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COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF HELMETTA

**51 Main Street
Helmetta, New Jersey 08828**

FOR THE YEAR ENDED DECEMBER 31, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF HELMETTA

**51 Main Street
Helmetta, New Jersey 08828**

FOR THE YEAR ENDED DECEMBER 31, 2013

Presented by

**Denise Jawidzik
Chief Financial Officer
Borough of Helmetta**

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INTRODUCTORY SECTION



BOROUGH OF HELMETTA

51 Main Street, Helmetta, New Jersey 08828

June 27, 2014

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2013

The Comprehensive Annual Financial Report for the Borough of Helmetta, County of Middlesex, State of New Jersey, is submitted herewith and includes financial statements and supplemental schedules. I believe that it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Helmetta as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain maximum understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical, and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's Organizational Chart and a Roster of Officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the Independent Auditors' Report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council. The fourth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations.

The financial statements have been audited by Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the Independent Auditors' Report is unmodified and states that the financial statements are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

PRESENT AND FUTURE CHALLENGES

During the 2013 calendar year, the Borough of Helmetta has made progress in a number of operational and financial areas; however, this administration is clearly aware of the issues and problems that continue to demand our attention and improvement. While we take pride in the accomplishments of the past year, we are mindful of the issues that continue to face us.

CURRENT FUND

In 2013, our Current Fund, which encompasses the general government functions of the Borough, had revenues of \$2,443,517.69 exclusive of fund balance, expenditures of \$2,280,313.04 and an increase of \$157,815.33 in fund balance at year-end. The Current Fund revenues increased approximately 7.17% or \$179,646.51 over 2012. Below is a comparison of the Current Fund revenues.

	<u>2013</u>	<u>2012</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 246,000.00	\$ 246,000.00		
Current Tax Revenue	1,269,178.79	1,234,602.56	\$ 34,576.23	2.80 %
Delinquent Tax Revenue	97,133.98	86,149.56	10,984.42	12.75
Miscellaneous Revenue				
Anticipated	254,658.84	276,689.00	(22,030.16)	(7.96)
Interlocal Agreements	415,958.63	356,119.50	59,839.13	16.80
Nonbudget Revenues	83,288.22	43,347.32	39,940.90	92.14
Other Credits to Income	<u>177,232.97</u>	<u>110,518.00</u>	<u>66,714.97</u>	<u>60.37</u>
Total Revenues from Local Sources	\$ 2,543,451.43	\$ 2,353,425.94	\$ 190,025.49	8.07 %
State Aid	142,271.28	142,271.00	0.28	NM
Grants	<u>3,794.98</u>	<u>14,174.24</u>	<u>(10,379.26)</u>	<u>(73.23)</u>
Total Current Fund Revenues	\$ <u><u>2,689,517.69</u></u>	\$ <u><u>2,509,871.18</u></u>	\$ <u><u>179,646.51</u></u>	<u><u>7.17 %</u></u>

1. Current and Delinquent Taxes - These are the collections on taxes levied on all property owners residing in the Borough.
2. State Aid and Grants - This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
3. Miscellaneous Revenues Anticipated - This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct charges, except those detailed separately above.
4. Nonbudget Revenue and Other Credits - These are items that are not budgeted as revenue items, however, are included in the overall revenue.

CURRENT FUND (CONTINUED)

The increase in expenditures in 2013 over 2012 was approximately 2.48%, most of which is attributed to increases interlocal services agreement related to the animal shelter and is detailed as follows:

	<u>2013</u>	<u>2012</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 208,400.00	\$ 199,012.00	\$ 9,388.00	4.72 %
Land Use	7,460.00	7,400.00	60.00	0.81
Insurance	218,000.00	192,000.00	26,000.00	13.54
Public Safety	475,432.80	525,038.17	(49,605.37)	(9.45)
Public Works	310,450.00	370,880.96	(60,430.96)	(16.29)
Health and Human Services	13,910.00	35,535.00	(21,625.00)	(60.86)
Parks and Recreation	16,000.00	15,000.00	1,000.00	6.67
Utilities	105,200.00	106,500.00	(1,300.00)	(1.22)
Uniform Construction Code		5,300.00	(5,300.00)	(100.00)
Interlocal Agreement-Animal Shelter	403,060.00	261,125.00	141,935.00	54.36
Contingent	500.00	500.00		
Deferred Charges and Statutory Expenditures	180,167.00	164,420.00	15,747.00	9.58
Grant Programs	3,794.98	14,174.24	(10,379.26)	(73.23)
Capital Improvements	70,000.00	60,000.00	10,000.00	16.67
Municipal Debt Service	109,100.00	109,341.00	(241.00)	(0.22)
Reserve for Uncollected Taxes	<u>158,838.26</u>	<u>158,836.45</u>	<u>1.81</u>	<u>0.00</u>
Total Current Fund Expenditures	\$ <u>2,280,313.04</u>	\$ <u>2,225,062.82</u>	\$ <u>55,250.22</u>	<u>2.48 %</u>

WATER UTILITY FUND

Our Water Utility Operating Fund generated operating revenues of \$518,970.88, exclusive of fund balance, and incurred operating expenses of \$521,610.00, resulting in a decrease in fund balance of \$2,639.12. The increase in operating expenses from 2013 to 2012 was 0.18%. The water utility has 11 commercial customers, 876 residential customers and 4 sprinkler system customers. The following schedule summarizes revenues and expenses for 2013 and 2012:

	2013	2012	Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Fund Balance	\$ 21,024.00	\$ 64,674.00	\$ (43,650.00)	(67.49) %
Rents	420,381.71	373,438.85	46,942.86	12.57
Cell Tower Revenue	71,229.67	69,765.09	1,464.58	2.10
Other Credits to Income:				
Nonbudget Revenue	3,537.56	3,428.90	108.66	3.17
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	23,186.93	50,712.75	(27,525.82)	(54.28)
Current Appropriations Canceled	635.01	1,688.15	(1,053.14)	(62.38)
	<u>\$ 539,994.88</u>	<u>\$ 563,707.74</u>	<u>\$ (23,712.86)</u>	<u>(4.21) %</u>
<u>Expenditures</u>				
Operating	\$ 349,550.00	\$ 348,304.00	\$ 1,246.00	0.36 %
Capital Improvements	16,250.00	15,000.00	1,250.00	8.33
Debt Service	144,312.00	146,464.00	(2,152.00)	(1.47)
Deferred Charges and Statutory Expenditures	11,498.00	10,906.00	592.00	5.43
	<u>\$ 521,610.00</u>	<u>\$ 520,674.00</u>	<u>\$ 936.00</u>	<u>0.18 %</u>

STATUTORY AUTHORITY

The Borough is organized and administered in accordance with the provisions of New Jersey State Law and consists of an elected Mayor and a six (6) member Council responsible for providing all basic governmental services, except education, to its 2,178 local residents.

The Borough, pursuant to law, has the authority to levy taxes and issue debt.

In accordance with accounting principals generally accepted in the U.S.A., as prescribed by the Governmental Accounting Standards Board, the Borough, for reporting purposes, is considered an independent government entity.

MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS

The Borough is negotiating contracts for animal shelter services with several neighboring municipalities in an effort to generate revenue for sources other than property taxes. In addition, interlocal agreements were made with several additional municipalities for animal control services, increasing the revenue generated by the Borough.

ACCOUNTABILITY ON 2013 INITIATIVES

- ◆ We have increased the number of interlocal agreements that have a direct impact on our financial goals.
- ◆ The reconstruction for John Street is complete.
- ◆ The Helmetta Regional Animal Shelter which opened in May of 2011 is fully functional.

PROSPECTS FOR THE FUTURE

- ◆ Improvements to the municipal building will continue in 2014.
- ◆ The Borough has received grants on an ongoing basis from the NJ Department of Transportation to reconstruct various roads.
- ◆ The Borough continues to seek and obtain grants from the County of Middlesex to use for public area improvements.
- ◆ The Borough continues to seek additional sources of revenue to offset the decreases in state aid experienced over the past several years.
- ◆ Due to a Planning Board decision, the Borough was sued by the redeveloper of the Helmetta Snuff Mill in 2011. In 2012, the parties reached an agreement and in 2012 development has begun.
- ◆ The Borough has received a grant from Middlesex County to construct a Recreation Pavilion in Helmetta Lake Park and other park improvements.

LOCAL ECONOMIC EVENTS

For 2013, the Borough continued to demonstrate important indicators of continued financial strength as follows:

During 2013, total real estate tax revenues increased by \$34,576.23 or 2.73% to \$1,269,178.79. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 97.85% in 2013. Although, the Borough has maintained a stable collection rate, certain taxpayers were unable to remit their taxes on a current basis.

Revenues from other sources remained relatively flat in 2013. Assessed values decreased to \$187,082,101.00.

CASH MANAGEMENT

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories. At December 31, 2013, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2013, idle funds were invested with the intent of maximizing interest earnings with sweep accounts maintained by the Borough's main depository.

ACCOUNTING AND BUDGET INFORMATION

Accounting

The Borough maintains an on-line, real-time computerized accounting system to record all financial transactions.

In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

Management of the Borough is responsible for establishing and maintaining an adequate internal control structure.

Budget

The local budget law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services (the "Division"), Department of Community Affairs of the State of New Jersey. Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division prior to final adoption. The Budget Law requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director is required to review the adequacy of such appropriations, unless a specific amount is required by law. The review function, focusing on anticipated revenues, serves to protect the solvency of all local units.

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population exceeds 10,000, the Capital Program shall include by title all projects anticipated for the budget year and the five succeeding years, with the estimated costs and the anticipated financing by sources and amounts.

A Capital Budget Section included with the Annual Budget does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in the Capital Budget must be granted separately, through the adoption of a bond ordinance, by appropriating funds from the Capital Improvement Fund, or other lawful means.

The budget of the Borough is categorized into appropriations by function. Each appropriation represents a service program or division within the Borough. Funds are appropriated to each of the budget lines by the Mayor and Council in accordance with procedures prescribed by the State of New Jersey Local Budget Law.

Distinct appropriations are required for "salaries and wages" and for "other expenses". The Borough delineates each appropriation into subaccounts by budget codes.

The Borough Administrator and Chief Financial Officer monitor expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed.

DEBT ADMINISTRATION

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation.

The Borough has managed its debt well and has outstanding debt equal to .729 of its equalized value. Debt Service averaged \$109,758.00 for the last three years.

RISK MANAGEMENT

The Borough banded together with other municipalities to form the Middlesex County Municipal Joint Insurance ("JIF") and the New Jersey Municipal Excess Liability Funds. These Funds procure insurance on a pooled basis, generally self-insuring the initial level of loss for workers' compensation, property, general liability, automobile and employee dishonesty. The Funds provide their members with risk management services, including the defense of and settlement of claims and establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administration Department and the Finance Department. I would also like to express my appreciation to Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company for their help and assistance in preparation of the Borough's CAFR.

Respectfully submitted,



Herbert C. Massa
Business Administrator



Denise Jawidzik
Chief Financial Officer

BOROUGH OF HELMETTA

ROSTER OF OFFICIALS

DECEMBER 31, 2013

Governing Body

Nancy Martin, Mayor
Vincent Ascioia, Council President
Robert Janeczek, Councilman
Peter Karczewski, Councilman
Joseph Perez, Councilman
Chris Slavicek, Councilman
Wendy Vidal, Councilwoman

Other Officials

Sandra Bohinski, Borough Clerk, Registrar of Vital Statistics
Denise Jawidzik, Tax Collector and Chief Financial Officer (*effective February 13, 2013*)
Lori Russo, Chief Financial Officer (*through January 31, 2013*)
Herbert C. Massa, Borough Administrator (*effective May 1, 2013*)
Joseph Katora, Fire Official
Edward Herman, Magistrate
Susan Slavicek, Court Administrator
Paul Granick, Prosecutor
Carol Feig, Water Revenue Collector and Sewer Revenue Collector

BOROUGH OF HELMETTA
CONSULTANTS AND ADVISORS

DECEMBER 31, 2013

AUDIT FIRM

Gerard Stankiewicz of
Samuel Klein and Company
36 West Main Street
Suite 303
Freehold, New Jersey 07728

ATTORNEY

Gluck Walrath, LLP
428 River View Plaza
Trenton, NJ 08611

BOND COUNSEL

Gluck Walrath, LLP
428 River View Plaza
Trenton, NJ 08611

BOROUGH ENGINEER

Remington, Vernick & Vena
3 Jocama Blvd
Suite 300-400
Old Bridge, NJ 08857

OFFICIAL DEPOSITORIES

TD Bank

PNC Bank

Wells Fargo

New Jersey Cash Management Fund

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Helmetta
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Helmetta, County of Middlesex, State of New Jersey as of December 31, 2013, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by 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 an opinion on these financial statements – regulatory basis, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and auditing standards prescribed by the Division of Local Government Service, 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles" 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 each fund of the Borough of Helmetta, County of Middlesex, State of New Jersey as of December 31, 2013, and change in financial position or cash flows thereof for the year then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund, and represent 28.74% and 24.63% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2013 and 2012.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements, we do not express an opinion of the LOSAP financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements – regulatory basis been audited, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of Helmetta, County of Middlesex, State of New Jersey, as of December 31, 2013, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2013 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.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing the reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014, on our consideration of the Borough of Helmetta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Helmetta's internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431


SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
June 27, 2014

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

The Honorable Mayor and Members
of the Borough Council
Borough of Helmetta
County of Middlesex
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Helmetta (herein referred to as "the Borough"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements – regulatory basis, we considered the Borough'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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.

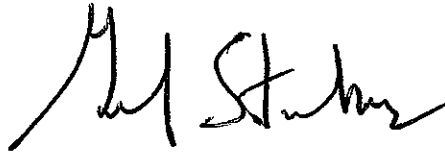
**INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS – REGULATORY BASIS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

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

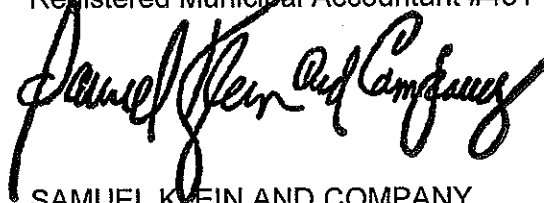
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that we have reported to the management of the Borough in the "General Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
June 27, 2014

GENERAL-PURPOSE FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)

	Governmental Funds			Utilities		Capital Asset Account	Totals	
	Current	General Capital	Trust Funds	Operating	Capital		2013	2012
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 1,248,646.80	\$ 541,224.44	\$ 175,120.79	\$ 273,617.31	\$ 177,521.92		\$ 2,416,131.26	\$ 2,268,703.59
Amounts Held by Plan Administrator (Unaudited)			70,657.80				70,657.80	49,478.22
Intergovernmental Accounts Receivable		129,594.37					129,594.37	251,424.96
Receivables and Other Assets:								
Delinquent Property Taxes	105,048.35						105,048.35	96,081.15
Consumer Accounts Receivable				75,097.94			75,097.94	64,472.43
Property Acquired for Taxes - Assessed Valuation	8,800.00						8,800.00	8,800.00
Other Accounts Receivable	20,079.33						20,079.33	42,215.59
Interfunds Receivable			421.67				421.67	3,471.45
Deferred Charges	23,900.00	1,590,000.00					1,613,900.00	1,715,800.00
Fixed Capital							5,088,757.83	5,088,757.83
Capital Assets						\$ 4,735,591.28	4,735,591.28	5,162,363.94
Grant Fund:								
Cash and Cash Equivalent							41,171.71	42,275.76
Grants Receivable								5,000.00
Total Assets and Other Debits	\$ 1,447,646.19	\$ 2,260,818.81	\$ 246,200.26	\$ 348,715.25	\$ 5,266,279.75	\$ 4,735,591.28	\$ 14,305,251.54	\$ 14,798,844.92

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2013
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2012)

	Governmental Funds			Utilities		Capital Asset Account	Totals	
	Current	General Capital	Trust Funds	Operating	Capital		2013	2012
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	\$ 226,270.55			\$ 85,679.49			\$ 311,950.04	\$ 275,269.20
Other Liabilities and Reserves	516,036.14	\$ 195,946.81	\$ 175,540.06	20,742.02	\$ 139,922.29		1,048,167.32	1,042,260.68
Reserve for LOSAP (Unaudited)			70,657.80				70,657.80	49,478.22
Improvement Authorizations		472,624.91					472,624.91	658,520.33
Interfunds Payable	41,593.38						41,593.38	3,471.45
Intergovernmental Accounts Payable	100.00		2.40				102.40	2.40
Bond Anticipation Notes		1,590,000.00					1,628,000.00	1,771,000.00
USDA Loan							1,248,494.60	1,267,039.84
Reserve for Receivables and Other Assets				75,097.94			194,289.86	214,588.57
Reserve for Amortization							2,510,208.53	2,491,663.29
Deferred Reserve for Amortization							1,292,054.70	1,229,054.70
Grant Fund:								
Reserve for Encumbrances	2,194.84						2,194.84	5,322.00
Unappropriated/Appropriated Reserves	38,976.87						38,976.87	41,953.76
Total Liabilities and Reserves	\$ 944,363.70	\$ 2,258,571.72	\$ 246,200.26	\$ 181,519.45	\$ 5,228,680.12		\$ 8,859,335.25	\$ 9,049,624.44
Equity and Other Credits:								
Fund Balance								
Investment in Capital Assets	\$ 503,282.49	\$ 2,247.09		\$ 167,195.80	\$ 37,599.63		\$ 710,325.01	\$ 586,856.54
Total Equity and Other Credits	\$ 503,282.49	\$ 2,247.09		\$ 167,195.80	\$ 37,599.63	\$ 4,735,591.28	\$ 4,735,591.28	\$ 5,162,363.94
Total Liabilities, Reserves and Fund Balance	\$ 1,447,646.19	\$ 2,260,818.81	\$ 246,200.26	\$ 348,715.25	\$ 5,266,279.75		\$ 14,305,251.54	\$ 14,798,844.92

