					
					4,101,174.19				
Special District Taxes:									
Fire District No. 1					893,960.00				
Local Tax for Municipal Purposes				5,084,973.44					
Add: Additional Tax Levied				30,507.73					
					5,115,481.17				
							\$ 21,738,035.84		

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 599,351.23
Increased by:		
Transfers from Taxes Receivable	\$ 184,134.84	
Interest and Costs on Sale	<u>4,261.59</u>	
		<u>188,396.43</u>
		787,747.66
Decreased by:		
Cash Receipts		<u>68,985.49</u>
Balance December 31, 2015		<u><u>\$ 718,762.17</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, 2015

Balance December 31, 2014		\$	5,162.35
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	30,250.00	
Veterans		60,750.00	
Deductions Allowed by Collector - 2015 Taxes		<u>11,872.20</u>	
			<u>102,872.20</u>
			108,034.55
Decreased by:			
Received from State of New Jersey		85,786.65	
Deductions Disallowed by Collector - 2015 Taxes		1,500.00	
Deductions Disallowed by Collector - 2014 Taxes		9,000.00	
Deductions Disallowed by Collector - 2013 Taxes		<u>250.00</u>	
			<u>96,536.65</u>
Balance December 31, 2015		\$	<u><u>11,497.90</u></u>
 <u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	91,000.00	
Senior Citizens' and Veterans'			
Deductions Allowed by Tax Collector - 2015		<u>11,872.20</u>	
			\$ 102,872.20
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Tax Collector - 2015			<u>1,500.00</u>
			\$ <u><u>101,372.20</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Accrued In 2015</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>
Miscellaneous Revenue Anticipated:				
Licenses:				
Other		\$ 4,244.20	\$ 4,244.20	
Fees and Permits		139,617.00	139,617.00	
Fines and Costs:				
Municipal Court	\$ 7,173.70	82,874.97	85,678.61	\$ 4,370.06
Interest on Taxes		180,345.08	180,345.08	
Payments in Lieu of Taxes:				
Mansion Apartments		272,528.82	272,528.82	
Pine Hill Gardens		362,147.33	362,147.33	
Rental Lease Agreement - Pine Hill Golf Club		229,166.63	229,166.63	
Consolidated Municipal Property Tax Relief Aid		77,581.00	77,581.00	
Energy Receipts Tax		807,304.00	807,304.00	
Uniform Construction Code Fees	4,820.00	55,942.00	56,315.00	4,447.00
Interlocal Agreements				
Borough of Lindenwold:				
Other Code Enforcement		27,365.00	27,365.00	
	<u>\$ 11,993.70</u>	<u>\$ 2,239,116.03</u>	<u>\$ 2,242,292.67</u>	<u>\$ 8,817.06</u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP":					
General Administration:					
Salaries and Wages		\$ 811.34	\$ 811.34		\$ 811.34
Other Expenses	\$ 442.50	398.37	10,340.87	\$ 10,259.24	81.63
Mayor and Council:					
Other Expenses	52.94	2,668.49	2,721.43	117.94	2,603.49
Municipal Clerk:					
Salaries and Wages		1,095.90	1,095.90		1,095.90
Other Expenses	3,068.85	7,857.99	10,926.84	3,027.15	7,899.69
Financial Administration:					
Other Expenses	794.06	3,276.24	4,070.30	794.06	3,276.24
Revenue Administration:					
Salaries and Wages		16,805.96	7,305.96		7,305.96
Other Expenses	1,236.23	10,128.48	11,364.71	1,236.23	10,128.48
Tax Assessment Administration:					
Other Expenses	2,893.99	3,116.90	6,010.89	143.99	5,866.90
Legal Services:					
Other Expenses	1,083.00	18,025.16	19,108.16	3,616.08	15,492.08
Economic Development					
Other Expenses		10,070.00	10,070.00		10,070.00
Engineering Services:					
Other Expenses	1,462.05	364.21	1,826.26	1,826.26	-
Planning/Zoning Board:					
Salaries and Wages		1,128.01	1,128.01		1,128.01
Other Expenses	342.00	11,579.09	11,921.09	342.00	11,579.09
Insurance:					
Unemployment Insurance		1,612.47	1,612.47		1,612.47
Liability Insurance	385.00	84.30	469.30	385.00	84.30
Worker's Compensation Insurance		354.28	354.28		354.28
Employee Group Insurance	903.35	93,422.26	94,325.61	7,060.21	87,265.40
Health Benefit Waiver		100.33	100.33		100.33
Police:					
Salaries and Wages		120,202.22	120,202.22		120,202.22
Other Expenses	13,926.46	1,175.80	15,102.26	13,727.00	1,375.26
Office of Emergency Management:					
Salaries and Wages		17.08	17.08		17.08
Other Expenses		4,515.00	4,515.00		4,515.00
Public Defender					
Salaries and Wages		69.49	69.49		69.49
Municipal Court:					
Salaries and Wages		2,002.46	1,902.46		1,902.46
Other Expenses	2,615.34	682.69	3,398.03	3,314.32	83.71
Street and Roads Maintenance:					
Salaries and Wages		14,256.75	12,256.75		12,256.75
Other Expenses	6,213.21	6.81	6,220.02	4,257.15	1,962.87
Solid Waste Collection:					
Other Expenses	65,419.78	23,071.43	88,491.21	78,125.49	10,365.72
Buildings and Grounds:					
Salaries and Wages		28,956.24	28,956.24		28,956.24
Other Expenses	4,819.04	2,959.89	7,778.93	7,445.18	333.75
Vehicle Maintenance:					
Other Expenses	8,297.52	587.89	10,885.41	10,516.56	368.85
Environmental Health Services:					
Other Expenses		358.00	358.00		358.00