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Revenues:						
Fund Balance Anticipated	\$ 246,000.00	\$ 246,000.00		\$ 62,172.00	\$ 62,172.00	
Rents	262,760.42	254,658.84	\$ (8,101.58)	835,878.39	\$ 835,878.39	\$ (8,707.61)
Miscellaneous Revenues	309,878.00	415,958.63	106,080.63	66,000.00	71,229.67	5,229.67
Interlocal Service Agreements - Animal Shelter	142,271.00	142,271.28	0.28			
State Aid	3,794.98	3,794.98				
Grants						
	\$ 964,704.40	\$ 1,062,683.73	\$ 97,979.33	\$ 972,758.00	\$ 969,280.06	\$ (3,477.94)
Receipts from Delinquent Taxes						
Amount to be Raised by Taxes for Support of Municipal Budget	96,000.00	97,133.98	1,133.98			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,219,608.64	1,269,178.79	49,570.15			
Budget Totals	\$ 2,280,313.04	\$ 2,428,996.50	\$ 148,683.46	\$ 972,758.00	\$ 969,280.06	\$ (3,477.94)
Nonbudget Revenues						
Unexpended Balance of Appropriation Reserves		121,389.99	121,389.99		14,211.25	14,211.25
Current Appropriations Canceled		132,648.31	132,648.31		42,740.77	42,740.77
Taxes Allocated to School and County		6,482.89	6,482.89		635.01	635.01
		3,946,558.95	3,946,558.95			
Total Revenues	\$ 6,226,871.99	\$ 6,636,076.64	\$ 409,204.65	\$ 972,758.00	\$ 1,026,867.09	\$ 54,109.09

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Current Fund		Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual	Final Budget	Actual	
Expenditures:					
Current:					
Within "CAPS":					
General Government	\$ 208,400.00	\$ 208,400.00			
Land Use	7,460.00	7,460.00			
Insurance	211,076.00	211,076.00			
Public Safety	467,432.80	467,432.80			
Public Works	310,450.00	310,450.00			
Health and Human Services	13,910.00	13,910.00			
Park and Recreation	16,000.00	16,000.00			
Utilities and Bulk Purchases	105,200.00	105,200.00			
Uniform Construction Code	5,360.00	5,360.00			
Contingent	500.00	500.00			
Deferred Charges and Statutory					
Expenditures	152,907.00	152,907.00			
Excluded from "CAPS":					
Insurance	6,924.00	6,924.00			
Public Safety	8,000.00	8,000.00			
Interlocal Agreement-Animal Shelter	403,060.00	403,060.00			
Grants	3,794.98	3,794.98			
Operating			\$ 769,100.00	\$ 769,100.00	
Capital Improvements	70,000.00	70,000.00	36,250.00	36,250.00	
Debt Service	109,100.00	109,100.00	144,312.00	144,312.00	
Deferred Charges and Statutory Expenditures	21,900.00	21,900.00	23,096.00	23,096.00	
Reserve for Uncollected Taxes	158,838.26	158,838.26			
Total Budget Expenditures	\$ 2,280,313.04	\$ 2,280,313.04	\$ 972,758.00	\$ 972,758.00	

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		
	Final Budget	Actual		Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes	\$ 3,946,558.95	\$ 3,946,558.95				
Other Expenses		<u>5,389.32</u>	\$ (5,389.32)			
Total Expenditures	\$ <u>6,226,871.99</u>	\$ <u>6,232,261.31</u>	\$ (5,389.32)	\$ <u>972,758.00</u>	\$ <u>972,758.00</u>	
Excess in Revenues over Expenditures		\$ <u>403,815.33</u>	\$ <u>403,815.33</u>		\$ <u>54,109.09</u>	\$ <u>54,109.09</u>
Statutory Excess to Fund Balance		\$ <u>403,815.33</u>	\$ (403,815.33)		\$ <u>54,109.09</u>	\$ <u>54,109.09</u>
Fund Balance, January 1, 2013		<u>345,467.16</u>	<u>345,467.16</u>		<u>175,258.71</u>	<u>175,258.71</u>
		\$ <u>749,282.49</u>	\$ (58,348.17)		\$ <u>229,367.80</u>	\$ <u>229,367.80</u>
Decreased by:						
Utilization as Anticipated Revenue		\$ <u>246,000.00</u>	\$ (246,000.00)		\$ <u>62,172.00</u>	\$ <u>62,172.00</u>
		\$ <u>246,000.00</u>	\$ (246,000.00)		\$ <u>62,172.00</u>	\$ <u>62,172.00</u>
Fund Balance, December 31, 2013		\$ <u>503,282.49</u>	\$ <u>187,651.83</u>		\$ <u>167,195.80</u>	\$ <u>167,195.80</u>

See Notes to Financial Statements.

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

<u>BALANCE, DECEMBER 31, 2012</u>		\$	28,531.04
<u>DECREASED BY</u>			
Appropriated to Finance Improvement Authorizations	\$		25,000.00
Miscellaneous Charge			1,283.95
			<u>26,283.95</u>
<u>BALANCE, DECEMBER 31, 2013</u>		\$	<u>2,247.09</u>

BOROUGH OF HELMETTA
SEWER AND WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2012</u>			
AND			
<u>BALANCE, DECEMBER 31, 2013</u>	\$ <u>11,249.08</u>	\$ <u>26,350.55</u>	\$ <u>37,599.63</u>

(There was no change during the year)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

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

- A. Reporting Entity - The Borough of Helmetta is located in Middlesex County, just outside the City of New Brunswick and approximately 37 miles south of New York City. The population, according to the 2010 census, is 2,178.

The Borough of Helmetta operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a 2/3 vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

- B. Description of Funds - The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. However, the accounting policies of the Borough conform to the accounting principles applicable to municipalities that have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are regulatory basis, which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds and an account which differs from GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund and Length of Service Awards Programs (LOSAP).

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. **Description of Funds (Continued)**

Utilities Funds - Water and Sewer Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Payroll Trust Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

Capital Asset Account - This account reflects estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. **Basis of Accounting** - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue - Property Taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue - Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Helmetta's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts, which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - 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 additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital assets account group at market value on the date of acquisition.

Interfund Accounts Receivable - Interfund Accounts Receivable in the Current Fund are generally recorded with offsetting reserves, which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfund Accounts Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfund Accounts Receivable of one fund are offset with Interfund Accounts Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Water and Sewer Utility Operating Fund balance sheets. Annual charges in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Fixed Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Fixed assets used in governmental operations (capital assets) are accounted for in the Capital Asset Account. Public domain ("infrastructure") capital assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Assets (Continued)

General (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities - Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Fixed Asset Group of Accounts. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Volunteer Length of Service Award Plan (LOSAP)

The Borough has established a volunteer Length of Service Award Plan ("LOSAP")("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of service award plan under section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

D. Basic Financial Statements - The GASB Codification also defines the financial statements of a governmental unit be presented in the general-purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2013 through June 27, 2014, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

A. Cash and Cash Equivalents (Continued)

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities that mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities that mature within two years provided, however, the arbitrage maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 2. **CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

B. **Investments (Continued)**

- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. **Risk Category**

As of December 31, 2013, the Borough had funds on deposit in checking and statement savings accounts. The amount of the Borough's Cash and Cash Equivalents on deposit as of December 31, 2013 was \$2,667,563.98. These funds constitute "deposits with financial institutions" as defined by GASB No. 3 as amended by GASB No. 40. There were no securities categorized as Investments as defined by GASB Statement No. 3 as amended by No. 40.

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and is calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy for the current year is based on one-half of the prior year's total tax.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 2.762	\$ 2.713	\$ 2.091	\$ 2.033	\$ 2.003
Apportionment of Tax Rate:					
Municipal	0.652	0.635	0.469	0.450	0.439
County:					
Regular	0.411	0.370	0.308	0.284	0.276
Open Space	0.035	0.034	0.031	0.021	0.031
Local School	1.664	1.674	1.283	1.278	1.257

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2013	\$ 187,082,101.00
2012	188,045,609.00
2011	247,034,781.00
2010	247,741,799.00
2009	249,929,840.00

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$ 5,167,927.12	\$ 5,056,899.48	97.85%
2012	5,102,564.03	4,982,280.62	97.64%
2011	5,168,794.33	5,031,235.47	97.34%
2010	5,041,253.55	4,918,987.79	97.57%
2009	5,007,190.19	4,908,722.72	98.03%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
2013	\$ None	\$ 105,048.35	\$ 105,048.35	2.03%
2012	None	96,081.15	96,081.15	1.88%
2011	None	86,149.60	86,149.60	1.67%
2010	None	111,556.44	111,556.44	2.22%
2009	None	93,632.54	93,632.54	1.87%

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, was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 8,800.00
2012	8,800.00
2011	8,800.00
2010	8,800.00
2009	8,800.00

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 5. UTILITY RECEIVABLES AND COLLECTIONS

The Borough operates a Sewer Utility and a Water Utility for the benefit of its residents.

Comparison of Sewer Utility Levies and Collections

The Borough's Sewer Utility Customers are billed quarterly based on a fixed unit fee basis.

<u>Year</u>	<u>Levy **</u>	<u>Cash Collections *</u>
2013	\$ 416,280.58	\$ 415,496.68
2012	416,007.55	416,039.00
2011	415,763.56	411,095.60
2010	361,520.77	354,223.44
2009	359,748.60	357,396.66

* Cash collections include amounts that were levied in prior years.

** Rate increase effective for 2011.

Comparison of Water Utility Levies and Collections

The Borough's Water Utility Customers are billed based on usage on a quarterly basis.

<u>Year</u>	<u>Levy **</u>	<u>Cash Collections *</u>
2013	\$ 430,223.32	\$ 420,381.71
2012	372,342.17	373,438.85
2011	386,339.59	390,767.82
2010	364,243.55	355,062.12
2009	358,635.67	354,678.56

* Cash collections include amounts that were levied in prior years.

** Rate increase 2010 and 2012.

Any unpaid levies are subject to the same provision as unpaid taxes under the provision of the New Jersey Statutes.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 6. **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Transferred to Current Fund as Revenue in Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>				
2013	\$ 503,282.49	\$ 312,400.00	N/A	62.07%
2012	345,467.16	246,000.00	N/A	71.21%
2011	332,760.57	246,000.00	N/A	73.93%
2010	340,519.20	246,000.00	N/A	72.24%
2009	341,316.02	235,000.00	N/A	68.85%
<u>Sewer Utility Operating Fund</u>				
2013	\$ 121,803.99	\$ 69,133.00	\$ None	56.76%
2012	127,227.78	41,148.00	None	32.34%
2011	127,034.86	39,310.00	None	30.94%
2010	112,596.65	57,745.00	None	51.28%
2009	115,677.12	73,050.00	None	63.15%
<u>Water Utility Operating Fund</u>				
2013	\$ 45,391.81	\$ 34,245.00	\$ None	75.44%
2012	48,030.93	21,024.00	None	43.77%
2011	69,671.19	64,674.00	None	92.83%
2010	126,669.02	87,777.00	None	69.30%
2009	128,127.25	97,670.00	None	76.23%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or as required by the issuance of bonds.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued:			
General:			
Bonds and Notes	\$ 1,590,000.00	\$ 1,670,000.00	\$ 1,805,000.00
Water Utility:			
Notes and Loans	1,286,494.60	1,368,039.84	1,448,734.60
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Issued	<u>\$ 2,876,494.60</u>	<u>\$ 3,038,039.84</u>	<u>\$ 3,253,734.60</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ None	\$ None	\$ None
Water Utility:			
Bonds and Notes	None	None	None
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Authorized But Not Issued	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,876,494.60</u>	<u>\$ 3,038,039.84</u>	<u>\$ 3,253,734.60</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .729%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Consolidated School District	None	None	None
Sewer Utility	None	None	None
Water Utility	\$ 1,286,494.60	\$ 1,286,494.60	None
General	<u>1,590,000.00</u>	<u>None</u>	<u>\$ 1,590,000.00</u>
	<u>\$ 2,876,494.60</u>	<u>\$ 1,286,494.60</u>	<u>\$ 1,590,000.00</u>

Net Debt \$1,590,000.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$218,189,057 equals 0.729%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 7,636,617.00
Net Debt	<u>1,590,000.00</u>
Remaining Borrowing Power	<u>\$ 6,046,617.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose", Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents and Other Charges for the Year	\$ 467,318.37
Deduction:	
Operating and Maintenance Costs	<u>431,148.00</u>
Excess in Revenue	<u>\$ 36,170.37</u>

There being an excess in revenue for the sewer utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents and Other Charges for the Year	\$ 516,122.54
Deductions:	
Operating and Maintenance Costs	\$ 361,048.00
Debt Service	<u>143,676.99</u>
Total Deductions	<u>504,724.99</u>
Excess in Revenue	<u>\$ 11,397.55</u>

There being an excess in revenue for the water utility, the fund was self-liquidating and therefore, for purposes of the annual debt statement and resultant net debt calculation, all the related debt is deductible.

Long-Term Debt

As of December 31, 2013 the Borough has no serial bonds outstanding.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes (BAN's) are summarized as follows:

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Payment Required First</u>	<u>Final</u>
General Capital Fund	0.94%	12/23/2010	\$ 755,000.00	2013	2021
	0.94%	5/17/2011	<u>835,000.00</u>	2014	2021
			<u>\$ 1,590,000.00</u> *		
Water Utility Capital Fund	1.375%	10/1/2009	<u>\$ 38,000.00</u> **	2012	2020
TOTAL			<u>\$ 1,628,000.00</u>		

Subsequent Event

* On May 16, 2014, the Borough renewed the BAN's for the General Capital Fund for one (1) year and had budgeted in 2013 a pay down of \$90,000.00, resulting in a \$1,500,000.00 BAN at .80% due on May 15, 2015.

** Final payment of \$38,000.00 budgeted in 2014.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT (CONTINUED)

USDA Loan – Water Utility Capital Fund

The Borough has a \$1,400,000.00 loan from the United States Department of Agriculture (USDA) for construction of a new water tower at 4.75% interest commencing April 1, 2004 with semi-annual payments of \$39,256.00. Final maturity is October 1, 2043. Repayment for the next five (5) years and every five (5) years thereafter is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Next five (5) years:			
4/1/2014	\$ 9,604.25	\$ 29,651.75	\$ 39,256.00
10/1/2014	9,832.35	29,423.65	39,256.00
4/1/2015	10,065.87	29,190.13	39,256.00
10/1/2015	10,304.94	28,951.06	39,256.00
4/1/2016	10,549.68	28,706.32	39,256.00
10/1/2016	10,800.23	28,455.77	39,256.00
4/1/2017	11,056.74	28,199.26	39,256.00
10/1/2017	11,319.34	27,936.66	39,256.00
4/1/2018	11,588.17	27,667.83	39,256.00
10/1/2018	11,863.39	27,392.61	39,256.00
	<u>106,984.96</u>	<u>285,575.04</u>	<u>392,560.00</u>
Thereafter:			
4/1/2019	12,145.15	27,110.85	39,256.00
10/1/2019	12,433.59	26,822.41	39,256.00
4/1/2020	12,728.89	26,527.11	39,256.00
10/1/2020	13,031.20	26,224.80	39,256.00
4/1/2021	13,340.69	25,915.31	39,256.00
10/1/2021	13,657.54	25,598.46	39,256.00
4/1/2022	13,981.90	25,274.10	39,256.00
10/1/2022	14,313.97	24,942.03	39,256.00
4/1/2023	14,653.93	24,602.07	39,256.00
10/1/2023	15,001.96	24,254.04	39,256.00
	<u>135,288.82</u>	<u>257,271.18</u>	<u>392,560.00</u>
4/1/2024	15,358.26	23,897.74	39,256.00
10/1/2024	15,723.02	23,532.98	39,256.00
4/1/2025	16,096.44	23,159.56	39,256.00
10/1/2025	16,478.73	22,777.27	39,256.00
4/1/2026	16,870.10	22,385.90	39,256.00
10/1/2026	17,270.76	21,985.24	39,256.00
4/1/2027	17,680.94	21,575.06	39,256.00
10/1/2027	18,100.86	21,155.14	39,256.00
4/1/2028	18,530.76	20,725.24	39,256.00
10/1/2028	18,970.87	20,285.13	39,256.00
	<u>\$ 171,080.74</u>	<u>\$ 221,479.26</u>	<u>\$ 392,560.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. MUNICIPAL DEBT (CONTINUED)

USDA Loan – Water Utility Capital Fund (Continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2029	\$ 19,421.42	\$ 19,834.58	\$ 39,256.00
10/1/2029	19,882.68	19,373.32	39,256.00
4/1/2030	20,354.90	18,901.10	39,256.00
10/1/2030	20,838.33	18,417.67	39,256.00
4/1/2031	21,333.24	17,922.76	39,256.00
10/1/2031	21,839.90	17,416.10	39,256.00
4/1/2032	22,358.60	16,897.40	39,256.00
10/1/2032	22,889.61	16,366.39	39,256.00
4/1/2033	23,433.24	15,822.76	39,256.00
10/1/2033	23,989.78	15,266.22	39,256.00
	<u>216,341.70</u>	<u>176,218.30</u>	<u>392,560.00</u>
4/1/2034	24,559.54	14,696.46	39,256.00
10/1/2034	25,142.83	14,113.17	39,256.00
4/1/2035	25,739.97	13,516.03	39,256.00
10/1/2035	26,351.29	12,904.71	39,256.00
4/1/2036	26,977.14	12,278.86	39,256.00
10/1/2036	27,617.84	11,638.16	39,256.00
4/1/2037	28,273.77	10,982.23	39,256.00
10/1/2037	28,945.27	10,310.73	39,256.00
4/1/2038	29,632.72	9,623.28	39,256.00
10/1/2038	30,336.50	8,919.50	39,256.00
	<u>273,576.87</u>	<u>118,983.13</u>	<u>392,560.00</u>
4/1/1939	31,056.99	8,199.01	39,256.00
10/1/1939	31,794.59	7,461.41	39,256.00
4/1/2040	32,549.72	6,706.28	39,256.00
10/1/2040	33,322.77	5,933.23	39,256.00
4/1/2041	34,114.19	5,141.81	39,256.00
10/1/2041	34,924.40	4,331.60	39,256.00
4/1/2042	35,753.85	3,502.15	39,256.00
10/1/2042	36,603.01	2,652.99	39,256.00
4/1/2043	37,472.33	1,783.67	39,256.00
10/1/2043	37,629.66	893.70	38,523.36
	<u>345,221.51</u>	<u>46,605.85</u>	<u>391,827.36</u>
Total	<u>\$ 1,248,494.60</u>	<u>\$ 1,106,132.76</u>	<u>\$ 2,354,627.36</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 7. **MUNICIPAL DEBT (CONTINUED)**

Bonds and Notes Authorized But Not Issued

At December 31, 2013 the Borough of Helmetta had bonds and notes authorized but not issued as follows:

General Capital Fund	\$	None
Sewer Utility Capital Fund		None
Water Utility Capital Fund		<u>None</u>
Total		<u><u>None</u></u>

Note 8. **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013 the following deferred charges are shown on Balance Sheets of various funds:

	<u>Balance December 31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance to be Raised in Budgets of Succeeding Year</u>
Current Fund:			
Special Emergency:			
per NJSA 40A:4-53 -			
Revaluation of Real Property	\$ 21,000.00	\$ 7,000.00	\$ 14,000.00
per NJSA 40A:4-57 -			
Update Master Plan	<u>2,900.00</u>	<u>2,900.00</u>	<u>0.00</u>
	<u>\$ 23,900.00</u>	<u>\$ 9,900.00</u>	<u>\$ 14,000.00</u>

The appropriations in the 2014 budget are not less than that required by statute.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 9. CONSOLIDATED/DEFERRED LOCAL PAYABLE SCHOOL DISTRICT TAXES

The Consolidated/Local School District Taxes were raised on the school year basis and liability deferred for the local school district (currently dissolved) by statute, resulting in school tax payable set forth in liabilities computed as follows.

On July 1, 2009 the Local School District by Executive Order of the Governor was merged into the Local School District of a neighboring town forming a Consolidated School District. The amount payable is a combination of the two (2) liabilities. A determination was made by the NJDCA that the deferred school taxes of the dissolved local school district would not have to be raised at this time. The Borough of Helmetta has elected to defer local school taxes as follows:

	Consolidated/Local School District Taxes		Increase/ (Decrease)
	Balance, December 31		
	<u>2013</u>	<u>2012</u>	
Balance of Tax -			
Consolidated	\$ 1,295,095.48	\$ 1,309,454.98	\$ (14,359.50)
Deferred - Local	<u>945,000.00</u>	<u>945,000.00</u>	<u>None</u>
Payable	<u>\$ 350,095.48</u>	<u>\$ 364,454.98</u>	<u>\$ (14,359.50)</u>

In the event that the State of New Jersey determines that a method other than local real estate taxes will be utilized to finance school district operations and, in the event that the annual school tax levy decreases to a level that is significant lower than the present deferral, then the Borough may need to finance the deferred school taxes through the annual municipal budget process.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 10. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) are considered cost sharing multiple-employer plans. The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. Members are eligible for retirement at age sixty with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five (5) years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age sixty with twenty-five or more years of credited service. Anyone who retires early and is under age fifty-five receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age fifty-five).

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 10. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011 made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under service retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 10. PENSION PLANS (CONTINUED)

Significant Legislation (Continued)

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contributions Required to be Made

Employee contributions for 2013 were 6.64% through June 30, 2013 and 6.78% thereafter of the employee's base wages for PERS and ten percent (10%) for employee base wages for PFRS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years, are as follows:

PERS					
Year	Borough			Employees	
	<u>Normal</u>	<u>Accrued</u>	<u>Net Cost</u>		
2013	\$ 11,177.00	\$ 26,725.00	\$ 37,902.00	\$ 23,438.59	
2012	11,026.00	22,052.00	33,078.00	22,992.05	
2011	11,026.00	20,623.00	31,649.00	19,366.49	

PFRS					
Borough					
Year	<u>Normal</u>	<u>Accrued</u>	<u>Net Cost</u>	Employees	
2013	\$ 27,626.00	\$ 36,559.00	\$ 64,185.00	\$ 21,009.10	
2012	32,503.00	27,310.00	59,813.00	27,139.79	
2011	32,503.00	18,075.00	50,578.00	23,851.78	

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 10. **PENSION PLANS (CONTINUED)**

Post Employment Retirement Benefits

The Public Employees Retirement System and Police and Firemen's Retirement System provide certain post employment retirement benefits.

Early Retirement Incentive Program

The Borough is obligated to the Public Employees Retirement System (PERS) under the Early Retirement Incentive Program for additional amounts to be paid over a twenty-five year period from 1996 through 2021. This relates to an Early Retirement Program approved in 1995. The remaining obligations are as follows and will be funded annually in the operating budgets as part of the PERS appropriation.

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2014	\$ 5,986.00	2018	\$ 7,485.00
2015	6,329.00	2019	7,916.00
2016	6,693.00	2020	8,371.00
2017	7,078.00	2021	8,852.00

Pension Reports

The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the pension plans and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Note 11 **POST EMPLOYMENT RETIREMENT BENEFITS**

In addition to the pension benefits described in Note 10, the Borough provides post retirement healthcare benefits for employees who retire with 25 years or more of service and their dependents. Benefits consist of full medical coverage as if the individuals were still employed, until they become eligible for Medicare, at which time Medicare becomes the primary insurer and the Borough plan becomes the secondary insurer.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 11 **POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)**

Plan Description – New Jersey State Health Benefits Program (“NJSHBP”)

The NJSHBP as of July 1, 2012 had “local employees” statewide of 44,712 active and 32,529 retired for a total of 77,241 members. The Borough had eight (8) active and four (4) retired employees for a total of twelve (12).

The Borough contributes to the NJSHBP, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. NJSHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. NJSHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. In accordance with GASB's 43 and 45, the NJSHBP has been determined to be a cost-sharing multiple-employer plan. Under GASB 45, the Borough is not required nor allowed to accrue reserves to fund the ultimate payment of the retirees health benefit obligation that is being earned.

The NJSHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the NJSHBP. The Borough authorized participation in the NJSHBP's post-retirement benefit program.

The New Jersey State Health Benefits (“NJSHB”) Commission is the executive body established by statute to be responsible for the operation of the NJSHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and an annual actuarial valuation report. Those reports may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The NJSHB Commission sets the employer contribution rate based on the annual required contribution (ARC) of the employers as established in an annual rate recommendation report.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 11 POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Funding Policy (Continued)

Contributions to pay for the health premiums of participating retirees in the NJSHBP are billed to the Borough on a monthly basis. The number of employees covered and approximate cost for the past three years were as follows:

<u>Fiscal Year</u>	<u>Number of Employees</u>	<u>Employer's Cost</u>
2013	4	\$ 52,186.68
2012	4	46,689.60
2011	4	41,913.45

Note 12. RISK MANAGEMENT

Property and Liability Insurance

The Borough together with other governmental units is a member of the Middlesex County Municipal Joint Insurance Fund ("JIF"). The JIF, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the JIF has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ending December 31, 2013, the Fund provided the following types of coverages: Auto, General Liability, Workmen's Compensation, Property, Public Officials Liability, Boiler and Public Official Surety/Dishonesty coverage.

The Borough has contracted with the JIF for coverage and is subject to certain policy limits. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 12. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

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

<u>Year Ended</u> <u>December 31,</u>	<u>Employer</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2013	\$ 1,775.00	\$ None	\$ 1,948.82	\$ 396.76
2012	1,750.07	None	5,169.21	570.58
2011	109.17	None	4,441.89	3,989.72

Note 13. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2013 were as follows:

<u>Fund</u>	<u>Interfunds</u> <u>Receivable</u>	<u>Interfunds</u> <u>Payable</u>
Current		\$ 42,593.38
Grant	\$ 42,171.71	
Trust Other	421.67	
	<u>\$ 42,593.38</u>	<u>\$ 42,593.38</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 14. SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS

The Borough of Helmetta maintains two enterprise funds that provide water and sewer to the residents and businesses of the Borough. Segment information for the year ended December 31, 2013 is as follows:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Total Enterprise (Utility) Fund</u>
Revenue and Other Income Realized:			
Operating Fund Balance Appropriated	\$ 21,024.00	\$ 41,148.00	\$ 62,172.00
Rents	420,381.71	415,496.68	835,878.39
Miscellaneous	<u>71,229.67</u>	<u> </u>	<u>71,229.67</u>
Budget Totals	512,635.38	456,644.68	969,280.06
Other Credits to Income:			
Nonbudget Revenue	3,537.56	10,673.69	14,211.25
Unexpended Balance of Appropriation Reserves	23,186.93	19,553.84	42,740.77
Current Appropriations Canceled	<u>635.01</u>	<u> </u>	<u>635.01</u>
Total Revenues	<u>\$ 539,994.88</u>	<u>\$ 486,872.21</u>	<u>\$ 1,026,867.09</u>
Expenditures:			
Operating	\$ 349,550.00	419,550.00	\$ 769,100.00
Capital Improvements	16,250.00	20,000.00	36,250.00
Debt Service	144,312.00		144,312.00
Deferred Charges and Statutory Expenditures	<u>11,498.00</u>	<u>11,598.00</u>	<u>23,096.00</u>
Total Expenditures	<u>\$ 521,610.00</u>	<u>\$ 451,148.00</u>	<u>\$ 972,758.00</u>
Statutory Excess in Revenue	\$ 18,384.88	\$ 35,724.21	\$ 54,109.09
Fund Balance, January 1	<u>48,030.93</u>	<u>127,227.78</u>	<u>175,258.71</u>
	<u>\$ 66,415.81</u>	<u>\$ 162,951.99</u>	<u>\$ 229,367.80</u>
Decreased by:			
Utilization as Anticipated Revenue	<u>\$ 21,024.00</u>	<u>\$ 41,148.00</u>	<u>\$ 62,172.00</u>
	<u>\$ 21,024.00</u>	<u>\$ 41,148.00</u>	<u>\$ 62,172.00</u>
Fund Balance, December 31	<u>\$ 45,391.81</u>	<u>\$ 121,803.99</u>	<u>\$ 167,195.80</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 15. DEFERRED COMPENSATION PLAN

The Borough of Helmetta offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

The Deferred Compensation Plan is administered by the Public Employees Benefits Service Company (PEBSCO).

Note 16. CONTINGENT LIABILITIES

A. Compensated Absences

PBA – Union Employees

Sick Pay - The Borough has a contract with the Local P.B.A. that includes a provision for compensation for unused sick time upon retirement or termination as follows: If an officer is terminated from employment for reasons other than retirement, an officer shall be entitled to payment of fifty percent (50%) of accumulated sick time to a maximum of fifteen thousand dollars (\$15,000.00); payment shall be made at the rate of pay at which the time was earned. If an officer retires in accordance with the PFRS, the officer shall be entitled to payment of fifty percent (50%) of accumulated sick time to a maximum of fifteen thousand dollars (\$15,000.00); payment shall be made at the existing rate of pay. Officers hired after January 1, 2010 shall not be entitled to sick time payout.

Vacation Pay – An officer employed prior to January 1, 2010 may elect to defer their annual vacation days subject to a maximum "bank" of forty-five (45) days. An officer may use "banked" vacation days subject to the following conditions (a) no more than two (2) weeks vacation time may be taken at a time without the prior written approval of the Chief Law Enforcement Officer; (b) "banked" vacation days shall be used before any newly earned vacation days; and (c) in the event of any cash payment for vacation days, payment shall be made at the rate of pay at which the vacation days were earned. Any officer hired after January 1, 2010 shall be allowed to bank only fourteen (14) vacation days with the approval of the Chief Law Enforcement Officer.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 16. CONTINGENT LIABILITIES (CONTINUED)

A. Compensated Absences (Continued)

Non-Union and Public Works Union Employees

Sick Pay – The administrative policy and public works union contract of the Borough entitle employees to ten (10) sick days per calendar year and allows for a carryover with a maximum accumulation of 120 days. Employees who do not use all of their sick leave allowance may add their unused days to their allowance for the following year to a maximum of one hundred twenty (120) days. Upon retirement, or separation from service for any reason other than termination for cause, an employee will be paid for one-half of their total accumulated unused sick time to a maximum amount of twelve thousand dollars (\$12,000.00). The administrative policy and union contract also allow for a carryover of one-half of unused vacation days up to a maximum of eight (8) weeks.

Vacation Pay – The amount of vacation leave earned is associated with the length of employment with the Borough and the hours in a normal workweek. The Borough Council set the amount of leave earned. Employees may carry over up to one-half of their unused vacation days each year to a maximum accrual of eight (8) weeks. If an employee is unable to use earned vacation time within the year it is earned, the employee may elect to be paid for the unused vacation days allowed for that year, to a maximum of one half of the yearly vacation allowance at the discretion of the Mayor and Council, in which event no unused vacation days will accrue. As of January 1, 2010 new employees will not be able to accrue vacation time. The yearly allotment of vacation must be used by the employee or reimbursed to the employee by the Borough at the end of the calendar year.

Liability - The Borough's total liability for sick time as of December 31, 2013 based on the policies and agreements, is \$76,411.17. This amount is not an immediate liability of the Borough and the likelihood of this amount becoming due and payable at any one time in the near future is remote. The liability for unused vacation time as of December 31, 2013 is \$94,518.23.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2013

Note 16. CONTINGENT LIABILITIES (CONTINUED)

B. Litigation

There are no matters of litigation that would, in the result of an adverse opinion, have a material impact on the financial condition of the Borough.

C. Grants

The Borough of Helmetta participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Note 17. LENGTH OF SERVICE AWARDS PROGRAM

On November 3, 1999, the voters of the Borough approved a referendum authorizing the establishment of a Length of Service Awards Program (LOSAP). The LOSAP will provide tax-deferred income benefits to the active volunteer fire fighters who are eligible to participate.