(Continued)

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014		Balance After Modification	Disbursed	Balance Lapsed
	Encumbered	Reserved			
Operations Within "CAP" (Cont'd):					
Public Health Services:					
Other Expenses		\$ 300.00	\$ 300.00		\$ 300.00
Animal Control:					
Other Expenses		4,781.25	4,781.25	\$ 109.50	4,671.75
Maintenance of Parks:					
Salaries and Wages		1,982.96	1,982.96		1,982.96
Other Expenses	\$ 3,835.99	4,379.18	8,215.17	5,140.49	3,074.68
Celebration of Public Events:					
Other Expenses	168.00	11,867.57	12,035.57	1,768.00	10,267.57
Public Transportation:					
Other Expenses		1,481.25	1,481.25	341.25	1,140.00
Utilities:					
Street Lighting	12,311.05	2,558.21	14,869.26	12,311.05	2,558.21
Electricity	3,094.66	10,108.73	13,203.39	3,094.66	10,108.73
Telephone	1,467.85	3,737.74	5,205.59	1,467.85	3,737.74
Water	883.50	2,397.40	3,280.90	883.50	2,397.40
Natural Gas	2,459.93	3,671.22	6,131.15	2,459.93	3,671.22
Sewerage Processing and Disposal		105.56	105.56		105.56
Gasoline	7,656.70	11,904.72	19,561.42	14,473.88	5,087.54
Landfill/Solid Waste Disposal Costs:					
Other Expenses	244.79	104,924.66	105,169.45	20,692.76	84,476.69
Uniform Construction Code Enforcement:					
Salaries and Wages		8,406.21	8,406.21		8,406.21
Other Expenses	511.18	3,979.58	4,490.76	511.18	3,979.58
Other Code Enforcement Functions:					
Salaries and Wages		3,500.00	3,500.00		3,500.00
Other Expenses		118.00	118.00		118.00
Total General Appropriations for Municipal Purposes Within "CAP"	<u>146,588.97</u>	<u>561,965.77</u>	<u>708,554.74</u>	<u>209,447.91</u>	<u>499,106.83</u>
Statutory Expenditures within "CAPS"					
Contribution to:					
PERS		10,190.92	10,190.92		10,190.92
Social Security System (O.A.S.I.)		8,440.61	8,440.61		8,440.61
PFRS		14,567.36	14,567.36		14,567.36
DCRP		798.91	798.91		798.91
Total Statutory Expenditures - Municipal Within "CAPS"	<u>-</u>	<u>33,997.80</u>	<u>33,997.80</u>	<u>-</u>	<u>33,997.80</u>
Operations Excluded from "CAP":					
Recycling Tax		4,444.71	4,444.71	1,022.40	3,422.31
Total General Appropriations for Municipal Purposes Excluded from "CAP"	<u>-</u>	<u>4,444.71</u>	<u>4,444.71</u>	<u>1,022.40</u>	<u>3,422.31</u>
	<u>\$ 146,588.97</u>	<u>\$ 600,408.28</u>	<u>\$ 746,997.25</u>	<u>\$ 210,470.31</u>	<u>\$ 536,526.94</u>