The LOSAP funds are administered independently and distinct from the Borough and are subject to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. Participants are responsible for the direction of their investments within their individual accounts. A separate report as of December 31, 2013 revealed net position available for benefits of \$70,657.80. Contributions for the past three years are as follows:

	<u>Total</u>	<u>Per Member</u>
2013	\$ 6,400.00 estimate	\$ 400.00
2012	6,400.00	400.00
2011	7,600.00	400.00

COMBINING AND INDIVIDUAL FUND AND
ACCOUNT STATEMENTS

CURRENT FUND

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012

	Balance December 31, <u>2013</u>	Balance December 31, <u>2012</u>
<u>ASSETS</u>		
Current Fund:		
Cash and Cash Equivalents	\$ 1,248,646.80	\$ 1,057,913.10
Due from State of New Jersey - Ch. 20,P.L. 1971		3,788.42
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	105,048.35	96,081.15
Property Acquired for Taxes - Assessed Valuation	8,800.00	8,800.00
Other Accounts Receivable:		
Revenue Accounts Receivable:		
Due from Municipal Court	5,935.76	7,133.22
Animal Shelter	14,143.57	35,082.37
Interfunds Receivable:		
Due from Trust Other Fund		158.70
Due from Payroll Fund		2,860.70
Deferred Charges	<u>23,900.00</u>	<u>45,800.00</u>
Total Current Fund	<u>\$ 1,406,474.48</u>	<u>\$ 1,257,617.66</u>
Grant Fund:		
Cash and Cash Equivalents		\$ 42,275.76
Grants Receivable		5,000.00
Due from Current Fund	<u>\$ 41,171.71</u>	<u> </u>
Total Grant Fund	<u>\$ 41,171.71</u>	<u>\$ 47,275.76</u>
Total Assets	<u>\$ 1,447,646.19</u>	<u>\$ 1,304,893.42</u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2013</u>	Balance December 31, <u>2012</u>
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 226,270.55	\$ 228,083.23
Prepaid Taxes	36,430.44	25,454.14
Tax Overpayments		181.88
Accounts Payable	60,196.67	20,000.00
Reserve for Encumbrances	14,925.46	104,237.07
Consolidated District School Tax Payable	350,095.48	364,454.98
Due to State of New Jersey:		
Various	100.00	
Various Reserves	54,388.09	19,623.06
Interfunds Payable:		
Due to Trust Other Fund	421.67	
Due to Grant Fund	<u>41,171.71</u>	
	\$ 784,000.07	\$ 762,034.36
Reserve for Receivables and Other Assets	119,191.92	150,116.14
Fund Balance	<u>503,282.49</u>	<u>345,467.16</u>
Total Current Fund	\$ <u>1,406,474.48</u>	\$ <u>1,257,617.66</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 25,393.85	\$ 38,158.78
Unappropriated	13,583.02	3,794.98
Reserve for Encumbrances	<u>2,194.84</u>	<u>5,322.00</u>
Total Grant Fund	\$ <u>41,171.71</u>	\$ <u>47,275.76</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>1,447,646.19</u></u>	\$ <u><u>1,304,893.42</u></u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 246,000.00	\$ 246,000.00
Miscellaneous Revenues Anticipated	254,658.84	276,689.00
Interlocal Agreements	415,958.63	356,119.50
State Aid	142,271.28	142,271.00
Grants	3,794.98	14,174.24
Receipts from Delinquent Taxes	97,133.98	86,149.56
Amount to be Raised by Taxation for Support of Municipal Budget	1,269,178.79	1,234,602.56
Nonbudget Revenues	83,288.22	43,347.32
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Canceled	132,648.31	59,610.99
Current Appropriations Canceled	6,482.89	6,875.01
Interfunds Liquidated	3,019.40	26,688.25
Revenue Accounts Receivable - Returned	35,082.37	17,343.75
Taxes Allocated to School and County Taxes	<u>3,946,558.95</u>	<u>3,906,514.51</u>
 Total Income	 \$ <u>6,636,076.64</u>	 \$ <u>6,416,385.69</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 208,400.00	\$ 199,012.00
Land Use	7,460.00	7,400.00
Insurance	211,076.00	184,160.00
Public Safety	467,432.80	493,773.17
Public Works	310,450.00	312,950.00
Health and Human Services	13,910.00	13,910.00
Park and Recreation	16,000.00	15,000.00
Utilities and Bulk Purchases	105,200.00	106,500.00
Uniform Construction Code	5,360.00	5,300.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	152,907.00	140,247.00
Excluded from "CAPS":		
Insurance	6,924.00	7,840.00
Public Safety	8,000.00	31,265.00
Public Works		57,930.96
Interlocal Agreement-Animal Shelter	403,060.00	261,125.00

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS":		
Health and Human Services		\$ 21,625.00
Grants	\$ 3,794.98	14,174.24
Capital Improvements	70,000.00	60,000.00
Municipal Debt Service	109,100.00	109,341.00
Deferred Charges and Statutory	21,900.00	24,173.00
Reserve for Uncollected Taxes	158,838.26	158,836.45
County Taxes	833,519.34	758,901.52
County Added and Omitted Taxes	67.61	116.99
Consolidated District School Taxes	3,112,972.00	3,147,496.00
Interfund Advanced		3,019.40
Revenue Accounts Receivable-Advanced		35,082.37
Prior Year Senior Citizens' and Veterans' Disallowed	250.00	
Cancellation of Grant Receivable/Reserves, Net	1,850.90	
Prior Year Senior Citizens' and Veterans'		
Receivable Written Off	<u>3,288.42</u>	
Total Expenditures	<u>\$ 6,232,261.31</u>	<u>\$ 6,169,679.10</u>
Excess to Fund Balance	\$ 403,815.33	\$ 246,706.59
Add: Expenditures by Statute Deferred Charges to Budgeted Succeeding Years		<u>12,000.00</u>
Statutory Excess to Fund Balance	\$ 403,815.33	\$ 258,706.59
Fund Balance, January 1	<u>345,467.16</u>	<u>332,760.57</u>
	\$ 749,282.49	\$ 591,467.16
Decreased by:		
Utilized as Anticipated Revenue	<u>246,000.00</u>	<u>246,000.00</u>
Fund Balance, December 31	<u>\$ 503,282.49</u>	<u>\$ 345,467.16</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Budget as <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 246,000.00	\$ 246,000.00	_____
Miscellaneous Revenues:			
Fines and Costs:			
Municipal Court	\$ 145,000.00	\$ 108,618.78	\$ (36,381.22)
Interest and Costs on Taxes	<u>20,000.00</u>	<u>22,235.91</u>	<u>2,235.91</u>
	\$ 165,000.00	\$ 130,854.69	\$ (34,145.31)
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 122,320.00	\$ 122,320.28	\$ 0.28
Consolidated Municipal Property Tax Relief Aid	<u>19,951.00</u>	<u>19,951.00</u>	_____
	\$ 142,271.00	\$ 142,271.28	\$ 0.28
Special Items of Revenue Offset with Appropriations:			
Recycling Tonnage Grant	\$ 2,479.41	\$ 2,479.41	_____
Drunk Driving Enforcement Fund	377.74	377.74	_____
Body Armor Replacement Fund	<u>937.83</u>	<u>937.83</u>	_____
	\$ 3,794.98	\$ 3,794.98	_____
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:			
Cable Television Fees	\$ 13,731.99	\$ 13,927.88	\$ 195.89
Cell Tower Fees	66,000.00	73,364.23	7,364.23
FEMA	<u>18,028.43</u>	<u>36,512.04</u>	<u>18,483.61</u>
	\$ 97,760.42	\$ 123,804.15	\$ 26,043.73
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:			
Zoning/Code Enforcement Contract-			
Borough of Spotswood	\$ 5,325.00		\$ (5,325.00)
Animal Control Contract - Borough of Spotswood	6,759.00	\$ 7,653.00	894.00
Animal Shelter Contract - Borough of Spotswood	3,000.00	4,575.25	1,575.25
Animal Control Contract - Borough of South River	14,603.00	16,040.00	1,437.00
Animal Shelter Contract - Borough of South River	6,000.00	4,495.00	(1,505.00)
Animal Control Contract - Borough of Sayreville	31,254.00	24,496.75	(6,757.25)
Animal Shelter Contract - Borough of Sayreville	20,435.00	12,610.00	(7,825.00)
Animal Control Contract - Township of Plainsboro	13,000.00	12,290.00	(710.00)
Animal Shelter Contract - Township of Plainsboro	2,000.00	5,634.00	3,634.00
Animal Control Contract - Township of Cranbury	3,600.00	4,797.13	1,197.13
Animal Shelter Contract - Township of Cranbury	500.00	475.00	(25.00)
Animal Shelter Contract - Borough of Manalapan	<u>26,860.00</u>	<u>22,271.75</u>	<u>(4,588.25)</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Budget as <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations: (Continued)			
Animal Control Contract - Borough of Milltown	\$ 1,000.00	\$ 5,499.00	\$ 4,499.00
Animal Shelter Contract - Borough of Milltown	5,500.00	1,885.00	(3,615.00)
Animal Control Contract - Township of East Brunswick		165.25	165.25
Animal Control Contract - Township of Matawan	13,940.00	15,787.00	1,847.00
Animal Shelter Contract - Township of Matawan	1,000.00	3,180.00	2,180.00
Animal Shelter Contract - Township of Marlboro	9,200.00	6,730.00	(2,470.00)
Animal Shelter Contract - Township of South Brunswick	15,000.00	18,215.00	3,215.00
Animal Shelter Contract - Township of Monroe		12,860.00	12,860.00
Animal Control Contract - Township of Hazlet	36,000.00	32,625.08	(3,374.92)
Animal Shelter Contract - Township of Hazlet	1,447.00	7,867.55	6,420.55
Animal Control Contract - Township of Aberdeen	24,000.00	30,317.38	6,317.38
Animal Shelter Contract - Township of Aberdeen	2,625.00	8,689.00	6,064.00
Animal Control Contract - Township of North Brunswick		25,376.85	25,376.85
Animal Shelter Contract - Township of North Brunswick	3,830.00	12,326.10	8,496.10
Shelter Deposits - Adoptions	63,000.00	83,377.08	20,377.08
Shelter Deposits - Impounds		7,795.83	7,795.83
Shelter Deposits - Return to Owner Fees		4,901.46	4,901.46
Shelter Deposits - Surrender Fees		22,103.00	22,103.00
Shelter Deposits - Quarantine Fees		550.00	550.00
Shelter Deposits - Misc.		370.17	370.17
	<u>\$ 309,878.00</u>	<u>\$ 415,958.63</u>	<u>\$ 106,080.63</u>
Receipts from Delinquent Taxes	<u>\$ 96,000.00</u>	<u>\$ 97,133.98</u>	<u>\$ 1,133.98</u>
Amount to be Raised by Taxation for Support of Municipal Budget: Local Tax for Municipal Purposes	<u>\$ 1,219,608.64</u>	<u>\$ 1,269,178.79</u>	<u>\$ 49,570.15</u>
Budget Totals	<u>\$ 2,280,313.04</u>	<u>\$ 2,428,996.50</u>	<u>\$ 148,683.46</u>
Nonbudget Revenue		<u>83,288.22</u>	<u>83,288.22</u>
	<u>\$ 2,280,313.04</u>	<u>\$ 2,512,284.72</u>	<u>\$ 231,971.68</u>

BOROUGH OF HELMETTA
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
GENERAL GOVERNMENT FUNCTIONS						
General Administration:						
Salaries and Wages	\$ 25,000.00	\$ 20,000.00	\$ 19,164.63		\$ 835.37	
Other Expenses	500.00	500.00	497.82		2.18	
Mayor and Council:						
Other Expenses	4,500.00	4,500.00	4,500.00			
Other Expenses - School Board Oversight	1,500.00	1,500.00	1,500.00			
Other Expenses - Website Creating	1,500.00	1,500.00			1,500.00	
Municipal Clerk:						
Salaries and Wages	18,000.00	18,000.00	17,336.58		663.42	
Other Expenses	7,000.00	7,000.00	6,150.37	45.00	804.63	
Elections:						
Other Expenses	1,000.00	1,000.00	1,000.00			
Financial Administration:						
Salaries and Wages	34,000.00	29,000.00	23,295.46		5,704.54	
Other Expenses	16,000.00	16,000.00	16,000.00			
Bank Service Charges	3,400.00	3,400.00	3,078.86		321.14	
Audit Services:						
Other Expenses	8,900.00	8,900.00	8,900.00			
Revenue Administration (Collection of Taxes):						
Salaries and Wages	20,000.00	21,000.00	19,807.09		1,192.91	
Other Expenses	5,000.00	5,000.00	4,986.50		13.50	
Tax Assessment Administration:						
Salaries and Wages	12,000.00	12,100.00	11,646.44		453.56	
Other Expenses	3,500.00	3,500.00	3,132.87	367.13		
Legal Services and Costs:						
Other Expenses	55,000.00	55,000.00	54,062.96	180.00	757.04	
Engineering Services and Costs:						
Other Expenses	2,000.00	500.00	20.00		480.00	
	<u>218,800.00</u>	<u>208,400.00</u>	<u>195,079.58</u>	<u>592.13</u>	<u>12,728.29</u>	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 44D-1):						
Planning Board:						
Salaries and Wages	2,700.00	2,760.00	2,646.54		113.46	
Other Expenses	4,700.00	4,700.00	3,498.05		1,201.95	
	<u>7,400.00</u>	<u>7,460.00</u>	<u>6,144.59</u>		<u>1,315.41</u>	

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
INSURANCE						
Liability Insurance	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00			
Worker's Compensation	26,500.00	26,500.00	26,500.00			
Employee Group Insurance (Health)	153,076.00	160,076.00	148,636.33	\$ 43.33	\$ 11,396.34	
Unemployment Insurance	1,500.00	1,500.00	525.00		975.00	
	<u>204,076.00</u>	<u>211,076.00</u>	<u>198,661.33</u>	<u>43.33</u>	<u>12,371.34</u>	
PUBLIC SAFETY FUNCTIONS						
Police:						
Salaries and Wages	400,000.00	371,710.00	329,676.41		42,033.59	
Other Expenses:						
Miscellaneous Other Expenses	20,000.00	26,000.00	21,989.90	590.50	3,419.60	
Office of Emergency Management:						
Other Expenses	100.00	100.00			100.00	
Fire:						
Other Expenses	24,000.00	24,000.00	17,487.51	6,231.00	281.49	
Fire Prevention Bureau:						
Salaries and Wages	3,700.00	3,750.00	3,605.76		144.24	
Other Expenses	1,010.00	1,010.00	913.11		96.89	
Uniform Fire Safety Act:						
Other Expenses	852.80	852.80	852.80		2,000.00	
First Aid Organization - Contribution	2,000.00	2,000.00				
Municipal Prosecutor:						
Other Expenses	5,000.00	5,000.00	4,800.00		200.00	
Municipal Court:						
Salaries and Wages	36,000.00	30,000.00	25,366.55		4,633.45	
Other Expenses	3,000.00	3,000.00	2,799.60	99.98	100.42	
Public Defender (P.L. 1997, C.256):						
Other Expenses	10.00	10.00	10.00			
	<u>495,672.80</u>	<u>467,432.80</u>	<u>407,501.64</u>	<u>6,921.48</u>	<u>53,009.66</u>	
PUBLIC WORKS FUNCTIONS						
Road Repairs and Maintenance:						
Salaries and Wages	102,000.00	107,000.00	101,372.02		5,627.98	
Other Expenses	12,000.00	12,000.00	10,536.94	1,207.05	256.01	
Solid Waste Collection:						
Landfill / Disposal Solid Waste	50,000.00	50,000.00	41,732.70		8,267.30	
Other Expenses						

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
PUBLIC WORKS FUNCTIONS (CONTINUED)						
Recycling (Chap. 74 P.L. 1987):						
Salaries and Wages	\$ 5,900.00	\$ 5,900.00	\$ 5,312.84		\$ 587.16	
Other Expenses	250.00	250.00	122.99	50.00	77.01	
Public Buildings and Grounds:						
Other Expenses	19,000.00	21,000.00	19,964.92	365.30	669.78	
Vehicle Maintenance:						
Other Expenses - Public Works	15,000.00	15,000.00	10,308.59	590.97	4,100.44	
Other Expenses - Police Vehicle	7,500.00	7,500.00	6,591.90	546.24	361.86	
Other Expenses - Lease/ Acquire Vehicles	28,500.00	28,500.00	23,787.01		4,712.99	
Reimbursement to Qualified Communities:						
Condominium Act:						
Trash Removal	54,000.00	54,000.00			54,000.00	
Street Lighting	7,900.00	7,900.00			7,900.00	
Snow and Leaf Removal	1,400.00	1,400.00			1,400.00	
	<u>303,450.00</u>	<u>310,450.00</u>	<u>219,729.91</u>	<u>2,759.56</u>	<u>87,960.53</u>	
HEALTH AND HUMAN SERVICES FUNCTIONS						
Board of Health:						
Salaries and Wages	10.00	10.00			10.00	
Public Health Service (N.J.S. 40:13-1):						
Kiddle Keep-Well Camp	350.00	350.00	350.00			
South County Day Care	250.00	250.00	250.00			
Animal Control Services (Dog Regulation):						
Salaries and Wages	7,800.00	7,800.00	5,086.03		2,713.97	
Other Expenses	5,500.00	5,500.00	4,940.32		559.68	
	<u>13,910.00</u>	<u>13,910.00</u>	<u>10,626.35</u>		<u>3,283.65</u>	
PARK AND RECREATION FUNCTIONS						
Recreation:						
Salaries and Wages	1,000.00	260.00	260.00		861.11	
Other Expenses	8,000.00	8,740.00	7,781.39	97.50		
Senior Citizens:						
Other Expenses	2,000.00	2,000.00	377.30		1,622.70	
Parks:						
Other Expenses	5,000.00	5,000.00	928.13	97.50	3,974.37	
	<u>16,000.00</u>	<u>16,000.00</u>	<u>9,346.82</u>	<u>195.00</u>	<u>6,456.18</u>	

BOROUGH OF HELMETTA
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 19,000.00	\$ 19,000.00	\$ 12,565.32		\$ 6,434.68	
Street Lighting	22,000.00	22,000.00	17,597.79		4,402.21	
Telephone	12,500.00	13,700.00	13,333.67	\$ 228.23	138.10	
Natural Gas	12,500.00	12,500.00	8,864.37		3,635.63	
Diesel Fuel	3,000.00	3,000.00	2,353.02		646.98	
Gasoline	22,500.00	25,500.00	22,582.68		2,917.32	
Postage	5,000.00	5,000.00	4,775.00		225.00	
Copier Expense	4,000.00	4,000.00	4,000.00			
Office Supplies	500.00	500.00	440.36	59.64		
	<u>101,000.00</u>	<u>105,200.00</u>	<u>86,512.21</u>	<u>287.87</u>	<u>18,399.92</u>	

UNIFORM CONSTRUCTION CODE - APPROPRIATIONS
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17):

Construction Official (Chief Admin. of Enforcement
Enforcement Agency):
Salaries and Wages
Accumulated Sick Leave Reserve

	5,200.00	5,260.00	5,063.42		196.58	
	100.00	100.00	100.00			
	5,300.00	5,360.00	5,163.42		196.58	
Total Operations within "CAPS"	\$ 1,365,608.80	\$ 1,345,288.80	\$ 1,138,765.85	\$ 10,799.37	\$ 195,723.58	
	500.00	500.00			500.00	
	<u>1,366,108.80</u>	<u>1,345,788.80</u>	<u>1,138,765.85</u>	<u>10,799.37</u>	<u>196,223.58</u>	

CONTINGENT

Total Operations Including Contingent - within "CAPS"

Detail:
Salaries and Wages
Other Expenses (Including Contingent)

**DEFERRED CHARGES AND STATUTORY EXPENDITURES -
MUNICIPAL WITHIN "CAPS"**

Statutory Expenditures:
Contribution to:
Public Employees' Retirement System
Social Security System (O.A.S.I.)
Police and Firemen's Retirement System of NJ
PERS - Early Retirement Incentive Program

	\$ 26,413.00	\$ 26,413.00	\$ 26,413.00			
	54,000.00	54,000.00	52,120.41			
	66,836.00	66,836.00	66,836.00			
	5,658.00	5,658.00	5,658.00			
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	\$ 152,907.00	\$ 152,907.00	\$ 151,027.41		\$ 1,879.59	

BOROUGH OF HELMETIA
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 1,519,015.80	\$ 1,498,695.80	\$ 1,289,793.26	\$ 10,799.37	\$ 198,103.17	
OPERATIONS - EXCLUDED FROM "CAPS"						
INSURANCE:						
Employee Group Insurance (Health)	\$ 6,924.00	\$ 6,924.00	\$ 6,924.00			
PUBLIC SAFETY:						
Length of Service Awards Program	8,000.00	8,000.00			\$ 8,000.00	
Interlocal Municipal Service Agreements:						
Borough of Spotswood:						
Police:						
Radio Dispatching Services	23,730.00	23,730.00	23,730.00		5,325.00	
Zoning/Code Enforcement	5,325.00	5,325.00				
Sanitation:						
Garbage and Trash Removal:	42,260.00	42,260.00	42,260.00		6.88	
Middlesex County Board of Health	16,300.00	16,620.00	16,613.11		725.25	
County of Middlesex - Curbside Recycling Program	15,000.00	15,000.00	14,274.75			
Interlocal Animal Control / Shelter:						
Salaries and Wages	166,200.00	166,200.00	174,044.20		12,155.80	
Other Expenses	113,925.00	113,925.00	107,844.47	\$ 4,126.09	1,954.44	
Total Interlocal Municipal Service Agreements	382,740.00	403,060.00	378,766.53	4,126.09	20,167.38	
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)						
Public and Private Programs Offset by Revenues:						
Body Armor Replacement Fund	937.83	937.83	937.83			
Drunk Driving Enforcement Fund	377.74	377.74	377.74			
Recycling Tonnage Grant	2,479.41	2,479.41	2,479.41			
Total Public and Private Programs Offset by Revenues	3,794.98	3,794.98	3,794.98			
Total Operations - Excluded from "CAPS"	\$ 401,458.98	\$ 421,778.98	\$ 389,485.51	\$ 4,126.09	\$ 28,167.38	
Detail:						
Salaries and Wages	\$ 171,525.00	\$ 191,525.00	\$ 174,044.20		\$ 17,480.80	
Other Expenses	229,933.98	230,253.98	215,441.31	\$ 4,126.09	10,686.58	

BOROUGH OF HELMETTA

CURRENT FUND

**STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013**

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Canceled
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Reserve for Municipal Building Upgrades	30,000.00	30,000.00	30,000.00			
Reserve for Acquisition of Animal Control Van	20,000.00	20,000.00	20,000.00			
Total Capital Improvements Excluded from "CAPS"	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00			
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes Interest on Notes	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00			\$ 6,482.89
	29,100.00	29,100.00	22,617.11			
Total Municipal Debt Service - Excluded from "CAPS"	\$ 109,100.00	\$ 109,100.00	\$ 102,617.11			\$ 6,482.89
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00			
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	9,900.00	9,900.00	9,900.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 21,900.00	\$ 21,900.00	\$ 21,900.00			
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOLS (N.J.S.A. 40:48-17.1 & 17.3)						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 602,458.98	\$ 622,778.98	\$ 584,002.62	\$ 4,126.09	\$ 28,167.38	\$ 6,482.89
Total General Appropriations - Excluded from "CAPS"	\$ 602,458.98	\$ 622,778.98	\$ 584,002.62	\$ 4,126.09	\$ 28,167.38	\$ 6,482.89
Subtotal General Appropriations	\$ 2,121,474.78	\$ 2,121,474.78	\$ 1,873,795.88	\$ 14,925.46	\$ 226,270.55	\$ 6,482.89
	158,838.26	158,838.26	158,838.26			
RESERVE FOR UNCOLLECTED TAXES						
Total General Appropriations	\$ 2,280,313.04	\$ 2,280,313.04	\$ 2,032,634.14	\$ 14,925.46	\$ 226,270.55	\$ 6,482.89

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance December 31, 2012	Added Taxes	2013 Levy	Collection 2012	Collection 2013	Due From State of New Jersey Chap. 20, P.L. 1971	Remitted and Canceled	Balance December 31, 2013
2012	\$ 96,081.15	\$ 1,052.83			\$ 97,133.98			
2013			\$ 5,167,927.12	\$ 23,955.07	5,011,944.41	\$ 21,000.00	\$ 5,979.29	\$ 105,048.35
	<u>\$ 96,081.15</u>	<u>1,052.83</u>	<u>\$ 5,167,927.12</u>	<u>\$ 23,955.07</u>	<u>\$ 5,109,078.39</u>	<u>\$ 21,000.00</u>	<u>\$ 5,979.29</u>	<u>\$ 105,048.35</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:		
General Purpose Tax		\$ 5,166,099.98
Additional Tax		465.71
Added and Omitted Taxes (54:63.1 et. seq.)		<u>1,361.43</u>
		<u>\$ 5,167,927.12</u>

TAX LEVY

Consolidated School District Tax:		
Levy, School Year July 1, 2013 to June 30, 2014		\$ 3,112,972.00
County Taxes:		
County Tax	\$ 768,221.26	
County Open Space Preservation Tax	65,298.08	
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>67.61</u>	
Total County Taxes		<u>833,586.95</u>
		\$ 3,946,558.95
Local Tax for Municipal Purpose		\$ 1,219,608.64
Add: Additional Tax Levied	<u>1,759.53</u>	
Total Tax for Municipal Purpose		<u>1,221,368.17</u>
		<u>\$ 5,167,927.12</u>

ANALYSIS OF ADDED TAXES

Senior Citizens and Veterans - Disallowed Additional Taxes		\$ 250.00
		<u>802.83</u>
Total Added Taxes		<u>\$ 1,052.83</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

	Original Amount	Date of Adoption	1/5 of Amount Authorized	Balance December 31, 2012	Increased by Resulting from 2013	Decreased by Raised in 2013	Balance December 31, 2013
Special Emergency Per N.J.S.A.							
40A:4-57 Update of Master Plan	\$ 14,500.00	8/26/2009	\$ 2,900.00	\$ 5,800.00	\$	\$ 2,900.00	\$ 2,900.00
40A:4-53 - Revaluation of Real Property	25,000.00	8/8/2011	5,000.00	20,000.00		5,000.00	15,000.00
40A:4-53 - Revaluation of Real Property	10,000.00	8/28/2011	2,000.00	8,000.00		2,000.00	6,000.00
				\$ 33,800.00		\$ 9,900.00	\$ 23,900.00
Emergency per N.J.S.A.							
40A:4-46 Emergency Appropriation	12,000.00	10/14/2012	N/A	\$ 12,000.00	\$	\$ 12,000.00	
				\$ 45,800.00		\$ 21,900.00	\$ 23,900.00

**BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance December 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbered		
Salaries and Wages:				
Operations - Within "CAPS":				
General Administration	\$ 0.21			\$ 0.21
Municipal Clerk	663.28			663.28
Financial Administration	879.38			879.38
Revenue Administration (Collection of Taxes)	1,398.77		\$ 280.50	1,118.27
Tax Assessment Administration	353.56			353.56
Municipal Land Use Law (N.J.S.A. 44D-1):				
Planning Board	53.46			53.46
Police	26,804.40		11,724.08	15,080.32
Fire Prevention	30.88			30.88
Municipal Court	4,143.22		898.47	3,244.75
Road Repairs and Maintenance	4,314.53		1,593.40	7,830.49
Recycling	593.62			593.62
Board of Health	10.00			10.00
Animal Control Services (Dog Regulation)	1,212.40			1,212.40
Recreation	1,000.00			1,000.00
Construction Officials (Chief Admin of Enforcement Agency)	199.94			199.94
Operations - Excluded from "CAPS":				
Other Operations - Excluded from "CAPS":				
Animal Control Shelter	22,054.00		6,062.91	16,191.09
Total Salaries and Wages	\$ 63,711.65		\$ 20,559.36	\$ 48,461.65

Other Expenses:				
Operations - Within "CAPS":				
General Administration	\$ 500.00			\$ 500.00
Mayor and Council:				
Other Expenses	315.00			315.00
Other Expenses - School Board Oversight	1,100.00			1,100.00
Municipal Clerk	871.86	\$ 1,557.66	\$ 1,826.61	602.91
Elections	299.92		1.00	298.92
Financial Administration				
Other Expenses	855.72		325.64	863.58
Bank Service Charges	414.36		319.99	94.37
Revenue Administration (Collection of Taxes)			222.46	
Tax Assessment Administration	153.85		335.25	153.85
Legal Services and Costs	15,934.25		2,127.24	13,807.01
Engineering Services and Costs	960.00		482.50	477.50
Municipal Land Use Law (N.J.S.A. 44D-1):				
Planning Board				
Other Expenses	303.20		1,073.00	303.20
Liability Insurance	258.87			258.87
Workers Compensation	167.20			167.20
Employee Group Insurance (Health)	9,050.11			9,050.11
Police:				
Miscellaneous Other Expenses	108.23	19,938.63	20,121.43	270.43
Office of Emergency Management	100.00			100.00
Fire				
Fire Prevention Bureau	215.15	24,366.56	24,362.56	4.00
				215.15

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2012 APPROPRIATION RESERVES

	Balance December 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbered		
Other Operations (Continued):				
Operations - Within "CAPS" (Continued):				
Uniform Fire Safety Act	\$ 852.80	\$	\$ 72.42	\$ 852.80
Municipal Court	760.33			687.91
Public Defender	10.00			10.00
Municipal Prosecutor	200.00	\$ 400.00	400.00	200.00
Road Repairs and Maintenance:				
Other Expenses	308.34	5,644.93	5,515.23	438.04
Solid Waste Collection:				
Garbage and Trash Removal	4,985.40		3,307.51	1,677.89
Recycling (Chap. 74 P.L. 1987)	514.52			514.52
Public Buildings and Grounds:				
Other Expenses	703.89	2,616.94	3,183.02	137.81
Vehicle Maintenance:				
Public Works	7,394.92	2,457.69	2,479.97	7,372.64
Police Vehicle	1,662.33	400.00	400.00	1,662.33
Lease/ Acquire Vehicles	1,753.04	3,500.00	2,284.06	2,968.98
Reimbursement to Qualified Communities: Condominium Act:				
Trash Removal	54,000.00		54,000.00	
Street Lighting	7,900.00		3,159.41	4,740.59
Snow and Leaf Removal	1,400.00		673.00	727.00
Animal Control Services (Dog Regulation)	2,655.45	300.00	255.00	2,700.45
Recreation	1,620.16	69.26		1,689.42
Senior Citizens	1,500.00			1,500.00
Parks	2,152.88	2,150.12		4,303.00
Electricity	2,488.66			2,488.66
Street Lighting	3,986.98		4,401.64	85.34
Telephone	164.87			164.87
Natural Gas	7,785.33		1,538.34	6,246.99
Diesel Fuel	361.27	868.27	868.27	361.27
Gasoline	3,515.22	2,182.83	2,116.83	3,581.22
Postage		280.28	280.28	
Copier Expense	772.25	59.15	268.56	562.84
Office Supplies	22.27		22.27	21.52
Contingent	500.00		0.75	500.00
Other Operations - Excluded from "CAPS":				
Length of Service Awards Program	8,000.00		6,400.00	1,600.00
Middlesex County Board of Health	12.64			12.64
County of Middlesex - Curbside Recycling Program	1,872.68			1,872.68
Zoning/Code Enforcement	324.94			324.94
Interlocal Animal Control / Shelter:				
Other Expenses	8,802.58	8,759.04	12,123.99	5,437.63
Total Other Expenses	\$ 160,611.47	\$ 76,432.57	\$ 154,915.96	\$ 84,046.08
Grand Total	\$ 224,323.12	\$ 76,432.57	\$ 175,475.32	\$ 132,507.73

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, 2012	2013 Revenue Realized	Cash Received	Decreased by		Balance December 31, 2013
				Transfer from Unappropriated Reserves	Cancelled	
Bicycle Pedestrian Grant	\$ 2,000.00				\$ 2,000.00	
Alcohol Education and Rehabilitation		\$ 377.74		\$ 377.74		
Body Armor Replacement Fund	3,000.00	937.83		937.83	3,000.00	
Green Communities						
Recycling Tonnage Grant		2,479.41		2,479.41		
	<u>\$ 5,000.00</u>	<u>\$ 3,794.98</u>		<u>\$ 3,794.98</u>	<u>\$ 5,000.00</u>	
	<u>\$ 5,000.00</u>	<u>\$ 3,794.98</u>		<u>\$ 3,794.98</u>	<u>\$ 5,000.00</u>	

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

Grant	Balance December 31, 2012	Budget	Paid or Charged		Balance December 31, 2013
			Cash Disbursed	Reserve for Encumbrances	
				Cancelled	
Local:					
Sam's Club Foundation	\$ 1,000.00				\$ 1,000.00
State:					
Municipal Alcohol Education and Rehabilitation Program:					
2002	\$ 248.06				\$ 248.06
2004	387.97				387.97
2005	873.79				873.79
2006	283.72				283.72
2007	169.34				169.34
2009	92.82				92.82
2010	301.64				301.64
2011	269.67				269.67
2013		\$ 377.74			377.74
Clean Communities Program:					
2005	2,320.71		\$ 241.96		2,078.75
2006	4,000.00		4,000.00		
2011	42.25		42.25		
2012	4,000.00		4,000.00		
Bicycle Pedestrian Safety Grant-2009	149.10			\$ 149.10	
Body Armor Replacement Fund					
2006	238.00				238.00
2007	500.00				500.00
2008	500.00				500.00
2009	500.00				500.00
2010	622.09		151.42		470.67
2011	894.24		622.09		272.15
2012	926.04		894.24		31.80
2013		937.83	926.04		11.79
SLAHEOP Grant	2,405.72		937.83		1,467.89
Department of Environmental Protection - Green Communities	3,000.00				3,000.00

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

Grant	Balance December 31, 2012	Budget	Paid or Charged		Balance December 31, 2013
			Cash Disbursed	Reserve for Encumbrances	
			Cancelled		
State: (Continued)					
Police Car Camera grant	\$ 4,425.00				\$ 4,425.00
Forest Services Volunteer Fire Assistance: 2012	1,840.64	\$ 348.14		\$ 601.84	890.66
Recycling Tonnage Grant 2009	870.11				870.11
2012	4,581.84				4,581.84
2013		\$ 2,479.41			2,479.41
Stormwater Management 2008			1,200.00	(5,322.00)	4,122.00
	<u>\$ 34,442.75</u>	<u>\$ 3,794.98</u>	<u>\$ 15,769.69</u>	<u>\$ (4,720.16)</u>	<u>\$ 24,039.10</u>
Federal:					
Federal Emergency Management Agency: Grant 2004	1,756.90		768.28	988.62	
2005	959.13			604.38	354.75
	<u>\$ 2,716.03</u>		<u>768.28</u>	<u>1,593.00</u>	<u>\$ 354.75</u>
	<u>\$ 38,158.78</u>	<u>\$ 3,794.98</u>	<u>\$ 16,537.97</u>	<u>\$ (3,127.16)</u>	<u>\$ 25,393.85</u>

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	<u>Balance</u> December 31, 2012	<u>Increased by</u> Cash Received	<u>Decreased by</u> Anticipated as Revenue	<u>Balance</u> December 31, 2013
State:				
Body Armor Replacement Fund	\$ 937.83		\$ 937.83	
Recycling Tonnage Grant	2,479.41	\$ 2,479.41	2,479.41	\$ 2,479.41
Alcohol and Education	377.74	791.62	377.74	791.62
Clean Communities		4,158.07		4,158.07
Federal:				
US Forest Fire Service		<u>6,153.92</u>		<u>6,153.92</u>
	<u>\$ 3,794.98</u>	<u>\$ 13,583.02</u>	<u>\$ 3,794.98</u>	<u>\$ 13,583.02</u>

TRUST AND AGENCY FUNDS

**BOROUGH OF HELMETTA
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012**

	Payroll Fund		Animal Control		Other		Totals (Memorandum Only)	
	2013	2012	2013	2012	2013	2012	2013	2012
ASSETS								
Cash and Cash Equivalents	\$ 364.64	\$ 2,860.70	\$ 1,168.85	\$ 1,203.95	\$ 173,587.30	\$ 147,285.03	\$ 175,120.79	\$ 151,349.68
Amounts Held by Plan Administrator (Unaudited)					70,657.80	49,478.22	70,657.80	49,478.22
Interfund's Receivable: Due from Current Fund					421.67		421.67	
Total Assets	\$ 364.64	\$ 2,860.70	\$ 1,168.85	\$ 1,203.95	\$ 244,666.77	\$ 196,763.25	\$ 246,200.26	\$ 200,827.90
LIABILITIES AND RESERVES								
Other Liabilities and Reserves:								
Interfunds Payable - Due to Current Fund	\$ 364.64	\$ 2,860.70				\$ 158.70	\$ 364.64	\$ 3,019.40
Due to Employee			\$ 2.40	\$ 2.40			2.40	2.40
Due to State of New Jersey			1,166.45	1,201.55	173,612.21	146,555.75	174,778.66	147,757.30
Various Reserves					396.76	570.58	396.76	570.58
Unemployment Reserves								
Reserve for LOSAP Funds (Unaudited)					70,657.80	49,478.22	70,657.80	49,478.22
Total Liabilities and Reserves	\$ 364.64	\$ 2,860.70	\$ 1,168.85	\$ 1,203.95	\$ 244,666.77	\$ 196,763.25	\$ 246,200.26	\$ 200,827.90