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Prepaid Taxes
 For the Year Ended December 31, 2015

Balance December 31, 2014 (2015 Taxes)		\$ 136,012.03
Increased by:		
Collection (2016 Taxes)		<u>153,494.08</u>
		289,506.11
Decreased by:		
Application to 2015 Taxes		<u>136,012.03</u>
Balance December 31, 2015 (2016 Taxes)		<u><u>\$ 153,494.08</u></u>

Exhibit SA-9

BOROUGH OF PINE HILL
CURRENT FUND
 Statement of Tax Overpayments
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,074.66
Increased by:		
Overpayments		<u>25,741.16</u>
		30,815.82
Decreased by:		
Overpayments Applied	\$ 5,074.66	
Refunds Disbursed	<u>8,943.87</u>	
		<u>14,018.53</u>
Balance December 31, 2015		<u><u>\$ 16,797.29</u></u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2015

2015 Levy:			
. County General		\$ 3,772,199.75	
County Library		232,182.84	
County Open Space Preservation		<u>93,599.04</u>	
			\$ 4,097,981.63
Decreased by:			
Disbursements			<u>\$ 4,097,981.63</u>

Exhibit SA-11

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2015

Balance December 31, 2014	\$ 11,949.24
Increased by:	
County Share of 2015 Levy	<u>3,192.56</u>
	15,141.80
Decreased by:	
Disbursements	<u>11,949.24</u>
Balance December 31, 2015	<u>\$ 3,192.56</u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2015

2015 Levy-Calendar Year	\$	11,627,420.48
Decreased by:		
Disbursements		<u>11,627,420.48</u>

BOROUGH OF PINE HILL
CURRENT FUND
Statement of Special District Taxes Payable -- Fire Districts
For the Year Ended December 31, 2015

2015 Levy	\$	893,960.00
Decreased by:		
Disbursements		<u>\$ 893,960.00</u>

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 76,321.63
Increased by:		
Grant Revenues Deposited to Current Fund	\$ 57,029.47	
Local Match Due from Current Fund	2,940.25	
Budget Appropriation:		
Overexpenditure of Appropriated Grants	4,556.27	
		64,525.99
		140,847.62
Decreased by:		
Grant Expenditures Paid by Current Fund		50,680.15
Balance December 31, 2015		\$ 90,167.47

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2015

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants:				
Click it or Ticket		\$ 4,000.00	\$ 4,000.00	
Drive Sober Get Pulled over		12,500.00	12,500.00	
Bulletproof Vest Fund		2,802.00	2,802.00	
Total Federal Grants	-	19,302.00	19,302.00	-
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant		1,237.60	1,237.60	
Body Armor Grant		2,268.08	2,268.08	
Clean Communities Program		19,957.99	19,957.99	
Drunk Driving Enforcement Grant		5,113.16	2,504.05	\$ 2,609.11
Municipal Alliance Grant		11,761.00	11,759.75	1.25
Total State Grants	-	40,337.83	37,727.47	2,610.36
	\$ -	\$ 59,639.83	\$ 57,029.47	\$ 2,610.36

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2015

<u>Program</u>	<u>Balance Dec. 31, 2014</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2015 Budget</u>	<u>Balance Dec. 31, 2015</u>
Federal Grants				
Click it or Ticket		\$ 4,000.00	\$ 4,000.00	
Drive Sober Get Pulled over		12,500.00	5,000.00	\$ 7,500.00
Bulletproof Vest Fund		2,802.00		2,802.00
Total Federal Grants	-	19,302.00	9,000.00	10,302.00
State Grants:				
Alcohol, Education, Rehabilitation and Enforcement Grant	\$ 20.00	1,237.60	1,237.60	20.00
Body Armor Grant	934.00	2,268.08	3,202.08	
Clean Communities Program		19,957.99	19,957.99	
Drunk Driving Enforcement Grant	1,687.38	5,113.16	6,800.54	
Municipal Alliance Grant	697.00	11,761.00	11,761.00	697.00
Recycling Tonnage Grant	11,437.41		11,437.41	
Total State Grants	14,775.79	40,337.83	54,396.62	717.00
	\$ 14,775.79	\$ 59,639.83	\$ 63,396.62	\$ 11,019.00

BOROUGH OF PINE HILL
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2015

Program	Balance Dec. 31, 2014		Transferred from 2015 Budget Appropriation	Disbursed	Encumbered	Balance Dec. 31, 2015
	Appropriated	Encumbered				
Federal Grants:						
Bulletproof Vest Fund	\$ 2,166.50					\$ 2,166.50
Click it or Ticket	450.00		\$ 4,000.00	\$ 4,000.00		450.00
Drive Sober Get Pulled over			5,000.00	5,000.00		
Total Federal Grants	2,616.50	-	9,000.00	9,000.00	-	2,616.50
State Grants:						
Alcohol, Education, Rehabilitation and Enforcement Grant	967.44		1,237.60	1,800.00		405.04
Body Armor Grant	5,266.08		3,202.08	6,538.00		1,930.16
Clean Communities Program	17,421.95		19,957.99	11,196.58		26,183.36
Drunk Driving Enforcement Fund		\$ 5,909.26	6,800.54	6,061.76	\$ 81.90	6,566.14
Municipal Alliance Grant	14,177.71	86.83	14,701.25	15,457.83		13,507.96
Sustainable New Jersey	215.98			215.98		
Recycling Tonnage Grant	19,030.36	410.00	11,437.41	410.00		30,467.77
Total State Grants	57,079.52	6,406.09	57,336.87	41,680.15	81.90	79,060.43
	\$ 59,696.02	\$ 6,406.09	\$ 66,336.87	\$ 50,680.15	\$ 81.90	\$ 81,676.93
Realized as Revenue in Budget			\$ 63,396.62			
Local Match - Due from Current Fund			2,940.25			
			\$ 66,336.87			

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF PINE HILL
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2015

	<u>Animal Control</u>	<u>Other Trust</u>
Balance December 31, 2014	\$ 7,916.08	\$ 237,191.06
Increased by Receipts:		
License Fees	\$ 2,522.40	
State Dog License Fees	321.60	
Due Current Fund	6.56	\$ 200.51
Miscellaneous Reserves		<u>4,225,993.42</u>
	<u>2,850.56</u>	<u>4,226,193.93</u>
	10,766.64	4,463,384.99
Decreased by Disbursements		
Dog License Expenses	457.54	
Due to State of New Jersey	324.60	
Miscellaneous Reserves		<u>4,155,106.07</u>
	<u>782.14</u>	<u>4,155,106.07</u>
Balance December 31, 2015	<u>\$ 9,984.50</u>	<u>\$ 308,278.92</u>

BOROUGH OF PINE HILL
TRUST FUND
Statement of Trust Cash - Tax Collector
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 375,720.97
Increased by Receipts:		
Miscellaneous Reserves	\$ 2,535,643.63	
Interest Earned - Due Current Fund	362.95	
		2,536,006.58
		2,911,727.55
Decreased by Disbursements:		
Miscellaneous Reserves		1,967,471.73
Balance December 31, 2015		\$ 944,255.82

BOROUGH OF PINE HILL
TRUST FUND
 Statement of Amount Due Current Fund - Animal Control Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$	2,834.88
Increased by:			
Statutory Excess		\$	1,660.66
Interest Earned			<u>6.56</u>
			<u>1,667.22</u>
Balance December 31, 2015		\$	<u><u>4,502.10</u></u>

BOROUGH OF PINE HILL
TRUST FUND
 Statement of Amount Due State of New Jersey - Department of Health
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$	4.20
Increased by:			
2015 State License Fees			<u>321.60</u>
			325.80
Decreased by:			
Disbursements to the State			<u>324.60</u>
Balance December 31, 2015		\$	<u><u>1.20</u></u>

BOROUGH OF PINE HILL
TRUST FUND
 Statement of Reserve for Animal Control Fund
 For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 5,077.00
Increased by:		
Dog License Fees Collected	\$ 1,976.40	
Cat License Fees Collected	81.00	
Late Fees Collected	465.00	
		2,522.40
		7,599.40
Decreased by:		
Animal Control Expenses	457.54	
Statutory Excess Due to Current Fund	1,660.66	
		2,118.20
Balance December 31, 2015		\$ 5,481.20