BOROUGH OF HELMETTA
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2012	Receipts Deposits	Disbursed	Balance December 31, 2013
Reserve for:				
Land Right of Way Acquisition - Developers - Heather Glen	\$ 300.00			\$ 300.00
Performance Bond	1,586.59			1,586.59
Developer Deposits and Reserves	21,522.30	\$ 24,440.05	\$ 23,973.81	21,988.54
Off Duty Police	3,622.08	900.00	1,715.00	2,807.08
Recycling	604.57	277.23	881.80	0.00
Municipal Alliance Donations	1,160.95		1,160.95	
Reserve for Public Defender	3,958.00	350.00	1,500.00	2,808.00
Street Opening Deposits	7,296.00			7,296.00
Recreation	2,857.87	7,079.56	7,414.36	2,523.07
Accumulated Sick Leave Reserve	4,835.78	300.00		5,135.78
Parking Offense Adjudication Account	84.00			84.00
Tax Sale Premium	25,200.00		30,100.00	35,100.00
Tax Title Lien Redemption		63,946.34	63,946.34	
Uniform Fire Safety Penalty Act COAH	284.00			284.00
	9,087.44	0.91		9,088.35
Snowflake Fund	200.00		200.00	
Animal Shelter Donations	6,180.52	10,856.92		17,037.44
Animal Shelter Donations - Anniversary		1,825.60		1,825.60
Animal Control Restitution		16,529.46	9,000.00	7,529.46
School Board Expenses	55,785.20			55,785.20
Municipal Forfeiture		442.65		442.65
Miscellaneous	1,990.45			1,990.45
	\$ 146,555.75	\$ 166,948.72	\$ 139,892.26	\$ 173,612.21

BOROUGH OF HELMETTA
PAYROLL FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

	<u>Increased</u>	<u>Decreased</u>
Federal Withholding Tax	\$ 92,208.02	\$ 92,208.02
Public Employees Retirement System:		
Regular	23,456.85	23,456.85
Contributory Insurance	1,799.82	1,799.82
Back Pension	698.11	698.11
Loans	5,253.37	5,253.37
Social Security and Medicare Taxes	140,092.74	140,092.74
State Income Tax	21,272.40	21,272.40
New Jersey Disability	2,806.86	2,806.86
New Jersey Unemployment	6,918.76	6,918.76
Family Leave	615.19	615.19
Police and Firemen's Retirement System:		
Regular	26,713.28	26,713.28
Loans	5,681.92	5,681.92
Dental	1,050.00	1,050.00
Health	14,222.14	14,222.14
Supplemental Insurance Pre-Tax	2,143.53	2,143.53
Supplemental Insurance Post-Tax	5,461.77	5,461.77
Dues	3,741.00	3,741.00
Child Support	14,092.00	14,092.00
Deferred Compensation - PEBSO	<u>18,720.00</u>	<u>18,720.00</u>
	<u>\$ 386,947.76</u>	<u>\$ 386,947.76</u>

BOROUGH OF HELMETTA
ANIMAL CONTROL TRUST FUND
STATEMENT OF RESERVE
FOR ANIMAL CONTROL EXPENDITURES

<u>BALANCE, DECEMBER 31, 2012</u>		\$ 1,201.55
<u>INCREASED BY</u>		
Cash Receipts:		
Dog License Fees	\$ 1,614.60	
Cat License Fees	784.00	
Other	105.00	
		<u>2,503.60</u>
		\$ 3,705.15
<u>DECREASED BY</u>		
Expenditures		<u>2,538.70</u>
<u>BALANCE (DEFICIT), DECEMBER 31, 2013</u>		<u>\$ 1,166.45</u>

DOG LICENSE FEES COLLECTED

<u>Year</u>		
2012	\$	1,805.00
2011		<u>1,487.00</u>
	\$	<u><u>3,292.00</u></u>

AUDITOR'S NOTE

R.S. 4:19-15.11

"There shall be transferred from such special account to the general funds of the Municipality any amounts then in such account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding."

BOROUGH OF HELMETTA
TRUST OTHER FUND
STATEMENT OF RESERVE FOR STATE OF NEW JERSEY
UNEMPLOYMENT COMPENSATION CLAIMS

<u>BALANCE, DECEMBER 31, 2012</u>	\$	570.58
<u>INCREASED BY</u>		
Cash Receipts		<u>1,775.00</u>
	\$	2,345.58
<u>DECREASED BY</u>		
Expenditures	\$	<u>1,948.82</u>
 <u>BALANCE, DECEMBER 31, 2013</u>	 \$	 <u><u>396.76</u></u>

GENERAL CAPITAL FUND

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012

	Balance December 31, <u>2013</u>	Balance December 31, <u>2012</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>541,224.44</u>	\$ <u>651,416.94</u>
Intergovernmental Accounts Receivable	\$ <u>129,594.37</u>	\$ <u>247,636.54</u>
Deferred Charges to Future Taxation - Unfunded	\$ <u>1,590,000.00</u>	\$ <u>1,670,000.00</u>
Total Assets	\$ <u>2,260,818.81</u>	\$ <u>2,569,053.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes	\$ <u>1,590,000.00</u>	\$ <u>1,670,000.00</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 1,010.26	\$ 26,010.26
Reserve for Acquisition of an Animal Control Van, Appropriated	20,425.00	20,000.00
Reserve for CDBG	915.06	9,087.52
Reserve for Affordable Housing	24,000.00	24,000.00
Reserve for Detention Basin	3,082.64	3,082.64
Reserve for HFD Lower House Repairs	101,966.05	110,875.00
Reserve for Encumbrances	<u>44,547.80</u>	<u>18,946.69</u>
	\$ <u>195,946.81</u>	\$ <u>212,002.11</u>
Improvement Authorizations:		
Funded	\$ 445,016.01	\$ 632,770.33
Unfunded	<u>27,608.90</u>	<u>25,750.00</u>
	\$ <u>472,624.91</u>	\$ <u>658,520.33</u>
Fund Balance	\$ <u>2,247.09</u>	\$ <u>28,531.04</u>
Total Liabilities, Reserves and Fund Balance	\$ <u>2,260,818.81</u>	\$ <u>2,569,053.48</u>

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

**BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

	NJ DOT		County Of Middlesex	
	Street Improvements 2011-05	North Shore Boulevard 2012-3	Park Improvements (CDBG) 2011-20	Residence Park (CDBG) 2013-2
<u>Total</u>	\$ 247,636.54	\$ 73,593.54	\$ 2,621.00	
<u>BALANCE, DECEMBER 31, 2012</u>	\$	\$	\$	\$
<u>INCREASED BY</u>				
Awarded				\$ 21,360.00
<u>DECREASED BY</u>				
Cash Receipts	102,197.00		2,621.00	21,360.00
Cancelled	<u>37,205.17</u>	<u>7,235.51</u>		
<u>BALANCE, DECEMBER 31, 2013</u>	<u>\$ 129,594.37</u>	<u>\$ 66,358.03</u>	<u>\$</u>	<u>\$</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION, UNFUNDED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2012</u>	<u>Budget Appropriation</u>	<u>Balance December 31, 2013</u>	<u>Analysis of Detail Bond Anticipation Notes</u>
2010-15/ 2010-28	Various Improvements for Animal Shelter	\$ 1,670,000.00	\$ 80,000.00	\$ 1,590,000.00	\$ 1,590,000.00
		<u>\$ 1,670,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 1,590,000.00</u>	<u>\$ 1,590,000.00</u>

**BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Decreased By</u>	<u>Balance December 31, 2013</u>
2010-15/2010-28	Various Improvements For Animal Shelter	12/23/10	05/17/13	05/16/14	0.94%	\$ 795,000.00	\$ 40,000.00	\$ 755,000.00
2010-15/2010-28	Various Improvements For Animal Shelter	05/17/11	05/17/13	05/16/14	0.94%	875,000.00	40,000.00	835,000.00
						<u>\$ 1,670,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 1,590,000.00</u>
Detail:								
Budget Appropriation								<u>\$ 80,000.00</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2012</u>	\$	26,010.26
<u>INCREASED BY</u>		
2013 Budget Appropriation		<u>20,000.00</u>
		46,010.26
<u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations		<u>45,000.00</u>
 <u>BALANCE, DECEMBER 31, 2013</u>	 \$	 <u><u>1,010.26</u></u>

Detail of Improvements Authorizations:
 Ord 13-5 \$45,000.00

**BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Description	Ordinance Date	Amount	Balance December 31, 2012		2013 Authorizations	Paid or Charged	Cancelled	Balance December 31, 2013	
				Funded	Unfunded				Funded	Unfunded
2010-15/ 2010-28	Various Improvements for Animal Shelter	07/13/10 10/27/10	\$ 1,900,000.00		\$ 25,750.00	\$	14,101.00	\$ (15,959.90)		\$ 27,608.90
2011-4	Improvements to Helmetta Lake Park (MCOST)	04/18/11	500,000.00	\$ 441,815.18			12,920.42			\$ 428,894.76
2011-05	Various Street Improvements (NJDOT \$171,422)	04/18/11	191,422.00	176,878.25			148,192.54	28,685.71		
2011-20	Park Improvements (CDBG \$23,498)	12/06/11	23,498.00	2,621.00			2,621.00			
2012-3	Improvements to North Shore Boulevard (NJDOT \$175,000)	05/23/12	195,000.00	11,455.90			2,439.73	4,248.72		4,767.45
2013-2	Improvements to Residence Park (CDBG \$21,360)	03/27/13	21,360.00		\$ 21,360.00		21,360.00			
2013-5	Acquisition of Various Equipment and Infrastructure Improvements (CIF \$45,000 and CFB \$25,000)	04/24/13	70,000.00			70,000.00	58,646.20			11,353.80
				\$ 632,770.33	\$ 25,750.00	\$ 91,360.00	\$ 260,280.89	\$ 16,974.53	\$ 445,016.01	\$ 27,608.90

Detail:
 NJ DOT Grant Receivable - Cancelled \$ 37,205.17
 Reserve for Encumbrances - Cancelled (18,946.69)
 Fund Balance Charged (1,283.95)
 \$ 16,974.53

UTILITY OPERATING FUNDS - COMBINED STATEMENTS

**BOROUGH OF HELMETTA
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,
RESERVES AND FUND BALANCE - SEWER UTILITY AND
WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012**

	<u>Sewer Utility</u>		<u>Water Utility</u>		<u>Totals</u> (Memorandum Only)	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>						
Operating Fund:						
Cash and Cash Equivalents	\$ 191,613.19	\$ 152,079.69	\$ 82,004.12	\$ 90,672.26	\$ 273,617.31	\$ 242,751.95
Consumer Accounts Receivable	36,087.62	35,303.72	39,010.32	29,168.71	75,097.94	64,472.43
Interfund Receivable:						
Due from Sewer Utility Operating Fund				452.05		452.05
Total Assets	<u>\$ 227,700.81</u>	<u>\$ 187,383.41</u>	<u>\$ 121,014.44</u>	<u>\$ 120,293.02</u>	<u>\$ 348,715.25</u>	<u>\$ 307,676.43</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 66,703.26	\$ 21,968.90	\$ 18,976.23	\$ 25,217.07	\$ 85,679.49	\$ 47,185.97
Other Liabilities and Reserves:						
Reserve for Encumbrances	\$ 1,239.74	\$ 828.00	\$ 1,196.70	\$ 1,647.99	\$ 2,436.44	\$ 2,475.99
Consumer Overpayments	1,866.20	1,602.96	1,473.23	469.83	3,339.43	2,072.79
Accrued Interest on Loans and Notes			14,966.15	15,758.49	14,966.15	15,758.49
Interfunds Payable:						452.05
Due to Water Utility Operating Fund						
Reserve for Receivables and Other Assets	\$ 3,105.94	\$ 2,883.01	\$ 17,636.08	\$ 17,876.31	\$ 20,742.02	\$ 20,759.32
Fund Balance	\$ 36,087.62	\$ 35,303.72	\$ 39,010.32	\$ 29,168.71	\$ 75,097.94	\$ 64,472.43
	<u>\$ 121,803.99</u>	<u>\$ 127,227.78</u>	<u>\$ 45,391.81</u>	<u>\$ 48,030.93</u>	<u>\$ 167,195.80</u>	<u>\$ 175,258.71</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 227,700.81</u>	<u>\$ 187,383.41</u>	<u>\$ 121,014.44</u>	<u>\$ 120,293.02</u>	<u>\$ 348,715.25</u>	<u>\$ 307,676.43</u>

SEWER UTILITY OPERATING FUND

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	<u>Year 2013</u>	<u>Year 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 41,148.00	\$ 39,310.00
Rents	415,496.68	416,039.00
Other Credits to Income:		
Nonbudget Revenue	10,673.69	10,585.13
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	<u>19,553.84</u>	<u>22,878.79</u>
Total Income	<u>\$ 486,872.21</u>	<u>\$ 488,812.92</u>
<u>EXPENDITURES</u>		
Operating	\$ 419,550.00	\$ 420,304.00
Capital Improvements	20,000.00	18,000.00
Deferred Charges and Statutory Expenditures	<u>11,598.00</u>	<u>11,006.00</u>
Total Expenditures	<u>\$ 451,148.00</u>	<u>\$ 449,310.00</u>
Statutory Excess to Fund Balance	\$ 35,724.21	\$ 39,502.92
Fund Balance, January 1	<u>127,227.78</u>	<u>127,034.86</u>
	<u>\$ 162,951.99</u>	<u>\$ 166,537.78</u>
Decreased by -		
Utilized by Sewer Operating Budget	<u>\$ 41,148.00</u>	<u>\$ 39,310.00</u>
Fund Balance, December 31	<u><u>\$ 121,803.99</u></u>	<u><u>\$ 127,227.78</u></u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 41,148.00	\$ 41,148.00	
Rents	<u>410,000.00</u>	<u>415,496.68</u>	\$ <u>5,496.68</u>
	\$ 451,148.00	\$ 456,644.68	\$ 5,496.68
Nonbudget Revenue	<u> </u>	<u>10,673.69</u>	<u>10,673.69</u>
	<u>\$ 451,148.00</u>	<u>\$ 467,318.37</u>	<u>\$ 16,170.37</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous:	
Interest & Costs on Rents	\$ 4,673.69
Interlocal Service Agreement - Borough of Jamesburg	<u>6,000.00</u>
	<u>\$ 10,673.69</u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries and Wages	\$ 61,450.00	\$ 61,450.00	\$ 59,173.01		\$ 2,276.99
Other Expenses	27,000.00	27,000.00	24,265.34	\$ 1,239.74	1,494.92
Monroe Utility Authority Cost	300,000.00	300,000.00	242,899.43		57,100.57
Other Expenses - Insurance	31,000.00	31,000.00	30,197.44		802.56
Accumulated Sick Leave	100.00	100.00	100.00		
Total Operating	\$ 419,550.00	\$ 419,550.00	\$ 356,635.22	\$ 1,239.74	\$ 61,675.04
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Capital Outlay	5,000.00	5,000.00			\$ 5,000.00
Capital Outlay - I&I	10,000.00	10,000.00	10,000.00		
Total Capital Improvements	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00		\$ 5,000.00

DEFERRED CHARGES AND STATUTORY EXPENDITURES

Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 6,873.00	\$ 6,873.00	\$ 6,873.00		
Social Security System (O.A.S.I.)	4,600.00	4,600.00	4,596.78		\$ 3.22
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	125.00	125.00	100.00		25.00
Total Deferred Charges and Statutory Expenditures	\$ 11,598.00	\$ 11,598.00	\$ 11,569.78		\$ 28.22
Total Sewer Utility Appropriations	\$ 451,148.00	\$ 451,148.00	\$ 383,205.00	\$ 1,239.74	\$ 66,703.26

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2012</u>		\$	35,303.72
<u>INCREASED BY</u>			
Sewer Rents Levied			416,280.58
		\$	451,584.30
<u>DECREASED BY</u>			
Collections	\$	413,893.72	
Customer Overpayments Applied		1,602.96	415,496.68
<u>BALANCE, DECEMBER 31, 2013</u>		\$	36,087.62

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF 2012 APPROPRIATION RESERVES

	Balance December 31, 2012	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Encumbered</u>		
<u>OPERATING</u>				
Salaries and Wages	\$ 960.26	\$ 960.26	\$ 501.76	\$ 458.50
Other Expenses	2,621.18	3,449.18	2,741.30	707.88
Monroe Utilities Authority Cost	5,057.09	5,057.09		5,057.09
Other Expense-Insurance	117.03	117.03		117.03
<u>CAPITAL IMPROVEMENTS</u>				
Capital Outlay	3,000.00	3,000.00		3,000.00
Capital Outlay - I & I	10,000.00	10,000.00		10,000.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	213.34	213.34		213.34
	<u>\$ 21,968.90</u>	<u>\$ 828.00</u>	<u>\$ 3,243.06</u>	<u>\$ 19,553.84</u>