Dog License Fees Collected

Year	Amount
2013	\$ 2,487.40
2014	2,993.80
	\$ 5,481.20

BOROUGH OF PINE HILL
TRUST FUND
Statement of Due Current Fund - Trust Other Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$ 1,779.65
Increased by:		
Interest Earned - Treasurer	\$ 200.51	
Interest Earned - Collector	<u>362.95</u>	
		<u>563.46</u>
Balance December 31, 2015		<u>\$ 2,343.11</u>

BOROUGH OF PINE HILL
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Escrow Deposits	\$ 41,213.99	\$ 137,761.68	\$ 33,236.50	\$ 145,739.17
Unemployment Compensation	22,657.54	15.34	4,171.70	18,501.18
Payroll	50,178.04	3,877,758.29	3,876,607.23	51,329.10
Off-Duty Police Employment	21,282.32	180,264.41	194,172.14	7,374.59
Tax Sale Premiums	170,799.58	752,400.00	155,100.00	768,099.58
Redemption of Tax Sale Certificates	203,636.87	1,783,243.63	1,812,371.73	174,508.77
Public Defender Fees	14,016.17	5,183.00	6,368.03	12,831.14
D.A.R.E.	4,214.54	5,000.00	3,720.00	5,494.54
Forfeited Funds - State	15,616.07	3,227.33	11,607.50	7,235.90
Forfeited Funds - Federal	17,130.45	10,462.60	24,562.02	3,031.03
Police K-9	749.39	1,820.53	660.95	1,908.97
Recreation	49,259.98	4,500.00		53,759.98
COAH	377.44	0.24		377.68
	<u>\$ 611,132.38</u>	<u>\$ 6,761,637.05</u>	<u>\$ 6,122,577.80</u>	<u>\$ 1,250,191.63</u>
Treasurer		\$ 4,225,993.42	\$ 4,155,106.07	
Tax Collector		<u>2,535,643.63</u>	<u>1,967,471.73</u>	
		<u>\$ 6,761,637.05</u>	<u>\$ 6,122,577.80</u>	

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2015

<hr/>			
Balance December 31, 2014		\$	1,448,733.89
Increased by Receipts:			
General Serial Bonds Issued	\$	3,045,000.00	
Capital Improvement Fund		305,000.00	
Due Current Fund		1,201.79	
		<u>1,201.79</u>	<u>3,351,201.79</u>
			4,799,935.68
Decreased by Disbursements:			
Bond Anticipation Notes		1,120,000.00	
Improvement Authorizations		911,557.08	
Encumbrances Payable		147,381.20	
Due Current Fund		45.00	
		<u>45.00</u>	<u>2,178,983.28</u>
Balance December 31, 2015		\$	<u><u>2,620,952.40</u></u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts		Disbursements			Transfers		Balance Dec. 31, 2015	
		General Serial Bonds	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 36,566.13							\$ 708.97	\$ 37,275.10	
Capital Improvement Fund	682.14		\$ 305,000.00			\$ 20,000.00			285,682.14	
Encumbrances Payable	175,068.35					4,945.84		344,764.44	367,505.75	
Due Current Fund	538.96		1,201.79			45.00			1,695.75	
Due Federal and State Grant Fund										
<u>Improvement Authorizations:</u>										
<u>Ordinance</u>										
<u>Number</u>										
806(c)	Purchase of Office Equipment	263.70							263.70	
870	Reconstruction of Madison Avenue	708.97					708.97			
888	Resurfacing of Franklin Avenue	1,528.35							1,528.35	
906a	Acquisition of All Wheel Drive Police Vehicle	1,092.25							1,092.25	
906b	Maguire Park Improvements	254.58							254.58	
910	Resurfacing Estates Avenue	(34,290.58)			\$ 12,283.61			4,945.84	(41,628.35)	
912	Improvements to Joey Green Recreation Complex	1,450.41			920.00				530.41	
917	Spruce Lane and West First Ave Drainage Impts.	11,537.63			50,037.63				(38,500.00)	
920a	Various Improvements to Municipal Buildings	187,875.00	\$ 397,475.00	\$ 168,000.00	351,929.20		3,165.75		62,255.05	
920b	Acquisition of Various Equipment - Public Works	400,417.00	840,483.00	358,400.00	318,975.85		246,174.00		317,350.15	
920c	Acquisition of Various Equipment - Police	125,671.00	273,329.00	112,000.00	138,656.26		10,270.00		138,073.74	
920d	Acquisition of a Backhoe	49,936.00	102,564.00	44,800.00					107,700.00	
920e	Reconstruction / Repaving Various Roads	489,434.00	1,052,149.00	436,800.00	15,614.22				1,089,168.78	
924	Improvements to Charles Bowen Recreation Complex				5,368.27		19,631.73		(25,000.00)	
930a	Various Improvements to Police Department Building		147,250.00		7,300.00			7,750.00	147,700.00	
930b	Acquisition of Access Security System		42,750.00				45,000.00	2,250.00		
930c	Improvements to Pine Street		189,000.00		10,472.04		20,522.96	10,000.00	168,005.00	
		<u>\$ 1,448,733.89</u>	<u>\$ 3,045,000.00</u>	<u>\$ 306,201.79</u>	<u>\$ 1,120,000.00</u>	<u>\$ 911,557.08</u>	<u>\$ 147,426.20</u>	<u>\$ 370,419.25</u>	<u>\$ 370,419.25</u>	<u>\$ 2,620,952.40</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2015