WATER UTILITY OPERATING FUND

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	<u>Year 2013</u>	<u>Year 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 21,024.00	\$ 64,674.00
Rents	420,381.71	373,438.85
Cell Tower Revenue	71,229.67	69,765.09
Other Credits to Income:		
Nonbudget Revenue	3,537.56	3,428.90
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	23,186.93	50,712.75
Current Appropriations Canceled	<u>635.01</u>	<u>1,688.15</u>
 Total Income	 <u>\$ 539,994.88</u>	 <u>\$ 563,707.74</u>
<u>EXPENDITURES</u>		
Operating	\$ 349,550.00	\$ 348,304.00
Capital Improvements	16,250.00	15,000.00
Debt Service	144,312.00	146,464.00
Deferred Charges and Statutory Expenditures	<u>11,498.00</u>	<u>10,906.00</u>
 Total Expenditures	 <u>\$ 521,610.00</u>	 <u>\$ 520,674.00</u>
 Statutory Excess to Fund Balance	 <u>\$ 18,384.88</u>	 <u>\$ 43,033.74</u>
 Fund Balance, January 1	 <u>48,030.93</u>	 <u>69,671.19</u>
	<u>\$ 66,415.81</u>	<u>\$ 112,704.93</u>
 Decreased By:		
Utilized by Water Operating Budget	<u>21,024.00</u>	<u>64,674.00</u>
 Fund Balance, December 31	 <u>\$ 45,391.81</u>	 <u>\$ 48,030.93</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Utilized	\$ 21,024.00	\$ 21,024.00	
Rents	373,000.00	358,795.71	\$ (14,204.29)
Rate Increase - Effective October 1, 2012	61,586.00	61,586.00	
Cell Tower Revenue	<u>66,000.00</u>	<u>71,229.67</u>	<u>5,229.67</u>
	\$ 521,610.00	\$ 512,635.38	\$ (8,974.62)
Nonbudget Revenues	<u> </u>	<u>3,537.56</u>	<u>3,537.56</u>
	<u>\$ 521,610.00</u>	<u>\$ 516,172.94</u>	<u>\$ (5,437.06)</u>

ANALYSIS OF NONBUDGET REVENUE

Water Connection Fees	\$ 100.00
Interest on Delinquent Accounts	3,047.16
Meter Readings	340.00
Miscellaneous	<u>50.40</u>
	<u>\$ 3,537.56</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATING						
Salaries and Wages	\$ 61,450.00	\$ 61,450.00	\$ 58,284.46		\$ 3,165.54	
Other Expenses	42,000.00	42,000.00	35,650.71	\$ 1,196.70	5,152.59	
Purchase of Water	215,000.00	215,000.00	215,000.00			
Other Expenses - Insurance	31,000.00	31,000.00	30,381.89		618.11	
Accumulated Sick Leave	100.00	100.00	100.00			
Total Operating	\$ 349,550.00	\$ 349,550.00	\$ 339,417.06	\$ 1,196.70	\$ 8,936.24	
CAPITAL IMPROVEMENTS						
Capital Outlay	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00		\$ 10,000.00	
Capital Outlay - Reserve Water Tower Repainting	5,000.00	5,000.00	1,250.00			
Capital Improvement Fund	1,250.00	1,250.00	1,250.00			
Total Capital Improvements	\$ 16,250.00	\$ 16,250.00	\$ 6,250.00		\$ 10,000.00	
DEBT SERVICE						
Payment of Bond Anticipation Notes and Capital Notes	\$ 63,000.00	\$ 63,000.00	\$ 63,000.00			\$ 635.01
Interest on Notes	2,800.00	2,800.00	2,164.99			
USDA Loan	78,512.00	78,512.00	78,512.00			
Total Debt Service	\$ 144,312.00	\$ 144,312.00	\$ 143,676.99			\$ 635.01
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 6,873.00	\$ 6,873.00	\$ 6,873.00			
Social Security System (O.A.S.I.)	4,500.00	4,500.00	4,485.01		\$ 14.99	
Unemployment Compensation Insurance (NJSA 43:21-3 et. Seq.)	125.00	125.00	100.00		25.00	
Total Deferred Charges and Statutory Expenditures	\$ 11,498.00	\$ 11,498.00	\$ 11,458.01		\$ 39.99	
Total Water Utility Appropriations	\$ 521,610.00	\$ 521,610.00	\$ 500,802.06	\$ 1,196.70	\$ 18,976.23	\$ 635.01

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2012</u>		\$ 29,168.71
<u>INCREASED BY</u>		
Water Rents Levied		<u>430,223.32</u>
		\$ 459,392.03
<u>DECREASED BY</u>		
Collections	\$ 419,911.88	
Prepaid Rents	<u>469.83</u>	<u>420,381.71</u>
 <u>BALANCE, DECEMBER 31, 2013</u>		 <u><u>\$ 39,010.32</u></u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF ACCRUED INTEREST ON LOANS AND NOTES

<u>BALANCE, DECEMBER 31, 2012</u>	\$ 15,758.49
 <u>INCREASED BY</u>	
Budget Appropriation for:	
Interest on Notes	\$ 2,164.99
Interest on USDA Loan	<u>59,746.53</u>
	<u>61,911.52</u>
	\$ 77,670.01
 <u>DECREASED BY</u>	
Disbursed	<u>62,703.86</u>
 <u>BALANCE, DECEMBER 31, 2013</u>	 <u>\$ 14,966.15</u>

ANALYSIS OF ACCRUED INTEREST, DECEMBER 31, 2013

		<u>Principal Outstanding December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes	\$	38,000.00	1.375%	9/24/2013	12/31/2013	98 days	\$ 140.28
USDA Loan		1,248,494.60	4.75%	10/1/2013	12/31/2013	3 Months	<u>14,825.87</u>
							<u>\$ 14,966.15</u>

**BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF 2012 APPROPRIATION RESERVES**

	<u>Balance</u>	<u>December 31, 2012</u>	<u>Balance</u>		
	<u>Appropriation</u>	<u>Reserves</u>	<u>Encumbered</u>	<u>After</u>	
			<u>Transfers</u>	<u>Paid or</u>	
				<u>Charged</u>	
				<u>Balance</u>	
				<u>Lapsed</u>	
OPERATING					
Salaries and Wages	\$ 3,134.35		\$ 3,134.35	\$ 501.76	\$ 2,632.59
Other Expenses	5,802.30	\$ 1,647.99	7,450.29	3,176.37	4,273.92
Purchase of Water	11,962.13		11,962.13		11,962.13
Other Expenses - Insurance	117.03		117.03		117.03
CAPITAL IMPROVEMENTS					
Capital Outlay	4,000.00		4,000.00		4,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	201.26		201.26		201.26
	<u>\$ 25,217.07</u>	<u>\$ 1,647.99</u>	<u>\$ 26,865.06</u>	<u>\$ 3,678.13</u>	<u>\$ 23,186.93</u>

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

BOROUGH OF HELMETTA
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
SEWER UTILITY AND WATER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012

	Sewer Utility		Water Utility		Total (Memorandum Only)	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
ASSETS						
Cash and Cash Equivalents	\$ 70,399.08	\$ 64,399.08	\$ 107,122.84	\$ 100,872.84	\$ 177,521.92	\$ 165,271.92
Fixed Capital	\$ 1,701,244.62	\$ 1,701,244.62	\$ 3,387,513.21	\$ 3,387,513.21	\$ 5,088,757.83	\$ 5,088,757.83
Total Assets	<u>\$ 1,771,643.70</u>	<u>\$ 1,765,643.70</u>	<u>\$ 3,494,636.05</u>	<u>\$ 3,488,386.05</u>	<u>\$ 5,266,279.75</u>	<u>\$ 5,254,029.75</u>
LIABILITIES AND RESERVES						
Bond Anticipation Notes			\$ 38,000.00	\$ 101,000.00	\$ 38,000.00	\$ 101,000.00
USDA Loan			\$ 1,248,494.60	\$ 1,267,039.84	\$ 1,248,494.60	\$ 1,267,039.84
Capital Improvement Fund Reserve for Water-Tower Repainting Reserve for Capital Outlay - I & I	\$ 58,150.00	\$ 53,150.00	\$ 34,772.29	\$ 33,522.29	\$ 92,922.29	\$ 86,672.29
	1,000.00		46,000.00	41,000.00	46,000.00	41,000.00
	<u>\$ 59,150.00</u>	<u>\$ 53,150.00</u>	<u>\$ 80,772.29</u>	<u>\$ 74,522.29</u>	<u>\$ 139,922.29</u>	<u>\$ 127,672.29</u>
Reserve for Amortization	\$ 1,648,643.70	\$ 1,648,643.70	\$ 861,564.83	\$ 843,019.59	\$ 2,510,208.53	\$ 2,491,663.29
Deferred Reserve for Amortization	\$ 52,600.92	\$ 52,600.92	\$ 1,239,453.78	\$ 1,176,453.78	\$ 1,292,054.70	\$ 1,229,054.70
Fund Balance	\$ 11,249.08	\$ 11,249.08	\$ 26,350.55	\$ 26,350.55	\$ 37,599.63	\$ 37,599.63
Total Liabilities and Reserves	<u>\$ 1,771,643.70</u>	<u>\$ 1,765,643.70</u>	<u>\$ 3,494,636.05</u>	<u>\$ 3,488,386.05</u>	<u>\$ 5,266,279.75</u>	<u>\$ 5,254,029.75</u>

There were no Bonds and Notes Authorized but not Issued in the Sewer Utility Capital Fund and in the Water Utility Capital Fund at December 31, 2013.

SEWER UTILITY CAPITAL FUND

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance December 31, <u>2012</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2013</u>
Fund Balance	\$ 11,249.08			\$ 11,249.08
Capital Improvement Fund	53,150.00	\$ 5,000.00		58,150.00
Reserve for Capital Outlay - I & I	<u> </u>	<u>10,000.00</u>	\$ <u>9,000.00</u>	<u>1,000.00</u>
	<u>\$ 64,399.08</u>	<u>\$ 15,000.00</u>	<u>\$ 9,000.00</u>	<u>\$ 70,399.08</u>

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2012</u>	\$ 53,150.00
<u>INCREASED BY</u>	
2013 Budget Appropriation	<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2013</u>	<u>\$ 58,150.00</u>

WATER UTILITY CAPITAL FUND

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
ANALYSIS CASH AND CASH EQUIVALENTS

	Balance December 31, <u>2012</u>	<u>Receipts</u>	Balance December 31, <u>2013</u>
Fund Balance	\$ 26,350.55		\$ 26,350.55
Capital Improvement Fund	33,522.29	\$ 1,250.00	34,772.29
Reserve for Water Tower Repainting	<u>41,000.00</u>	<u>5,000.00</u>	<u>46,000.00</u>
	<u>\$ 100,872.84</u>	<u>\$ 6,250.00</u>	<u>\$ 107,122.84</u>

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2012</u>	
<u>AND</u>	
<u>BALANCE, DECEMBER 31, 2013</u>	\$ <u>3,387,513.21</u>

Detail:

<u>Description</u>	
Improvements to Water System - Tank Cleaning	\$ 50,000.00
Improvement to Water System - Helmetta Boulevard	417,000.00
Improvement to Water System	204,566.81
Renovation of Municipal Building	13,000.00
Improvement to Water System - John Street	54,705.75
Construction of a Water Storage Tank	20,000.00
Improvement to Water System	50,000.00
Construction of a Water Tower	1,975,087.50
Reconstruction of Railroad Avenue Water Main	120,000.00
Replacement of Water Meters - 2001	35,000.00
Replacement of Water Meters - 2003	180,010.42
Capital Outlay - 2005	503.70
Acquisition of a New Loader/ Backhoe	20,000.00
Purchase and Installation of Computer and Phone Upgrades	1,600.00
Installation of Water Main on High Street	63,789.03
Acquisition of a Dump Truck	32,250.00
Various Water Improvements	<u>150,000.00</u>
	<u>\$ 3,387,513.21</u>

BOROUGH OF HELMETIA
WATER UTILITY CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Date of Issue of Original Notes</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2013</u>
2009-6	Various improvements	10/1/2009	9/25/2013	9/24/2014	1.375%	\$ 101,000.00	\$ 63,000.00	\$ 38,000.00
						<u>\$ 101,000.00</u>	<u>\$ 63,000.00</u>	<u>\$ 38,000.00</u>
<u>Detail:</u>							<u>\$ 63,000.00</u>	
Budget Appropriation							<u>\$ 63,000.00</u>	

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

BALANCE, DECEMBER 31, 2012

AND

BALANCE, DECEMBER 31, 2013

\$ 34,772.29

(There was no change during the year)

CAPITAL ASSETS

STATISTICAL SECTION

(UNAUDITED)

BOROUGH OF HELMETTA
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
(UNAUDITED)

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government	\$ 208,400.00	\$ 199,012.00	\$ 234,950.00	\$ 234,750.00	\$ 191,800.00	\$ 190,275.00	\$ 211,025.00	\$ 265,050.00	\$ 216,640.00	\$ 179,155.00
Land Use	7,460.00	7,400.00	13,900.00	16,208.00	22,200.00	10,200.00	13,600.00	18,550.00	7,325.00	16,370.00
Insurance	218,000.00	192,000.00	176,925.00	155,600.00	144,100.00	133,868.00	131,438.00	134,675.00	129,005.00	141,000.00
Public Safety	475,432.80	525,038.17	534,252.00	531,920.00	501,038.00	484,512.00	448,735.00	442,741.00	416,104.00	441,888.00
Public Works	310,450.00	370,880.96	352,180.00	348,037.00	353,179.00	314,610.00	306,610.00	306,180.00	327,342.00	307,465.00
Health and Human Services	13,910.00	35,535.00	43,478.00	36,115.00	33,658.00	27,458.00	27,316.00	28,122.00	28,763.00	27,498.00
Park and Recreation	16,000.00	15,000.00	15,000.00	9,700.00	18,000.00	17,250.00	20,500.00	19,500.00	12,250.00	8,750.00
Utilities	105,200.00	106,500.00	107,800.00	96,600.00	104,200.00	107,900.00	97,450.00	90,200.00	80,625.00	60,600.00
Intercal Agreement-Animal Shelter	403,060.00	261,125.00	108,900.00							
Deferred Charges and Statutory Expenditures	180,167.00	169,720.00	182,883.00	134,752.11	138,045.08	131,794.03	102,350.00	79,707.57	57,886.00	55,746.71
Grants	3,794.98	14,174.24	47,543.86	15,528.94	20,282.88	50,513.74	115,237.17	59,793.73	142,946.51	162,671.22
Capital Improvements	70,000.00	60,000.00	79,000.00	113,000.00	65,000.00	35,000.00	18,000.00	145,000.00	49,500.00	16,500.00
Debt Service	109,100.00	109,341.00	110,834.00	88,470.00	90,845.00	302,720.00	326,730.00	336,302.00	335,928.00	335,770.00
Contingent	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Reserve for Uncollected Taxes	158,838.26	158,838.45	154,315.00	152,661.67	149,475.03	147,023.14	149,000.00	130,000.00	124,000.00	112,004.20
	<u>\$ 2,280,313.04</u>	<u>\$ 2,225,062.82</u>	<u>\$ 2,162,460.86</u>	<u>\$ 1,933,842.72</u>	<u>\$ 1,832,322.99</u>	<u>\$ 1,953,623.81</u>	<u>\$ 1,968,491.17</u>	<u>\$ 2,056,321.30</u>	<u>\$ 1,928,812.51</u>	<u>\$ 1,865,913.13</u>

Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
(UNAUDITED)

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating	\$ 419,550.00	\$ 420,304.00	\$ 415,100.00	\$ 394,100.00	\$ 355,100.00	\$ 349,600.00	\$ 330,100.00	\$ 320,400.00	\$ 314,000.00	\$ 298,500.00
Capital Improvements	20,000.00	18,000.00	20,000.00	20,000.00	20,000.00	20,000.00	25,500.00	13,000.00	33,000.00	30,000.00
Debt Service							10,400.00	11,000.00	11,600.00	43,860.00
Deferred Charges and Statutory Expenditures	11,538.00	11,006.00	12,645.00	8,950.00	8,800.00	8,000.00	5,900.00	5,084.00	4,500.00	4,175.00
	<u>\$ 451,148.00</u>	<u>\$ 449,310.00</u>	<u>\$ 447,745.00</u>	<u>\$ 423,050.00</u>	<u>\$ 383,900.00</u>	<u>\$ 377,600.00</u>	<u>\$ 371,900.00</u>	<u>\$ 349,484.00</u>	<u>\$ 363,100.00</u>	<u>\$ 376,035.00</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
[ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS]
(UNAUDITED)

Function	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating	\$ 349,550.00	\$ 348,304.00	\$ 364,100.00	\$ 333,100.00	\$ 338,100.00	\$ 347,600.00	\$ 317,600.00	\$ 279,975.00	\$ 276,450.00	\$ 240,000.00
Capital Improvements	16,250.00	15,000.00	15,000.00	10,000.00	15,000.00	15,000.00	17,000.00	25,000.00	37,000.00	24,000.00
Debt Service	144,312.00	146,464.00	146,032.00	145,620.00	147,537.00	141,190.00	161,986.00	188,772.00	186,572.00	206,686.00
Deferred Charges and Statutory Expenditures	11,498.00	10,906.00	12,845.00	8,950.00	8,800.00	8,000.00	6,400.00	19,819.00	2,800.00	20,800.00
	\$ 521,610.00	\$ 520,674.00	\$ 537,777.00	\$ 497,670.00	\$ 509,437.00	\$ 511,790.00	\$ 502,996.00	\$ 493,566.00	\$ 482,822.00	\$ 491,456.00

BOROUGH OF HELMETTA
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(ABSTRACTED FROM ANNUAL AUDIT OF BOROUGH RECORDS)
(UNAUDITED)

Source	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Surplus Anticipated	\$ 246,000.00	\$ 246,000.00	\$ 246,000.00	\$ 246,000.00	\$ 235,000.00	\$ 225,000.00	\$ 48,000.00	\$ 341,000.00	\$ 341,950.00	\$ 322,000.00
Taxes (1)	1,289,178.79	1,234,602.56	1,180,064.52	1,151,660.28	1,148,995.87	1,183,003.44	1,174,057.97	1,021,733.09	972,366.71	930,050.31
Delinquent Taxes	97,133.98	86,149.56	111,656.44	95,995.77	69,145.92	37,856.72	42,313.15	42,927.60	51,003.13	69,712.72
Miscellaneous	254,658.54	276,689.00	532,467.72	417,478.37	315,039.65	291,401.52	448,307.54	265,774.49	172,659.66	201,389.08
Animal Control/Shelter	415,958.63	356,119.50	142,271.00	142,271.00	178,844.00	308,429.00	320,886.00	341,680.00	361,680.00	361,680.00
State Aid	142,271.28	142,271.00	47,543.86	12,228.94	17,991.76	38,731.61	109,204.17	58,397.53	149,321.51	147,582.22
Grants	3,794.98	14,174.24								
Nonbudget Revenues and Other Items	260,423.19	153,865.32	135,389.75	78,242.00	109,414.36	81,297.04	112,503.59	161,190.41	130,571.73	176,249.33
	<u>\$ 2,689,419.69</u>	<u>\$ 2,509,871.18</u>	<u>\$ 2,395,293.29</u>	<u>\$ 2,143,276.34</u>	<u>\$ 2,074,431.56</u>	<u>\$ 2,165,719.33</u>	<u>\$ 2,255,272.42</u>	<u>\$ 2,232,703.12</u>	<u>\$ 2,179,554.74</u>	<u>\$ 2,208,663.66</u>

(1) Excludes tax allocated to county and school.

BOROUGH OF HELMETTA
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Borough</u>	<u>County</u>	<u>School</u>	<u>Total</u>	<u>Collection Rates Current</u>	<u>Delinquent Taxes as Percent of Levy</u>
2013	\$ 0.652	\$ 0.446	\$ 1.664	\$ 2.762	97.85%	2.03%
2012	0.635	0.404	1.674	2.713	97.64%	1.88%
2011	0.469	0.339	1.283	2.091	97.34%	1.67%
2010	0.450	0.305	1.278	2.033	97.57%	2.22%
2009	0.439	0.307	1.257	2.003	98.03%	1.87%
2008	0.442	0.293	1.230	1.965	98.50%	1.41%
2007 *	0.425	0.291	1.194	1.910	98.79%	0.79%
2006	1.430	1.010	4.610	7.050	99.05%	0.92%
2005	1.325	0.912	4.003	6.240	98.47%	1.05%
2004	1.250	0.910	3.810	5.970	97.96%	1.13%

Source: Tax Collector.

* Revaluation Effective for 2007

BOROUGH OF HELMETTA
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage</u> <u>of Collections</u>
2013	\$ 5,167,927.12	\$ 5,056,899.48	97.85%
2012	5,102,564.03	4,982,280.62	97.64%
2011	5,168,794.33	5,031,235.47	97.34%
2010	5,041,253.55	4,918,987.79	97.57%
2009	5,007,190.19	4,908,722.72	98.03%
2008	4,917,217.04	4,843,764.39	98.50%
2007	4,787,617.27	4,730,007.49	98.79%
2006	4,580,970.58	4,537,695.97	99.06%
2005	4,053,308.75	3,991,281.54	98.47%
2004	3,822,305.02	3,744,463.05	97.96%

BOROUGH OF HELMETTA
DELINQUENT TAXES AND TAX TITLE LIENS
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year Ended</u> <u>December 31,</u>	<u>Amount of</u> <u>Tax Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2013	\$ None	\$ 105,048.35	\$ 105,048.35	2.03%
2012	None	96,081.15	96,081.15	1.88%
2011	None	86,149.60	86,149.60	1.67%
2010	None	111,556.44	111,556.44	2.22%
2009	None	93,632.54	93,632.54	1.87%
2008	None	69,129.87	69,129.87	1.41%
2007	None	37,856.72	37,856.72	0.79%
2006	None	42,275.57	42,275.57	0.92%
2005	None	42,927.60	42,927.60	1.05%
2004	None	43,050.01	43,050.01	1.13%

BOROUGH OF HELMETTA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year Ended</u> <u>December 31,</u>	<u>Aggregate</u> <u>Assessed</u> <u>Valuations</u> <u>of Real</u> <u>Property</u>	<u>Estimated</u> <u>Full Cash</u> <u>Valuations</u>	<u>Percentage of</u> <u>Net Assessed</u> <u>to Estimated</u> <u>Full Cash</u> <u>Valuations</u>
2013	\$ 186,874,900	\$ 201,591,046	92.70%
2012	187,786,600	215,722,688	87.05%
2011	246,767,300	237,253,437	104.01%
2010	247,418,300	245,357,299	100.84%
2009	249,607,900	251,849,359	99.11%
2008	249,230,300	255,568,396	97.52%
2007	250,335,900 **	251,770,995	99.43%
2006	64,824,500	245,640,394	26.39%
2005	63,681,000	214,703,304	29.66%
2004	61,437,800	175,787,697	34.95%

** Revaluation Effective

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

BOROUGH OF HELMETTA
SCHEDULE OF LARGEST TAXPAYERS
(UNAUDITED)

<u>Taxpayer</u>	<u>Assessed Value - 2013</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Sutton Plaza Associates	\$ 1,422,600	0.76%
Aggo LLC	817,100	0.44%
Bohinski, Loretta	816,300	0.44%
Buchan, William & Roseann	711,900	0.38%
Kaplan at Helmetta, LLC	690,600	0.37%
Kaplan at Helmetta, LLC	591,800	0.32%
Bohinski, Charles & Sandra	568,600	0.30%
Raczynski, Anthony & Barbara	541,200	0.29%
Beecher, J & H	514,800	0.28%
Bohinski, Mark & Meredith	471,000	0.25%
Maglies, Robert	467,100	0.25%
Opinski, Joseph & Kimberly	454,700	0.24%
Buchan, William Jr.	452,000	0.24%
Tsappidi, David	429,400	0.23%
AALKB MU66H	424,600	0.23%
Cohen, Mark & Carrie	<u>424,500</u>	<u>0.23%</u>
	<u>\$ 9,798,200</u>	<u>5.24%</u>

Source: Municipal Tax Collector's Office.

BOROUGH OF HELMETTA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013
(UNAUDITED)

Average Equalized Valuation	\$ <u>218,189,057.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 7,636,617.00
Net Debt	<u>1,590,000.00</u>
Remaining Borrowing Power	\$ <u>6,046,617.00</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Helmetta	\$ 2,876,494.60	\$ 1,286,494.60	\$ 1,590,000.00
Consolidated School District Debt allocated to Borough	\$ None	\$ None	None
Overlapping Debt Apportioned to the Municipality: County of Middlesex (1) \$702,823,005 x .2256%			<u>1,585,569.00</u>
			<u>\$ 3,175,569.00</u>

Source: (1) County of Middlesex Director of Finance.

BOROUGH OF HELMETTA
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE AND DEBT PER CAPITA
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt (3)</u>	<u>Ratio of</u> <u>Net</u> <u>Debt to</u> <u>Equalized</u> <u>Valuation</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2013	2,178	\$ 201,591,046.00	\$ 2,876,494.60	1.43%	\$ 1,320.70
2012	2,178	215,722,688.00	3,038,039.84	1.41%	1,394.88
2011	2,178	237,253,437.00	3,253,734.60	1.37%	1,493.91
2010	2,178	245,357,299.00	3,413,617.89	1.39%	1,567.32
2009	1,825	251,849,359.00	1,764,551.92	0.70%	966.88
2008	1,825	255,568,396.00	1,766,922.18	0.69%	968.18
2007	1,825	251,770,995.00	2,117,587.57	0.84%	1,160.32
2006	1,825	245,640,394.00	2,536,580.40	1.03%	1,389.91
2005	1,825	214,703,304.00	2,921,681.52	1.36%	1,600.92
2004	1,825	175,787,697.00	3,320,645.36	1.89%	1,819.53

(1) Based on the 2000 U.S. Census for 2004 through 2009 and 2010 Census for 2010 through 2013.
(2) Per the State of New Jersey only Real Property included.
(3) Per Annual Debt Statement - Includes Self-Liquidating Net Debt.

BOROUGH OF HELMETTA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS (1)
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2013	\$ 80,000.00	\$ 29,100.00	\$ 109,100.00	\$ 2,280,313.04	4.78%
2012	60,000.00	49,341.00	109,341.00	2,225,062.82	4.91%
2011	80,000.00	30,834.00	110,834.00	2,162,460.86	5.13%
2010	81,000.00	7,470.00	88,470.00	1,933,842.72	4.57%
2009	80,000.00	10,845.00	90,845.00	1,832,322.99	4.96%
2008	284,000.00	18,720.00	302,720.00	1,953,623.91	15.50%
2007	294,500.00	32,173.05	326,673.05	1,968,491.17	16.60%
2006	288,000.00	48,302.00	336,302.00	2,056,321.30	16.35%
2005	287,500.00	48,373.73	335,873.73	1,928,812.51	17.41%
2004	287,000.00	48,640.79	335,640.79	1,865,913.13	17.99%

(1) Excludes Sewer and Water Utilities.

BOROUGH OF HELMETTA
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
SEWER UTILITY OPERATING FUND
(UNAUDITED)

Cash Receipts from Fees, Rents and Other Charges	\$ 467,318.37
Deductions:	
Operating and Maintenance Cost	<u>431,148.00</u>
Excess in Revenues	<u>\$ 36,170.37</u>

BOROUGH OF HELMETTA
CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45
WATER UTILITY OPERATING FUND
(UNAUDITED)

Cash Receipts from Fees, Rents and Other Charges		\$ 516,122.54
Deductions:		
Operating and Maintenance Cost	\$ 361,048.00	
Debt Service	<u>143,676.99</u>	
		<u>504,724.99</u>
Excess in Revenues		<u>\$ 11,397.55</u>

BOROUGH OF HELMETTA
DEMOGRAPHIC STATISTICS
FOR THE LAST TEN (10) FISCAL YEARS
UNAUDITED

<u>Year Ended</u> <u>December 31,</u>	<u>Population</u> (1)	<u>Unemployment</u> <u>Rate</u> (2)	<u>Housing</u> <u>Unit</u> <u>Counts</u> (3)	<u>Per Capita</u> <u>Income</u> (2)
2013	2,178	6.50%	870	\$ 36,941
2012	2,178	8.70%	870	36,941
2011	2,178	8.60%	868	36,941
2010	2,178	8.80%	868	36,941
2009	1,825	8.80%	868	26,688
2008	1,825	5.70%	868	26,688
2007	1,825	4.20%	868	26,688
2006	1,825	4.80%	864	26,688
2005	1,825	3.80%	853	26,688
2004	1,825	4.90%	820	26,688

(1) 2000 U.S. Census for 2004 through 2009 and 2010 Census for 2010 through 2013.

(2) State of New Jersey, Department of Labor.

(3) Borough Tax Collector's Office.

BOROUGH OF HELMETTA
MISCELLANEOUS STATISTICS
DECEMBER 31, 2013
(UNAUDITED)

Date of Incorporation	1888
Form of Government	Borough
Area	.8 square miles

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative		4
Police	5	4
Public Works	3	3
Volunteer Firemen		21
Other	—	<u>13</u>
Total Employees	<u>8</u>	<u>45</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2013

Contracts and Agreements Required to be Advertised For N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500.00, except by contract or agreement." The governing body appointed Denise Jawidzik as the Qualified Purchasing Agent (QPA) on February 21, 2014.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that there were bids by public advertising during the year as follows:

Road Improvements to John Street

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000.00 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6. Except for the following:

State Contract Purchases

Shelter Van

Playground Equipment at Residence Park

All the professional services contracts of the Borough were done under the "Not Fair and Open Method" and all required certifications were on file.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2013

Collection of Interest on Delinquent Taxes, Assessments and Utility Charges

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

The governing body, on January 4, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended in 1970, it is hereby authorized that the rate of interest for delinquent taxes and assessments be fixed at eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 on all delinquent taxes.

In addition, the governing body, on January 4, 2013, adopted the following resolution authorizing additional interest to be charged on delinquent taxes and assessments:

RESOLVED, by the Mayor and Council of the Borough of Helmetta, County of Middlesex and State of New Jersey, that the Borough of Helmetta hereby adopts and authorizes the Tax Collector of the Borough of Helmetta to assess an additional six (6%) percent penalty to any taxpayer with a delinquency of all taxes and municipal charges due in excess of ten thousand (\$10,000.00) dollars, who fail to pay the delinquency prior to the end of the calendar year.

The governing body also adopted on January 4, 2013 the following resolution authorizing interest on delinquent utility charges:

WHEREAS, the Governing Body of the Borough of Helmetta has previously established an interest rate in accordance with State law as a charge to be made to consumers who have not made timely payments of water rents and sewer user charges; and

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the Governing Body of the Borough of Helmetta that the Collector of Sewer and Water Revenue be and is hereby authorized to charge eight percent (8%) per annum as interest to be paid on delinquent accounts for unpaid balances of less than \$1,500.00 and eighteen percent (18%) per annum, as the interest to be paid on delinquent accounts with unpaid balances of more than \$1,500.00. The Collector shall allow a thirty (30) day grace period for payment, after which, when an account becomes delinquent, interest will be charged from the due date for such payments.

It appears, from an examination of the Tax Collector and the Collector of Sewer and Water revenue records, that interest was collected in accordance with the foregoing resolution and ordinance.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2013

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2013 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2013 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

There was a tax sale held on October 25, 2013 and it was complete.

There were no tax title liens receivable on December 31st of the last three (3) years.

Water Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Balance Sheet (Exhibit EW-1), have been proven to the detail on file in the Water Utility Collector's office.

Sewer Utility Receivables

The detail of the Consumer Accounts Receivable as reflected on the Balance Sheet (Exhibit ES-1) has been proven to the detail on file in the Sewer Utility Collector's office.

Cash Balances

The cash balances in all funds were verified with the depositories as of December 31, 2013 and as of May 31, 2014 in connection with the supplemental reconciliations.

Cash counts were made on various dates in all departments of the Borough and bank balances were independently reconciled to the books and records to such schedules of receipts and disbursements provided for audit.

The change and petty cash funds were counted.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2013

Borough Clerk

The Borough Clerk should continue to utilize prenumbered receipts and maintain contemporaneous a manual cash receipt journal for all revenues, which she is in control of.

Animal Control Shelter

Prenumbered receipts are in use; however, a reconciliation of these did not occur. It had been a comment in the prior year audit related to the reconciliation that prenumbered intake forms. A software package was purchased and installed in December of 2013. Written procedures must be developed for all aspects of the accounting process at the Animal Shelter, the handling of all cash, procedures for allowance for reduced fees, and for reconciling of departmental records to the finance office. The volume has increased significantly in the last two (2) years and procedures need to be documented to avoid the potential for problems.

Payroll

An examination was made of the employees' compensation records for the year 2013 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation. It was noted that in certain instances time sheets were not approved by a supervisory level person prior to processing for payment. This matter has been discussed with the appropriate official for prospective compliance.

The Borough utilizes the services of a payroll service vendor to process net pay and agency withholdings. On file at the Borough is the required Report on Description of the Organization's System and the Suitability of the Design and Operating Effectiveness of Controls for the payroll processing system in accordance with SSAE #16.

The Borough salary ordinances adopted over a several year period should be condensed into one comprehensive all inclusive document. This would require an ordinance to be adopted.

OTHER COMMENTS
DECEMBER 31, 2013

Miscellaneous Comments

Various

The confirmation sent to the Consolidated Board of Education verified that the school taxes payable at December 31, 2013 were in agreement with the Borough's records.

All official borough documents should be on file in the office of the Borough Clerk.

Construction Code Official

The Construction Code Official have been transferred to another municipality under an interlocal agreement.

Interfunds

The balance sheets of various funds reflect an Interfund Receivable/Payable as of December 31, 2013. We have been advised by the Chief Financial Officer that these have been liquidated subsequent to year end.

Surety Bonds

The surety bonds covering the Tax Collector, Chief Financial Officer, and the Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient. Continuation notices were also examined for each surety bond in effect during 2013.

Length of Service Awards Program

The Borough adopted a Length of Service Awards Program (LOSAP). The participants in the program direct the investments within their individual accounts. A separate Accountants Review Report was prepared on the program for the year ended December 31, 2013.

Financial Procedures Review

It is suggested that for all financial processes and computer controls within each department that a review, updating and documentation of all procedures be done in order to be in compliance with recent accounting and auditing requirements related to internal control.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2013

Other Matters

The contents of this audit report have been discussed at an exit conference, with the appropriate Borough Officials, in accordance with auditing standards generally accepted in the United States of America and the Borough official's appeared to be in agreement with the findings.

The General Accounting Office Audit Requirements require that a plan of action be apparently adopted on all audit recommendations. A formal plan of action for 2013 was not required. Certain minor conditions as indicated should be addressed by the appropriate officials.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended during the course of the audit.

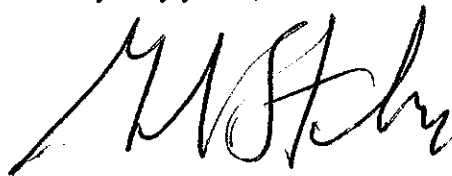
RECOMMENDATIONS
DECEMBER 31, 2013

None.

The problems and weaknesses noted in my audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For The Firm
SAMUEL KLEIN AND COMPANY