<hr/>			
Balance December 31, 2014		\$	2,084,886.75
Increased by:			
Serial Bonds Issued			3,045,000.00
			5,129,886.75
Decreased by:			
2015 Budget Appropriation to Pay:			
General Serial Bonds	\$	120,000.00	
Green Trust Loan		40,981.63	
NJ Environmental Infrastructure Trust Loan		35,284.84	
			196,266.47
Balance December 31, 2015		\$	4,933,620.28

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Permanent Financing Issued	Balance Dec. 31, 2015	Analysis of Balance December 31, 2015
						Unexpended Improvement Authorization
920a	Various Improvements to Municipal Buildings	\$ 397,475.00		\$ 397,475.00		
920b	Acquisition of Various Equipment - Public Works	840,483.00		840,483.00		
920c	Acquisition of Various Equipment - Police	273,329.00		273,329.00		
920d	Acquisition of a Backhoe	102,564.00		102,564.00		
920e	Reconstruction / Repaving Various Roads	1,052,816.00		1,052,149.00	\$ 667.00	\$ 667.00
930a	Various Improvements to Police Department Building		\$ 147,250.00	147,250.00		
930b	Acquisition of Access Security System		42,750.00	42,750.00		
930c	Improvements to Pine Street		189,000.00	189,000.00		
		<u>\$ 2,666,667.00</u>	<u>\$ 379,000.00</u>	<u>\$ 3,045,000.00</u>	<u>\$ 667.00</u>	<u>667.00</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	538.96
Increased by:		
Interest Earned		1,201.79
		1,740.75
Decreased by:		
Interfund Transferred		45.00
Balance December 31, 2015	\$	1,695.75

Exhibit SC-6

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Community Development Block Grant Receivable
For the Year Ended December 31, 2015

Balance December 31, 2015	\$	48,311.00
<u>Analysis of Balance</u>		
Year 33 - Bramau Avenue	\$	9,811.00
Year 35 - Drainage Improvements		38,500.00
	\$	48,311.00

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of State Aid Receivable
For the Year Ended December 31, 2015

Balance December 31, 2014	\$	250,192.54
Increased by:		
Department of Transportation Grant		201,000.00
		451,192.54
Decreased by:		
Cancelled		117,856.86
Balance December 31, 2015	\$	333,335.68
<u>Analysis of Balance</u>		
Department of Transportation Grant - Franklin Avenue	\$	57,810.68
Department of Transportation Grant - Estates Avenue		74,525.00
Department of Transportation Grant - Pine Street		201,000.00
	\$	333,335.68

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Encumbrances Payable
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	175,068.35
Increased by:			
Improvement Authorizations			344,764.44
			519,832.79
Decreased by:			
Disbursements	\$	147,381.20	
Encumbrances Payable Canceled		4,945.84	
			152,327.04
Balance December 31, 2015		\$	367,505.75

Exhibit SC-9

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2015

Balance December 31, 2014		\$	682.14
Increased by:			
Budget Appropriation			305,000.00
			305,682.14
Decreased by:			
Appropriated to Finance			
Improvement Authorizations			20,000.00
Balance December 31, 2015		\$	285,682.14

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations	Authorizations Canceled	Encumbrances Payable Canceled	Paid or Charged	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
806/852(c)	Purchase of Office Equipment	10/22/07	\$ 70,000.61	\$ 263.70						\$ 263.70	
870	Reconstruction of Madison Avenue	05/16/11	265,000.00	118,565.83			\$ 118,565.83				
875	Reconstruction of Bramau Avenue	09/19/11	115,449.82	9,811.00							9,811.00
879	Refunding Bond Ordinance	12/12/11	210,000.00								
888	Resurfacing of Franklin Avenue	11/19/12	215,000.00	59,339.03							59,339.03
896	West Third Ave Roadway Improvements	12/17/12	51,292.32								
906a	Acquisition of All Wheel Drive Police Vehicle	04/15/13	45,000.00	1,092.25							1,092.25
906b	Maguire Park Improvements	04/15/13	5,000.00	254.58							254.58
906c	Acquisition of Office Equipment	04/15/13	1,000.00								
910	Resurfacing Estates Avenue	11/18/13	230,000.00	40,234.42				\$ 4,945.84	\$ 12,283.61		32,896.65
912	Improvements to Joey Green Recreation Complex	02/24/14	35,000.00	1,450.41					920.00		530.41
917	Spruce Lane and West First Ave Drainage Impts.	09/15/14	55,000.00	50,037.63					50,037.63		
920a	Various Improvements to Municipal Buildings	11/03/14	417,350.00	19,875.00	\$ 397,475.00				355,094.95		62,255.05
920b	Acquisition of Various Equipment - Public Works	11/03/14	882,500.00	42,017.00	840,483.00				565,149.85		317,350.15
920c	Acquisition of Various Equipment - Police	11/03/14	287,000.00	13,671.00	273,329.00				148,926.26		138,073.74
920d	Acquisition of a Backhoe	11/03/14	107,700.00	5,136.00	102,564.00						107,700.00
920e	Reconstruction / Repaving Various Roads	11/03/14	1,105,450.00	52,634.00	1,052,816.00				15,614.22		1,089,168.78
											\$ 667.00
924	Improvements to Charles Bowen Recreation Complex	11/17/14	25,000.00	25,000.00					25,000.00		
930a	Various Improvements to Police Department Building	09/20/15	155,000.00			\$ 155,000.00			7,300.00		147,700.00
930b	Acquisition of Access Security System	09/20/15	45,000.00			45,000.00			45,000.00		
930c	Improvements to Pine Street	09/20/15	400,000.00			400,000.00			30,995.00		369,005.00
				<u>\$ 439,381.85</u>	<u>\$ 2,666,667.00</u>	<u>\$ 600,000.00</u>	<u>\$ 118,565.83</u>	<u>\$ 4,945.84</u>	<u>\$ 1,256,321.52</u>	<u>\$ 2,335,440.34</u>	<u>\$ 667.00</u>
	Capital Fund Balance						\$ 708.97				
	Capital Improvement Fund					\$ 20,000.00					
	Deferred Charges to Future Taxation - Funded					379,000.00					
	Deferred Charges to Future Taxation - Funded										
	State Aid Receivable					201,000.00	117,856.86				
	Cash Disbursements								\$ 911,557.08		
	Encumbrances Payable								344,764.44		
						<u>\$ 600,000.00</u>	<u>\$ 118,565.83</u>		<u>\$ 1,256,321.52</u>		

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
			Date	Amount					
General Improvement Bonds	8/1/06	\$ 2,630,000.00	8/1/16	\$ 125,000.00	4.50%				
			8/1/17	135,000.00	4.50%				
			8/1/18	140,000.00	4.50%				
			8/1/19	145,000.00	4.50%				
			8/1/20	150,000.00	4.50%				
			8/1/21	160,000.00	4.50%				
			8/1/22	165,000.00	4.50%				
			8/1/23	170,000.00	4.50%				
			8/1/24	170,000.00	4.50%				
			8/1/25	175,000.00	4.50%				
			8/1/26	180,000.00	4.75%				
General Improvement Bonds	8/25/15	3,045,000.00	9/1/16	250,000.00	2.000%				
			9/1/17	250,000.00	2.000%				
			9/1/18	255,000.00	2.000%				
			9/1/19	260,000.00	2.000%				
			9/1/20	270,000.00	2.000%				
			9/1/21	275,000.00	2.000%				
			9/1/22	280,000.00	2.125%				
			9/1/23	290,000.00	2.250%				
			9/1/24	295,000.00	2.500%				
			9/1/25	305,000.00	2.500%				
			9/1/26	315,000.00	2.500%				
						\$ 3,045,000.00		3,045,000.00	
					\$ 1,835,000.00	\$ 3,045,000.00	\$ 120,000.00	\$ 4,760,000.00	

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Green Trust Loan Payable
For the Year Ended December 31, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
Charles Bowen Recreational Complex	1/22/1998	\$ 660,000.00	2016	\$ 41,805.37	2.00%	\$ <u>104,003.77</u>	\$ <u>40,981.63</u>	\$ <u>63,022.14</u>
			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, 2015

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
			Date	Amount				
Storm Sewer System Improvements	11/5/98	\$ 305,000.00	8/1/16-17 8/1/18	\$ 20,000.00 25,000.00	4.40%	\$ 85,000.00	\$ 20,000.00	\$ 65,000.00
Storm Sewer System Improvements	11/5/98	301,289.00	2016 2017 2018	14,707.46 14,130.06 16,760.62	NIL	<u>60,882.98</u>	<u>15,284.84</u>	<u>45,598.14</u>
						<u>\$ 145,882.98</u>	<u>\$ 35,284.84</u>	<u>\$ 110,598.14</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2015</u>
920	Various Capital Improvements	12/31/14	12/31/14	9/15/15	0.950%	\$ <u>1,120,000.00</u>	\$ <u>1,120,000.00</u>	<u>-</u>

BOROUGH OF PINE HILL
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Issued	Balance Dec. 31, 2015
920	Various Capital Improvements	\$ 1,546,667.00	\$	\$ 1,546,000.00	\$ 667.00
930	Various Capital Improvements		379,000.00	379,000.00	
		<u>\$ 1,546,667.00</u>	<u>\$ 379,000.00</u>	<u>\$ 1,925,000.00</u>	<u>\$ 667.00</u>

BOROUGH OF PINE HILL
PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

BOROUGH OF PINE HILL
Schedule of Findings and Recommendations
For the Year Ended December 31, 2015

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. 2015-001

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

Adjustments were required to properly balance the Current Fund general ledger. Beginning balances per the general ledger did not agree to the prior year audit. Three (3) deposits in the sum of \$29,980.16 were not posted to the computerized accounting system. A reconciling item in the amount of \$21,428.91 was not properly recorded on the general disbursements account bank reconciliation. A posting error in the amount of \$55,368.70 required correction.

Context

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

Effect

Without a properly balanced 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 balance 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. Improvements have been made in upgrading and maintaining the general ledger accounting system. The Chief Financial Officer and Deputy Treasurer will continue to receive additional training in maintaining the system to correct any remaining deficiencies.

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2014-001

Condition

The computerized general ledger was not properly maintained for all required funds. The Tax Collector accounts were not properly reconciled at year-end and were not reconciled with the Current Fund general ledger cash balances. Also, several Trust Other Funds general ledger cash balances were not reconciled with the corresponding bank reconciliations.

Current Status

A similar condition exists as Finding No. 2015-001.

Planned Corrective Action

See planned corrective action for Finding No. 2015-001.

BOROUGH OF PINE HILL
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Christopher J. Green	Mayor	
Ruth McCullen	Council President	
Charles Jaxel	Councilman	
Thomas Knott	Councilman	
John Robb	Councilman	
Terence Burke	Councilman	
Charles Warrington, Jr.	Councilman	
Christopher J. Schultz	Business Administrator (resigned November 2, 2015)	
Thomas Cardis	Chief Financial Officer, Municipal Clerk	\$1,000,000.00
Deidre Besnick	Deputy Treasurer	
Kathryn Merkh	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
Thomas Mahoney	Construction Code Official	
Neil Clark	Zoning Officer	
David Patterson, Esq.	Solicitor	
Remington & Vernick	Engineers	

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant