

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF HELMETTA

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

FOR THE YEAR ENDED DECEMBER 31, 2011

Presented by

**Lori Russo
Chief Financial Officer
Borough of Helmetta**

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INTRODUCTORY SECTION



BOROUGH OF HELMETTA

Helmetta, New Jersey 08828

July 11, 2012

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2011

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 unqualified 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 2011 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 2011, our Current Fund, which encompasses the general government functions of the Borough, had revenues of \$2,149,293.29, exclusive of fund balance, expenditures of \$2,162,460.86 and a decrease of \$7,758.63 in fund balance at year-end. The Current Fund revenues increased approximately 11.76% or \$252,019.15 over 2010. Below is a comparison of the Current Fund revenues.

	<u>2011</u>	<u>2010</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	1,180,064.52	1,151,660.26	\$ 28,404.26	2.47 %
Delinquent Tax Revenue	111,556.44	95,395.77	16,160.67	16.94
Miscellaneous Revenue				
Anticipated	455,467.72	349,870.37	105,597.35	30.18
Board of Education Surplus	77,000.00	67,608.00	9,392.00	13.89
Non-Budget Revenues	70,928.65	33,595.86	37,332.79	111.12
Other Credits to Income	<u>64,461.10</u>	<u>44,643.94</u>	<u>19,817.16</u>	<u>44.39</u>
Total Revenues from Local Sources	\$ 2,205,478.43	\$ 1,988,774.20	\$ 216,704.23	10.90 %
State Aid	142,271.00	142,271.00		
State Grants	<u>47,543.86</u>	<u>12,228.94</u>	<u>35,314.92</u>	<u>288.78</u>
Total Current Fund Revenues	<u>\$ 2,395,293.29</u>	<u>\$ 2,143,274.14</u>	<u>\$ 252,019.15</u>	<u>11.76 %</u>

1. Current and Delinquent Taxes - These are the collections on taxes levied on all property owners residing in the Borough.
2. State Aid, Federal and State 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. Non Budget 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 2011 over 2010 was approximately 11.82%, most of which is attributed to increases interlocal services agreement related to the animal shelter and is detailed as follows:

	2011	2010	Increase/(Decrease)	
			Amount	Percent
General Government	\$ 234,950.00	\$ 234,750.00	\$ 200.00	0.09 %
Land Use	13,900.00	16,208.00	(2,308.00)	(14.24)
Insurance	176,925.00	155,600.00	21,325.00	13.71
Public Safety	529,152.00	531,920.00	(2,768.00)	(0.52)
Public Works	352,180.00	348,037.00	4,143.00	1.19
Health and Human Services	43,478.00	36,115.00	7,363.00	20.39
Parks and Recreation	15,000.00	9,700.00	5,300.00	54.64
Utilities	107,800.00	96,600.00	11,200.00	11.59
Uniform Construction Code	5,100.00		5,100.00	100.00
Interlocal Agreement-Animal Shelter	108,900.00		108,900.00	100.00
Contingent	500.00	500.00		
Deferred Charges and Statutory Expenditures	182,883.00	134,752.11	48,130.89	35.72
Grant Programs	47,543.86	15,528.94	32,014.92	206.16
Capital Improvements	79,000.00	113,000.00	(34,000.00)	(30.09)
Municipal Debt Service	110,834.00	88,470.00	22,364.00	25.28
Reserve for Uncollected Taxes	154,315.00	152,661.67	1,653.33	1.08
Total Current Fund Expenditures	\$ 2,162,460.86	\$ 1,933,842.72	\$ 228,618.14	11.82 %

WATER FUND

Our Water Utility Operating Fund generated operating revenues of \$480,779.17, exclusive of fund balance, and incurred operating expenses of \$537,777.00, resulting in a decrease in fund balance of \$56,997.83. The increase in operating expenses from 2011 to 2010 was 8.06%. The water utility has 11 commercial customers, 876 residential customers and 4 sprinkler system customers. The following schedule summarizes revenues and expenses for 2011 and 2010:

	2011	2010	Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Fund Balance	\$ 87,777.00	\$ 97,670.00	\$ (9,893.00)	(10.13) %
Rents	390,767.82	355,062.12	35,705.70	10.06
Cell Tower Revenue	64,582.12	62,077.31	2,504.81	4.03
Other Credits to Income:				
Non-Budget Revenue	4,159.97	5,003.01	(843.04)	(16.85)
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	20,342.97	68,626.84	(48,283.87)	(70.36)
Current Appropriations Canceled	926.29	5,442.49	(4,516.20)	(82.98)
	<u>\$ 568,556.17</u>	<u>\$ 593,881.77</u>	<u>\$ (25,325.60)</u>	<u>(4.26) %</u>
<u>Expenditures</u>				
Operating	\$ 364,100.00	\$ 333,100.00	\$ 31,000.00	9.31 %
Capital Improvements	15,000.00	10,000.00	5,000.00	50.00
Debt Service	146,032.00	145,620.00	412.00	0.28
Deferred Charges and Statutory Expenditures	12,645.00	8,950.00	3,695.00	41.28
	<u>\$ 537,777.00</u>	<u>\$ 497,670.00</u>	<u>\$ 40,107.00</u>	<u>8.06 %</u>

SEWER FUND

Our Sewer Utility Operating Fund generated operating revenues of \$462,183.21, exclusive of fund balance, and incurred operating expenses of \$447,745.00, resulting in a increase in fund balance of \$14,438.21. The increase in operating expenses from 2011 to 2010 was 5.84%. The sewer utility has 41 commercial customer units and 871 residential customer units. The following schedule summarizes revenues and expenses for 2011 and 2010:

	<u>2011</u>	<u>2010</u>	<u>Increase/(Decrease)</u>	
<u>Revenues</u>			<u>Amount</u>	<u>Percent</u>
Fund Balance	\$ 57,745.00	\$ 73,050.00	\$ (15,305.00)	(20.95) %
Rents	411,095.60	354,223.44	56,872.16	16.06
Other Credits to Income:				
Unexpended Balance of				
Appropriation Reserves	40,821.93	54,864.53	(14,042.60)	(25.60)
Non-Budget Revenue	<u>10,265.68</u>	<u>10,881.56</u>	<u>(615.88)</u>	<u>(5.66)</u>
	<u>\$ 519,928.21</u>	<u>\$ 493,019.53</u>	<u>\$ 26,908.68</u>	<u>5.46 %</u>
<u>Expenditures</u>				
Operating	\$ 415,100.00	\$ 394,100.00	\$ 21,000.00	5.33 %
Capital Improvements	20,000.00	20,000.00		
Deferred Charges and				
Statutory Expenditures	<u>12,645.00</u>	<u>8,950.00</u>	<u>3,695.00</u>	<u>41.28</u>
	<u>\$ 447,745.00</u>	<u>\$ 423,050.00</u>	<u>\$ 24,695.00</u>	<u>5.84 %</u>

For the foreseeable future, our elected and appointed leaders will have to deal with the need to reduce tax rates, and the need for new development that would help share the tax burden. The governing body and the administration will have to introduce new ideas and creative solutions to solve this problem.

The remainder of this transmittal letter will provide greater details relating to our progress during 2011 and some of our plans for the future.

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 2011 INITIATIVES

- ◆ We have increased the number of interlocal agreements that have a direct impact on our financial goals.
- ◆ The reconstruction for Maple Street, John Street and Washington Avenue is in progress.
- ◆ Land has been acquired and construction completed on the Helmetta Regional Animal Shelter which opened in May of 2011.

PROSPECTS FOR THE FUTURE

- ◆ Improvements to the municipal building will continue in 2012.
- ◆ The Borough has received a grant from the NJ Department of Transportation to reconstruct North Shore Boulevard.
- ◆ 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. Decision was made in favor of the Borough; however, the redeveloper filed an appeal. In 2012, the parties reached an agreement and development is expected to begin.
- ◆ The Borough has received a grant from Middlesex County to construct a Recreation Pavilion in Helmetta Lake Park.

LOCAL ECONOMIC EVENTS

For 2011, the Borough continued to demonstrate important indicators of continued financial strength as follows:

During 2011, total real estate tax revenues increased by \$28,404.26 or 2.47.% to \$1,180,064.52. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 97.34% in 2011. 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 2011. Assessed values decreased to \$246,767,300.00.

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, 2011, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2011, 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 .737% of its equalized value. Debt Service averaged \$96,716.00 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,

Lori Russo

Lori Russo
Chief Financial Officer

BOROUGH OF HELMETTA

ROSTER OF OFFICIALS

DECEMBER 31, 2011

Governing Body

Nancy Martin, Mayor
Sewell Peckham, Council President
Robert Janeczek, Councilman
Peter Karczewski, Councilman
Vincent Ascioffa, Councilman
Joseph Perez, Councilman
Patrick Smith, Councilman

Other Officials

Sandra Bohinski, Borough Clerk, Registrar of Vital Statistics
Denise Jawidzik, Tax Collector
Lori Russo, Chief Financial Officer
Joseph Katora, Fire Official
Thomas F. Foley, 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, 2011

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

Wachovia Bank

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
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:

We have audited the financial statements - statutory basis of the various funds and accounts of the Borough of Helmetta (the "Borough") as of and for the year ended December 31, 2011, as listed in the accompanying table of contents. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and auditing requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2011 or the results of its operations, or cash flows of its proprietary fund types and non-expendable trust funds for the year then ended.

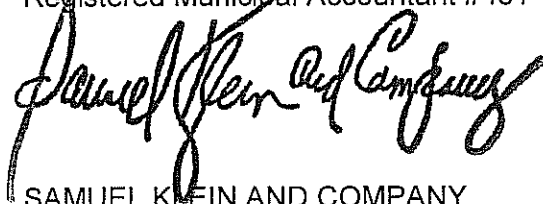
However, in our opinion, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account groups of the Borough as of December 31, 2011 and the results of operations and changes in fund balance - statutory basis of such funds for the year then ended and the statement of revenues - statutory basis and statement of expenditures - statutory basis of the various funds for the year ended December 31, 2011 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2012 on our consideration of the Borough's internal control over financial reporting and on our test of its compliance with certain provisions of law, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole and on the combining and individual fund and account statements. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Borough, but is presented as additional analytical data as required by the Local Finance Board. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements - statutory basis taken as a whole.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey
July 11, 2012

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
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS – STATUTORY 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 the financial statements - statutory basis of the Borough of Helmetta, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated July 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

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

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - statutory 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
July 11, 2011

GENERAL-PURPOSE FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - STATUTORY BASIS
DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010)

	<u>Governmental Funds</u>				<u>Utilities</u>		<u>Trust Funds</u>	<u>General Fixed Asset Account</u>	<u>Totals</u>	
	<u>Current</u>	<u>General Capital</u>	<u>Operating</u>	<u>Capital</u>	<u>2011</u>	<u>2010</u>				
<u>ASSETS AND OTHER DEBITS</u>										
Cash and Cash Equivalents	\$ 1,194,804.23	\$ 437,052.41	\$ 147,966.77	\$ 305,735.25	\$ 155,271.92			\$ 2,240,830.58	\$ 2,579,736.08	
Intergovernmental Accounts Receivable	3,288.42	433,394.61						436,683.03	82,363.03	
Receivables and Other Assets:										
Delinquent Property Taxes	86,149.60				65,600.56			86,149.60	111,556.44	
Consumer Accounts Receivable								65,600.56	65,360.83	
Property Acquired for Taxes -										
Assessed Valuation	8,800.00							8,800.00	8,800.00	
Other Accounts Receivable	27,784.17							27,784.17	18,388.96	
Interfunds Receivable	26,686.25							26,686.25	1,446.02	
Due from Municipal Court			250.50					250.50	250.50	
Deferred Charges	57,973.00	1,805,000.00						1,863,111.74	1,951,600.00	
Fixed Capital			138.74					5,088,757.83	5,088,757.83	
Fixed Assets								5,003,504.56	4,578,861.04	
Grant Fund:										
Cash and Cash Equivalent	36,397.23							36,397.23	33,474.37	
Grants Receivable	10,000.00							10,000.00	5,000.00	
Total Assets and Other Debits	<u>\$ 1,451,884.90</u>	<u>\$ 2,675,447.02</u>	<u>\$ 148,356.01</u>	<u>\$ 371,335.81</u>	<u>\$ 5,244,029.75</u>		<u>\$ 5,003,504.56</u>	<u>\$ 14,894,558.05</u>	<u>\$ 14,525,344.60</u>	

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - STATUTORY BASIS
DECEMBER 31, 2011
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010)

	Governmental Funds			Trust Funds	Utilities		General Fixed Asset Account	Totals	
	Current	General Capital			Operating	Capital		2011	2010
LIABILITIES, RESERVES AND FUND BALANCE									
Liabilities and Reserves:									
Appropriation Reserves	\$ 138,442.77			\$ 87,769.74				\$ 226,212.51	\$ 112,738.78
Other Liabilities and Reserves	784,862.31	\$ 119,437.32	\$ 146,413.96	21,259.46	\$ 117,672.29			1,189,645.34	2,855,865.20
Improvement Authorizations		692,584.98						692,584.98	27,741.89
Interfunds Payable		25,000.00	1,688.25					26,688.25	1,446.02
Intergovernmental Accounts Payable			253.80					253.80	
Bond Anticipation Notes		1,805,000.00				164,000.00		1,969,000.00	1,207,000.00
USDA Loan						1,284,734.60		1,284,734.60	1,301,617.89
Reserve for Receivables and Other Assets	149,422.02			65,600.56				215,022.58	205,552.25
Reserve for Amortization						2,476,185.36		2,476,185.36	2,459,302.07
Deferred Reserve for Amortization						1,166,054.70		1,166,054.70	1,103,054.70
Grant Fund:									
Reserve for Encumbrances	10,771.15							10,771.15	2,345.06
Unappropriated/Appropriated Reserves	35,626.08							35,626.08	36,129.31
Total Liabilities and Reserves	\$ 1,119,124.33	\$ 2,642,022.30	\$ 148,356.01	\$ 174,629.76	\$ 5,208,646.95			\$ 9,292,779.35	\$ 9,312,793.17
Equity and Other Credits:									
Fund Balance	\$ 332,760.57	\$ 33,424.72		\$ 196,706.05	\$ 35,382.80			\$ 598,274.14	\$ 633,690.39
Investment in General Fixed Assets								5,003,504.56	4,578,861.04
Total Equity and Other Credits	\$ 332,760.57	\$ 33,424.72		\$ 196,706.05	\$ 35,382.80			\$ 5,601,778.70	\$ 5,212,551.43
Total Liabilities, Reserves and Fund Balance	\$ 1,451,884.90	\$ 2,675,447.02	\$ 148,356.01	\$ 371,335.81	\$ 5,244,029.75			\$ 14,894,558.05	\$ 14,525,344.60

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 - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Current Fund			Utility Operating Funds			Variance Favorable/ (Unfavorable)
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)	
Revenues:							
Fund Balance Anticipated	\$ 246,000.00	\$ 246,000.00		\$ 145,522.00	\$ 145,522.00		
Rents				780,000.00	801,863.42	\$ 21,863.42	
Miscellaneous Revenues	428,549.69	532,467.72	\$ 103,918.03	60,000.00	64,582.12	4,582.12	
State Aid	142,271.00	142,271.00					
Grants	47,543.86	47,543.86					
	\$ 864,364.55	\$ 968,282.58	\$ 103,918.03	\$ 985,522.00	\$ 1,011,967.54	\$ 26,445.54	
Receipts from Delinquent Taxes Amount to be Raised by Taxes for Support of Municipal Budget:	90,000.00	111,556.44	21,556.44				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,158,823.31	1,180,064.52	21,241.21				
Budget Totals	\$ 2,113,187.86	\$ 2,259,903.54	\$ 146,715.68	\$ 985,522.00	\$ 1,011,967.54	\$ 26,445.54	
Non-budget Revenues		72,124.67	72,124.67		14,425.65	14,425.65	
Unexpended Balance of Appropriation Reserves		38,260.67			61,164.90	61,164.90	
Current Appropriations Canceled		25,004.41			926.29	926.29	
Taxes Allocated to School and County	4,004,951.34	4,005,485.95	534.61				
Total Revenues	\$ 6,118,139.20	\$ 6,400,779.24	\$ 219,374.96	\$ 985,522.00	\$ 1,088,484.38	\$ 102,962.38	

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 234,950.00	\$ 234,950.00				
Land Use	13,900.00	13,900.00				
Insurance	163,133.00	163,133.00				
Public Safety	498,782.00	498,782.00				
Public Works	288,971.00	288,971.00				
Health and Human Services	21,510.00	21,510.00				
Park and Recreation	15,000.00	15,000.00				
Utilities and Bulk Purchases	107,800.00	107,800.00				
Uniform Construction Code	5,100.00	5,100.00				
Contingent	500.00	500.00				
Expenditures	124,983.00	124,983.00				
Excluded from "CAPS":						
Insurance	13,792.00	13,792.00				
Public Safety	30,370.00	30,370.00				
Public Works	63,209.00	63,209.00				
Interlocal Agreement-Animal Shelter	108,900.00	108,900.00				
Health and Human Services	21,968.00	21,968.00				
Grants	47,543.86	47,543.86				
Operating				\$ 779,200.00	\$ 779,200.00	
Capital Improvements	79,000.00	79,000.00		35,000.00	35,000.00	
Debt Service	110,834.00	110,834.00		146,032.00	146,032.00	
Deferred Charges and Statutory						
Expenditures	57,900.00	57,900.00		25,290.00	25,290.00	
Reserve for Uncollected Taxes	154,315.00	154,315.00				
Total Budget Expenditures	\$ 2,162,460.86	\$ 2,162,460.86		\$ 985,522.00	\$ 985,522.00	

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 - STATUTORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures (Continued):						
County and School Taxes	\$ 4,004,951.34	\$ 4,005,485.95	\$ (534.61)			
Other Expenses		43,864.06	(43,864.06)			
Total Expenditures	\$ 6,167,412.20	\$ 6,211,810.87	\$ (44,398.67)	\$ 985,522.00	\$ 985,522.00	
Excess in Revenues over Expenditures	\$ (49,273.00)	\$ 188,968.37	\$ 174,976.29	\$ 102,962.38	\$ 102,962.38	\$ 102,962.38
Adjustment to Income Before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Years	49,273.00	49,273.00				
Statutory Excess to Fund Balance	\$ 238,241.37	\$ 238,241.37	\$ (238,241.37)	\$ 102,962.38	\$ 102,962.38	
Fund Balance, January 1, 2011		340,519.20	340,519.20	239,265.67	239,265.67	
		\$ 578,760.57	\$ 102,277.83	\$ 342,228.05	\$ 342,228.05	
Decreased by:						
Utilization as Anticipated Revenue		\$ 246,000.00	\$ (246,000.00)	\$ 145,522.00	\$ 145,522.00	
		\$ 246,000.00	\$ (246,000.00)	\$ 145,522.00	\$ 145,522.00	
Fund Balance, December 31, 2011		\$ 332,760.57	\$ 348,277.83	\$ 196,706.05	\$ 196,706.05	

See Notes to Financial Statements.

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

<u>BALANCE, DECEMBER 31, 2010</u>		\$ 18,522.72
<u>INCREASED BY</u>		
Cancellation of Various Reserves and Funded Improvement Authorizations	\$ 14,000.00	
Other	<u>902.00</u>	<u>14,902.00</u>
<u>BALANCE, DECEMBER 31, 2011</u>		<u>\$ 33,424.72</u>

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

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2010</u> AND <u>BALANCE, DECEMBER 31, 2011</u>	\$ <u>11,249.08</u>	\$ <u>24,133.72</u>	\$ <u>35,382.80</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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 an "Other Comprehensive Basis of Accounting" (OCBOA) 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 and Trust Other Fund.

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, 2011

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.

General Fixed 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, 2011

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, 2011

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

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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, 2011

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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.

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.

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:

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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

A. Cash and Cash Equivalents (Continued)

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.
- 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.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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

C. Risk Category

As of December 31, 2011, 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, 2011 was \$2,344,963.88. 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.

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.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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

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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Tax Rate	\$ 2.091	\$ 2.033	\$ 2.003	\$ 1.965	\$ 1.910
Apportionment of Tax Rate:					
Municipal	0.469	0.450	0.439	0.442	0.425
County:					
Regular	0.308	0.284	0.276	0.262	0.259
Open Space	0.031	0.021	0.031	0.031	0.032
Local School	1.283	1.278	1.257	1.230	1.194

Assessed Valuation

2011	\$ 247,034,781.00
2010	247,741,799.00
2009	249,929,840.00
2008	249,543,139.00
2007	250,640,757.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
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	98.51%
2007	4,787,617.27	4,730,007.49	98.80%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percent of Tax Levy
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%

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>
2011	\$ 8,800.00
2010	8,800.00
2009	8,800.00
2008	8,800.00
2007	8,800.00

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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>
2011	\$ 415,763.56	\$ 411,095.60
2010	361,520.77	354,223.44
2009	359,748.60	357,396.66
2008	357,385.78	355,627.30
2007	328,160.50	321,739.57

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

** Rate increase effective for 2008 and 2010.

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>
2011	\$ 386,339.59	\$ 390,767.82
2010	364,243.55	355,062.12
2009	358,635.67	354,678.56
2008	350,575.72	350,343.78
2007	330,981.23	325,755.79

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

** Rate increase effective for 2008 and 2010.

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, 2011

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>				
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%
2008	321,746.32	225,000.00	N/A	69.93%
2007	336,842.24	225,000.00	N/A	66.80%
<u>Sewer Utility Operating Fund</u>				
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%
2008	78,619.30	33,900.00	None	43.12%
2007	58,503.64	56,300.00	None	96.23%
<u>Water Utility Operating Fund</u>				
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%
2008	148,475.56	109,437.00	None	73.71%
2007	211,886.98	186,790.00	None	88.16%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Issued:			
General:			
Bonds and Notes	\$ 1,805,000.00	\$ 980,000.00	\$ 166,000.00
Water Utility:			
Notes and Loans	1,448,734.60	1,528,617.89	1,598,726.92
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Issued	<u>\$ 3,253,734.60</u>	<u>\$ 2,508,617.89</u>	<u>\$ 1,764,726.92</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
Reserve for Receivables:			
Reserve for Payment of BAN	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 175.00</u>
	<u>\$ None</u>	<u>\$ None</u>	<u>\$ 175.00</u>
Net Debt Issued	<u>\$ 3,253,734.60</u>	<u>\$ 2,508,617.89</u>	<u>\$ 1,764,551.92</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ None	\$ 905,000.00	\$ 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>\$ 905,000.00</u>	<u>\$ None</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 3,253,734.60</u>	<u>\$ 3,413,617.89</u>	<u>\$ 1,764,551.92</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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 .752%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Consolidated School District	None	None	None
Sewer Utility	None	None	None
Water Utility	\$ 1,448,734.60	\$ 1,448,734.60	None
General	<u>1,805,000.00</u>	<u>None</u>	<u>\$ 1,805,000.00</u>
	<u>\$ 3,253,734.60</u>	<u>\$ 1,448,734.60</u>	<u>\$ 1,805,000.00</u>

Net Debt \$1,805,000.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$244,820,031.67 equals .737%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 8,568,701.11
Net Debt	<u>1,805,000.00</u>
Remaining Borrowing Power	<u>\$ 6,763,701.11</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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	\$ 479,106.28
Deduction:	
Operating and Maintenance Costs	<u>427,745.00</u>
Excess in Revenue	<u>\$ 51,361.28</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	\$ 547,124.97
Deductions:	
Operating and Maintenance Costs	\$ 376,745.00
Debt Service	<u>145,105.71</u>
Total Deductions	<u>521,850.71</u>
Excess in Revenue	<u>\$ 25,274.26</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, 2011 the Borough has no serial bonds outstanding.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

Note 7. MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Payment Required</u>	
				<u>First</u>	<u>Final</u>
General Capital Fund	3.25%	2010	\$ 900,000.00	2013	2022
	2.22%	2011	<u>905,000.00</u>	2014	2023
			<u>\$ 1,805,000.00</u>		
Water Utility Capital Fund	2.59%	2002	\$ 30,000.00	2007	2015
	2.59%	2009	<u>134,000.00</u>	2012	2020
			<u>\$ 164,000.00</u>		
TOTAL			<u>\$ 1,969,000.00</u>		

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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:			
4/1/2012	\$ 8,743.55	\$ 30,512.45	\$ 39,256.00
10/1/2012	8,951.21	30,304.79	39,256.00
4/1/2013	9,163.80	30,092.20	39,256.00
10/1/2013	9,381.44	29,874.56	39,256.00
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
	<u>97,397.32</u>	<u>295,162.68</u>	<u>392,560.00</u>
Thereafter:			
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
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
	<u>123,164.70</u>	<u>269,395.30</u>	<u>392,560.00</u>
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
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
	<u>155,749.07</u>	<u>236,810.93</u>	<u>392,560.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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

USDA Loan – Water Utility Capital Fund (Continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2027	\$ 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
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
	<u>196,953.90</u>	<u>195,606.10</u>	<u>392,560.00</u>
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
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
	<u>249,059.84</u>	<u>143,500.16</u>	<u>392,560.00</u>
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
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
	<u>314,950.92</u>	<u>77,609.08</u>	<u>392,560.00</u>
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>\$ 147,458.85</u>	<u>\$ 8,832.51</u>	<u>\$ 156,291.36</u>
Total	<u>\$ 1,284,734.60</u>	<u>\$ 1,226,916.76</u>	<u>\$ 2,511,651.36</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

Note 7. MUNICIPAL DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2011 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		None
		<hr/>
Total		<u>None</u>

Subsequent Event

Subsequent to year end, the Borough adopted improvement authorizations for various road improvements and other municipal improvements totaling \$295,000.00, of which, \$275,000.00 is funded by grants and \$20,000.00 from the capital improvement fund.

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, 2011 the following deferred charges are shown on Balance Sheets of various funds:

	Balance December 31, 2011	2012 Budget Appropriation	Balance to be Raised in Budgets of Succeeding Year
	<hr/>	<hr/>	<hr/>
Current Fund:			
Emergency Authorization per NJSA 40A:4-46	\$ 14,273.00	\$ 14,273.00	\$ 14,273.00
Special Emergency: per NJSA 40A:4-53 - Revaluation of Real Property	\$ 35,000.00	7,000.00	28,000.00
per NJSA 55A:4-57 - Update Master Plan	<hr/> 8,700.00	<hr/> 2,900.00	<hr/> 5,800.00
	<u>\$ 57,973.00</u>	<u>\$ 24,173.00</u>	<u>\$ 48,073.00</u>

The appropriations in the 2012 budget are not less than that required by statute.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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 Balance, December 31		Increase/ (Decrease)
	<u>2011</u>	<u>2010</u>	
Balance of Tax -			
Consolidated	\$ 1,585,479.40	\$ 1,582,763.79	\$ 2,715.61
Deferred - Local	<u>945,000.00</u>	<u>945,000.00</u>	<u>None</u>
Payable	<u>\$ 640,479.40</u>	<u>\$ 637,763.79</u>	<u>\$ 2,715.61</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, 2011

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, 2011

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.

Contributions Required to be Made

Employee contributions for 2011 were five and one-half percent (5½%) through September 30, 2011 and six and one-half percent (6½%) thereafter of the employee's base wages for PERS and eight and one-half percent (8½%) through September 30, 2011 and ten percent (10%) thereafter 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:

<u>Year</u>	PERS			
	Borough			<u>Employees</u>
	<u>Normal</u>	<u>Accrued</u>	<u>Net Cost</u>	
2011	\$ 11,026.00	\$ 22,052.00	\$ 33,078.00	\$ 22,992.05
2010	11,342.00	18,073.00	29,415.00	16,045.96
2009	10,262.00	11,869.00	22,131.00	15,024.12

<u>Year</u>	PFRS			
	Borough			<u>Employees</u>
	<u>Normal</u>	<u>Accrued</u>	<u>Net Cost</u>	
2011	\$ 32,503.00	\$ 27,310.00	\$ 59,813.00	\$ 27,139.79
2010	29,604.00	18,202.00	47,806.00	24,918.81
2009	24,863.00	12,871.00	37,734.00	16,309.40

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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 (PERS)

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>
2012	\$ 5,352.00	2017	\$ 7,078.00
2013	5,660.00	2018	7,485.00
2014	5,986.00	2019	7,916.00
2015	6,329.00	2020	8,371.00
2016	6,693.00	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, 2011

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

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

The NJSHBP as of July 1, 2010 had “local employees” statewide of 45,739 active and 16,901 retired for a total of 62,640 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, 2011

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>
2011	4	\$ 41,913.45
2010	3	19,667.64
2009	3	18,275.88

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, 2011, 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, 2011

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 December 31,</u>	<u>Employer Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011	\$ 109.17	\$ None	\$ 4,441.87	\$ 3,989.74
2010	None	None	2,875.92	8,322.44
2009	None	None	None	11,198.36

Note 13. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2011 were as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 26,688.25	
Trust Other		\$ 167.94
General Capital		25,000.00
Payroll		1,520.31
	<u>\$ 26,688.25</u>	<u>\$ 26,688.25</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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, 2011 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	\$ 87,777.00	\$ 57,745.00	\$ 145,522.00
Rents	390,767.82	411,095.60	801,863.42
Miscellaneous	<u>64,582.12</u>	<u> </u>	<u>64,582.12</u>
Budget Totals	\$ 543,126.94	\$ 468,840.60	\$ 1,011,967.54
Other Credits to Income:			
Non-budget Revenue	4,159.97	10,265.68	14,425.65
Unexpended Balance of Appropriation Reserves	20,342.97	40,821.93	61,164.90
Current Appropriations Canceled	<u>926.29</u>	<u> </u>	<u>926.29</u>
Total Revenues	\$ <u>568,556.17</u>	\$ <u>519,928.21</u>	\$ <u>1,088,484.38</u>
Expenditures:			
Operating	\$ 364,100.00	\$ 415,100.00	\$ 779,200.00
Capital Improvements	15,000.00	20,000.00	35,000.00
Debt Service	146,032.00		146,032.00
Deferred Charges and Statutory Expenditures	<u>12,645.00</u>	<u>12,645.00</u>	<u>25,290.00</u>
Total Expenditures	\$ <u>537,777.00</u>	\$ <u>447,745.00</u>	\$ <u>985,522.00</u>
Statutory Excess in Revenue	\$ 30,779.17	\$ 72,183.21	\$ 102,962.38
Fund Balance, January 1	<u>126,669.02</u>	<u>112,596.65</u>	<u>239,265.67</u>
	\$ <u>157,448.19</u>	\$ <u>184,779.86</u>	\$ <u>342,228.05</u>
Decreased by:			
Utilization as Anticipated Revenue	\$ <u>87,777.00</u>	\$ <u>57,745.00</u>	\$ <u>145,522.00</u>
	\$ <u>87,777.00</u>	\$ <u>57,745.00</u>	\$ <u>145,522.00</u>
Fund Balance, December 31	\$ <u><u>69,671.19</u></u>	\$ <u><u>127,034.86</u></u>	\$ <u><u>196,706.05</u></u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

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 - The Borough has a contract with the Local P.B.A. that includes a provision for compensation for unused sick time upon retirement as follows: Employees who retire and who are entitled to accumulate sick time payments upon retirement will receive a lump sum payment for unused sick leave in an amount of one-half of the total value of accrued sick leave, up to a maximum of \$15,000.00 credited to him/her on the employment records and certified by the Borough on the effective date of his/her retirement.

Non-Union and Public Works Union Employees - 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. Upon retirement, the employee will be paid at a rate of one-half of the total value of accrued sick leave, up to a maximum of \$12,000.00 credited to him/her on the employment records. The administrative policy and union contract also allow for a carryover of ½ of unused vacation days up to a maximum of eight (8) weeks.

Liability - The Borough's total liability for sick time as of December 31, 2011 based on the policies and agreements, is \$59,327.94. This amount is not an immediate liability of the Borough and the likelihood of this amount becoming due and payable at any time in the near future is remote.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2011

Note 16. CONTINGENT LIABILITIES (CONTINUED)

A. Compensated Absences (Continued)

Termination Benefits - Employees upon termination for any reason are entitled to receive compensation in accordance with the Union Contracts, Borough policy, statute or a separate employment contract, and are not entitled to any other compensation. There is no liability required to be recognized in accordance with GASB#47 related to other termination benefits.

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 subjected 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, 2011 revealed net assets available for benefits of \$55,270.79. The Borough's contribution for December 31, 2011 is estimated at \$8,000.00 and for 2010 is \$6,800.00 actual.

COMBINING AND INDIVIDUAL FUND AND
ACCOUNT STATEMENTS

CURRENT FUND

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>	Balance December 31, <u>2011</u>	Balance December 31, <u>2010</u>
Current Fund:		
Cash and Cash Equivalents	\$ 1,194,804.23	\$ 1,168,545.46
Due from State of New Jersey - Ch. 20,P.L. 1971	3,288.42	3,288.42
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	86,149.60	111,556.44
Property Acquired for Taxes - Assessed Valuation	8,800.00	8,800.00
Other Accounts Receivable:		
Revenue Accounts Receivable:		
Due from Municipal Court	10,440.42	18,388.96
Due from Animal Shelter	17,343.75	
Interfunds Receivable:		
Due from General Capital Fund	25,000.00	
Due from Trust Other Fund	167.94	1,446.02
Due from Payroll Fund	1,520.31	
Deferred Charges	<u>57,973.00</u>	<u>66,600.00</u>
Total Current Fund	<u>\$ 1,405,487.67</u>	<u>\$ 1,378,625.30</u>
Grant Fund:		
Cash and Cash Equivalents	\$ 36,397.23	\$ 33,474.37
Grants Receivable	<u>10,000.00</u>	<u>5,000.00</u>
Total Grant Fund	<u>\$ 46,397.23</u>	<u>\$ 38,474.37</u>
Total Assets	<u>\$ 1,451,884.90</u>	<u>\$ 1,417,099.67</u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2011</u>	Balance December 31, <u>2010</u>
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 138,442.77	\$ 47,667.36
Prepaid Taxes	36,244.44	19,947.69
Accounts Payable	20,000.00	
Reserve for Encumbrances	81,591.76	166,089.13
Consolidated District School Tax Payable	640,480.30	637,764.69
Due to State of New Jersey:		
Various	200.00	100.00
Various Reserves	<u>6,345.81</u>	<u>6,345.81</u>
	\$ 923,305.08	\$ 877,914.68
Reserve for Receivables and Other Assets	149,422.02	160,191.42
Fund Balance	<u>332,760.57</u>	<u>340,519.20</u>
Total Current Fund	\$ <u>1,405,487.67</u>	\$ <u>1,378,625.30</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 30,118.20	\$ 30,654.07
Unappropriated	5,507.88	5,475.24
Reserve for Encumbrances	<u>10,771.15</u>	<u>2,345.06</u>
Total Grant Fund	\$ <u>46,397.23</u>	\$ <u>38,474.37</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>1,451,884.90</u></u>	\$ <u><u>1,417,099.67</u></u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 246,000.00	\$ 246,000.00
Miscellaneous Revenues Anticipated	455,467.72	349,870.37
State Aid	142,271.00	142,271.00
Federal and State Grants	47,543.86	12,228.94
Surplus Anticipated from Helmetta Board of Education	77,000.00	67,608.00
Receipts from Delinquent Taxes	111,556.44	95,395.77
Amount to be Raised by Taxation for Support of Municipal Budget	1,180,064.52	1,151,658.06
Non-Budget Revenues	70,928.65	33,598.06
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Canceled	38,260.67	44,338.89
Current Appropriations Canceled	25,004.41	
Interfunds Liquidated	1,196.02	305.05
Taxes Allocated to School and County Taxes	<u>4,005,485.95</u>	<u>3,919,989.20</u>
 Total Income	 <u>\$ 6,400,779.24</u>	 <u>\$ 6,063,263.34</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 234,850.00	\$ 234,750.00
Land Use	13,900.00	16,208.00
Insurance	163,133.00	142,126.00
Public Safety	498,782.00	493,510.00
Public Works	288,971.00	266,700.00
Health and Human Services	21,510.00	14,460.00
Park and Recreation	15,000.00	9,700.00
Utilities and Bulk Purchases	107,800.00	96,600.00
Uniform Construction Code	5,200.00	8,900.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	124,983.00	112,798.00
Excluded from "CAPS":		
Insurance	13,792.00	13,384.00
Public Safety	30,370.00	29,510.00
Public Works	63,209.00	81,337.00
Interlocal Agreement-Animal Shelter	108,900.00	

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS":		
Health and Human Services	\$ 21,968.00	\$ 21,655.00
Grants	47,543.86	15,528.94
Capital Improvements	79,000.00	113,000.00
Municipal Debt Service	110,834.00	88,470.00
Deferred Charges and Statutory	57,900.00	21,954.11
Reserve for Uncollected Taxes	154,315.00	152,661.67
County Taxes	833,986.71	753,968.58
County Added and Omitted Taxes:		
2009		40.34
2010		487.20
2011	534.61	
District School Taxes	3,170,964.63	3,165,533.42
Interfund Advanced	26,520.31	1,237.00
Revenue Accounts Receivable-Advanced	17,343.75	
Prior Year Senior Citizens' and Veterans'		1,500.00
Refund of Prior Years Revenue		<u>2,540.90</u>
 Total Expenditures	 <u>\$ 6,211,810.87</u>	 <u>\$ 5,859,060.16</u>
 Excess to Fund Balance	 \$ 188,968.37	 \$ 204,203.18
 Add: Expenditures by Statute Deferred Charges to Budgeted Succeeding Years	 <u>49,273.00</u>	 <u>41,000.00</u>
 Statutory Excess to Fund Balance	 \$ 238,241.37	 \$ 245,203.18
 Fund Balance, January 1	 <u>340,519.20</u>	 <u>341,316.02</u>
	\$ 578,760.57	\$ 586,519.20
Decreased by:		
Utilized as Anticipated Revenue	<u>246,000.00</u>	<u>246,000.00</u>
 Fund Balance, December 31	 <u>\$ 332,760.57</u>	 <u>\$ 340,519.20</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 246,000.00	\$ 246,000.00	_____
Miscellaneous Revenues:			
Fees and Permits:			
Other	1,000.00	444.32	\$ (555.68)
Fines and Costs:			
Municipal Court	140,000.00	177,106.45	37,106.45
Interest and Costs on Taxes	<u>10,000.00</u>	<u>24,136.41</u>	<u>14,136.41</u>
	\$ 151,000.00	\$ 201,687.18	\$ 50,687.18
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 114,250.00	\$ 114,250.00	
Consolidated Municipal Property Tax Relief Aid	<u>28,021.00</u>	<u>28,021.00</u>	_____
	\$ 142,271.00	\$ 142,271.00	_____
Special Items of Revenue Offset with Appropriations:			
Alcohol Education and Rehabilitation Fund	\$ 269.67	\$ 269.67	
Clean Communities Program	4,000.00	4,000.00	
Body Armor Replacement Fund	894.24	894.24	
Forest Service Volunteer Fire Assistance	4,581.00	4,581.00	
NJ Direct Energy Program	12,798.95	12,798.95	
Police Car Cameras Grant	20,000.00	20,000.00	
Law Enforcement Response	<u>5,000.00</u>	<u>5,000.00</u>	_____
	\$ 47,543.86	\$ 47,543.86	_____

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Special Items of Revenue with Prior Consent of the Director:			
Cable Television Fees	\$ 13,744.69	\$ 13,744.69	
Cell Tower Fees	60,000.00	64,851.83	\$ 4,851.83
Zoning/Code Enforcement Contract- Borough of Spotswood	5,834.00	5,834.00	
Animal Control Contract - Borough of Spotswood	6,076.00	9,181.00	3,105.00
Animal Shelter Contract - Borough of Spotswood	3,500.00	3,763.75	263.75
Animal Control Contract - Borough of South River	10,195.00	15,055.27	4,860.27
Animal Shelter Contract - Borough of South River	15,000.00	4,160.00	(10,840.00)
Animal Control Contract - Borough of Sayreville	19,200.00	33,712.50	14,512.50
Animal Shelter Contract - Borough of Sayreville	20,000.00	31,244.00	11,244.00
Animal Control Contract - Township of Plainsboro	12,000.00	13,980.00	1,980.00
Animal Shelter Contract - Township of Plainsboro	2,000.00	1,513.50	(486.50)
Animal Control Contract - Borough of Jamesburg	3,750.00	6,260.00	2,510.00
Animal Shelter Contract - Borough of Jamesburg	2,000.00	5,595.00	3,595.00
Animal Shelter Contract - Borough of Manalapan	10,000.00	29,755.00	19,755.00
Animal Control Contract - Borough of Milltown	1,250.00	1,250.00	
Animal Shelter Contract - Borough of Milltown	500.00	870.00	370.00
Animal Control Contract - Township of East Brunswick	7,500.00		(7,500.00)
Animal Shelter Contract - Township of East Brunswick	500.00	5,530.00	5,030.00
Animal Control Contract - Township of Matawan	5,000.00		(5,000.00)
Animal Shelter Contract - Township of Matawan	2,000.00	740.00	(1,260.00)
Animal Shelter Contract - Township of Mariboro	500.00	6,740.00	6,240.00
	<u>\$ 200,549.69</u>	<u>\$ 253,780.54</u>	<u>\$ 53,230.85</u>
Surplus Anticipated from Helmetta Board of Education	<u>\$ 77,000.00</u>	<u>\$ 77,000.00</u>	<u>\$</u>
Receipts from Delinquent Taxes	<u>\$ 90,000.00</u>	<u>\$ 111,556.44</u>	<u>\$ 21,556.44</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>\$ 1,158,823.31</u>	<u>\$ 1,180,064.52</u>	<u>\$ 21,241.21</u>
Budget Totals	<u>\$ 2,113,187.86</u>	<u>\$ 2,259,903.54</u>	<u>\$ 146,715.68</u>
Non-Budget Revenue		<u>70,928.65</u>	<u>70,928.65</u>
	<u>\$ 2,113,187.86</u>	<u>\$ 2,330,832.19</u>	<u>\$ 217,644.33</u>
Detail:			
Adopted Budget	\$ 2,058,138.91		
Added by N.J.S.A. 40A:4-87	<u>55,048.95</u>		
	<u>\$ 2,113,187.86</u>		

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<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	\$ 13,500.00	\$ 13,500.00	\$ 13,500.00			
Mayor and Council:						
Other Expenses	4,000.00	4,550.00	4,476.28	\$ 35.97	\$ 37.75	
Other Expenses - School Board Oversight	2,000.00					
Other Expenses - Website Creating	1,500.00	1,500.00	1,500.00			
Municipal Clerk:						
Salaries and Wages	17,500.00	17,500.00	17,336.40		163.60	
Other Expenses	7,000.00	6,500.00	5,286.89	91.48	1,121.63	
Elections:						
Other Expenses	1,000.00	750.00	749.58		0.42	
Financial Administration:						
Salaries and Wages	24,000.00	24,000.00	23,797.52		202.48	
Other Expenses	16,000.00	18,460.00	16,485.39	79.80	1,894.81	
Audit Services:						
Other Expenses	8,900.00	8,900.00	8,900.00			
Revenue Administration (Collection of Taxes):						
Salaries and Wages	20,000.00	19,000.00	18,733.67		266.33	
Other Expenses	5,000.00	4,200.00	3,717.44		482.56	
Tax Assessment Administration:						
Salaries and Wages	11,750.00	11,750.00	11,646.32		103.68	
Other Expenses	3,500.00	3,500.00	3,199.55	200.00	100.45	
Revaluation of Real Property (Special Emergency \$35,000.00)		35,000.00	22,500.00	12,500.00		
Legal Services and Costs:						
Other Expenses	55,000.00	64,700.00	62,182.25	2,500.00	17.75	
Engineering Services and Costs:						
Other Expenses	3,000.00	1,040.00	840.00		200.00	
LAND USE ADMINISTRATION						
Municipal Land Use Law (N.J.S.A. 44D-1):						
Planning Board:						
Salaries and Wages	2,700.00	2,700.00	2,646.65		53.35	
Other Expenses	4,700.00	4,700.00	4,461.82		238.18	
Other Expenses-Legal	6,500.00	6,500.00	6,416.00		84.00	
INSURANCE						
Liability Insurance	24,750.00	21,750.00	21,613.96		136.04	
Worker's Compensation	26,175.00	26,175.00	26,060.40		114.60	
Employee Group Insurance (Health)	124,208.00	115,208.00	108,086.10		7,121.90	
Unemployment Insurance	2,000.00					

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police:						
Salaries and Wages (Emergency authorization \$2,551.00)	\$ 395,000.00	\$ 397,551.00	\$ 376,925.04	\$ 8,000.00	\$ 12,625.96	
Other Expenses:						
Miscellaneous Other Expenses	25,000.00	25,000.00	19,367.24	5,591.95	40.81	
Office of Emergency Management:						
Other Expenses	100.00	100.00			100.00	
Fire:						
Other Expenses (emergency authorization \$696.00)	24,000.00	24,696.00	14,886.86	9,805.93	3.21	
Fire Prevention Bureau:						
Salaries and Wages	3,625.00	3,625.00	3,594.26		30.74	
Other Expenses	1,000.00	1,000.00	1,000.00			
Uniform Fire Safety Act:						
Other Expenses	10.00	10.00			10.00	
First Aid Organization - Contribution	2,000.00	2,000.00	2,000.00			
Municipal Prosecutor:						
Other Expenses	7,000.00	6,300.00	6,000.00		300.00	
Municipal Court:						
Salaries and Wages	40,000.00	35,000.00	33,536.49		1,463.51	
Other Expenses	3,000.00	3,500.00	2,929.90		570.10	
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance:						
Salaries and Wages (Emergency authorization \$1,971.00)	90,000.00	91,971.00	88,175.11	3,000.00	795.89	
Other Expenses (Emergency authorization \$5,596.00)	12,195.00	17,791.00	12,979.90		4,811.10	
Solid Waste Collection:						
Garbage and Trash Removal:						
Other Expenses (Emergency authorization \$3,459.00)	45,000.00	48,459.00	46,005.00		2,454.00	
Recycling (Chap. 74 P.L. 1987):						
Salaries and Wages	5,800.00	5,800.00	5,581.51		218.49	
Other Expenses	250.00	250.00			250.00	
Public Buildings and Grounds:						
Other Expenses	16,900.00	16,900.00	14,668.82	599.55	1,631.63	
Vehicle Maintenance:						
Other Expenses - Public Works	10,000.00	11,000.00	9,973.32	985.23	41.45	
Other Expenses - Police Vehicle	7,500.00	7,500.00	6,979.16	505.63	15.21	
Other Expenses - Lease/Acquire Vehicles	26,000.00	26,000.00	23,985.84		2,014.16	

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>PUBLIC WORKS FUNCTIONS (CONTINUED)</u>						
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>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
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	7,389.29		410.71	
Other Expenses	5,500.00	5,500.00	5,481.89		18.11	
Animal Shelter:						
Salaries and Wages	7,000.00	7,000.00	3,640.50		3,359.50	
Other Expenses	600.00	600.00	500.00		100.00	
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation:						
Salaries and Wages	1,000.00	1,000.00	208.38		791.62	
Other Expenses	7,500.00	7,500.00	5,703.72		1,796.28	
Senior Citizens:						
Other Expenses	1,500.00	1,500.00	1,500.00			
Parks:						
Other Expenses	5,000.00	5,000.00	2,914.28		2,085.72	
<u>UTILITY EXPENSES AND BULK PURCHASES</u>						
Electricity	19,000.00	19,000.00	18,301.16		698.84	
Street Lighting	21,000.00	21,000.00	17,294.44		3,705.56	
Telephone	14,000.00	13,000.00	12,137.34	\$ 263.94	598.72	
Natural Gas	12,500.00	12,500.00	7,380.12	4,770.50	349.38	
Diesel Fuel	3,000.00	3,000.00	2,341.01		658.99	
Gasoline	22,000.00	30,000.00	23,490.57	4,183.88	2,325.55	
Postage	5,400.00	4,400.00	4,057.95	149.98	192.07	
Copier Expense	2,900.00	3,900.00	3,414.13	94.15	391.72	
Office Supplies	1,000.00	1,000.00	532.37	487.50	0.13	

BOROUGH OF HELMETTIA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

**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

Total Operations within "CAPS"

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

Total Deferred Charges and Statutory
Expenditures - Municipal within "CAPS"

Total General Appropriations for Municipal
Purposes within "CAPS"

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
	\$ 5,100.00	\$ 5,100.00	\$ 5,072.05		\$ 27.95	
	<u>100.00</u>	<u>100.00</u>				
	\$ 1,304,873.00	\$ 1,349,146.00	\$ 1,174,783.87	\$ 53,825.49	\$ 120,536.64	
	<u>500.00</u>	<u>500.00</u>			<u>500.00</u>	
	\$ 1,305,373.00	\$ 1,349,646.00	\$ 1,174,783.87	\$ 53,825.49	\$ 121,036.64	
	\$ 648,785.00	\$ 647,157.00	\$ 618,618.97	\$ 11,035.97	\$ 17,502.06	
	656,588.00	702,489.00	556,164.90	42,789.52	103,534.58	
	\$ 20,609.00	\$ 20,609.00	\$ 20,609.00			
	43,650.00	48,650.00	48,591.80		\$ 58.20	
	50,578.00	50,578.00	50,578.00			
	<u>5,146.00</u>	<u>5,146.00</u>	<u>5,146.00</u>			
	\$ 119,983.00	\$ 124,983.00	\$ 124,924.80		\$ 58.20	
	\$ 1,425,356.00	\$ 1,474,629.00	\$ 1,299,708.67	\$ 53,825.49	\$ 121,094.84	

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
INSURANCE:						
Employee Group Insurance (Health)	\$ 13,792.00	\$ 13,792.00	\$ 13,792.00			
PUBLIC SAFETY:						
Length of Service Awards Program	8,000.00	8,000.00		\$ 8,000.00		
PUBLIC WORKS:						
Snow Emergency EO#15 NJSA 40A-45(bb)						
Public Works Functions:						
December 2010 Blizzard:						
Other Expenses	2,805.00	2,805.00	2,805.00			
Interlocal Municipal Service Agreements:						
Borough of Spotswood:						
Police:						
Radio Dispatching Services	22,370.00	22,370.00	22,370.00			
Animal Control:						
Salaries and Wages	6,000.00	6,000.00	5,985.34		\$ 14.66	
Zoning/Code Enforcement	5,550.00	5,550.00	5,002.95		547.05	
Sanitation:						
Garbage and Trash Removal:						
Middlesex County Board of Health	39,854.00	39,854.00	39,854.00			
County of Middlesex - Curbside Recycling Program	15,968.00	15,968.00	15,968.00			
Borough of Plainsboro - Animal Control	21,000.00	21,000.00	13,018.79		7,981.21	
Borough of Jamesburg - Animal Control	8,700.00	8,700.00	1,850.00		6,850.00	
Borough of Jamesburg - Animal Control	3,750.00	3,750.00	2,650.00		1,100.00	
Borough of Jamesburg - Animal Control	5,000.00	5,000.00	4,416.75		583.25	
Interlocal Municipal Service Agreement						
Salaries and Wages	36,125.00	36,125.00	36,124.25		0.75	
Other Expenses	28,625.00	28,625.00	26,599.88	1,766.27	258.85	
Borough of South River - Animal Control						
Salaries and Wages	8,700.00	8,700.00	8,687.92		12.08	
Borough of Sayreville - Animal Control						
Salaries and Wages	12,000.00	12,000.00	11,999.92		0.08	
Total Interlocal Municipal Service Agreements	\$ 213,642.00	\$ 213,642.00	\$ 194,527.80	\$ 1,766.27	\$ 17,347.93	

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (CONTINUED)						
Public and Private Programs Offset by Revenues:						
Body Armor Replacement Fund	\$ 894.24	\$ 894.24	\$ 894.24			
Alcohol Education and Rehabilitation	269.67	269.67	269.67			
Clean Communities Program	4,000.00	4,000.00	4,000.00			
Forest Services Volunteer Fire Assistance	4,581.00	4,581.00	4,581.00			
Law Enforcement Response Grant	5,000.00	5,000.00	5,000.00			
Police Car Camera Grant	20,000.00	20,000.00	20,000.00			
NJ Clean Energy Grant	12,798.95	12,798.95	12,798.95			
Total Public and Private Programs Offset by Revenues	\$ 47,543.86	\$ 47,543.86	\$ 47,543.86			
Total Operations - Excluded from "CAPS"	\$ 285,782.86	\$ 285,782.86	\$ 258,668.66	\$ 9,766.27	\$ 17,347.93	
Detail:						
Salaries and Wages	\$ 68,375.00	\$ 68,375.00	\$ 67,800.38		\$ 574.62	
Other Expenses	217,407.86	217,407.86	190,868.28	\$ 9,766.27	\$ 16,773.31	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Reserve for NJ Clean Energy Direct Install Program	14,000.00	14,000.00	14,000.00			
Reserve for Improvements to Police Department	25,000.00	25,000.00				\$ 25,000.00
Reserve for Acquisition of Animal Control Van	20,000.00	20,000.00	20,000.00			
Total Capital Improvements Excluded from "CAPS"	\$ 79,000.00	\$ 79,000.00	\$ 54,000.00			\$ 25,000.00
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00			
Interest on Notes	30,834.00	30,834.00	30,829.59			4.41
Total Municipal Debt Service - Excluded from "CAPS"	\$ 110,834.00	\$ 110,834.00	\$ 110,829.59			4.41
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00			
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	16,900.00	16,900.00	16,900.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 57,900.00	\$ 57,900.00	\$ 57,900.00			

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

TRANSFERRED TO BOARD OF EDUCATION FOR USE OF
LOCAL SCHOOLS (N.J.S.A. 40:48-17.1 & 17.3)

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 533,516.86	\$ 533,516.86	\$ 481,398.25	\$ 9,766.27	\$ 17,347.93	\$ 25,004.41
Total General Appropriations - Excluded from "CAPS"	\$ 533,516.86	\$ 533,516.86	\$ 481,398.25	\$ 9,766.27	\$ 17,347.93	\$ 25,004.41
Subtotal General Appropriations	\$ 1,958,872.86	\$ 2,008,145.86	\$ 1,781,106.92	\$ 63,591.76	\$ 138,442.77	\$ 25,004.41
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>154,315.00</u>	<u>154,315.00</u>	<u>154,315.00</u>			
Total General Appropriations	\$ 2,113,187.86	\$ 2,162,460.86	\$ 1,935,421.92	\$ 63,591.76	\$ 138,442.77	\$ 25,004.41

Detail:

Adopted Budget	\$ 2,058,138.91
Added by NJSA 40A:4-87	55,048.95
Added by NJSA 40A:4-53 - Special Emergency	35,000.00
Added by NJSA 40A:4-46 - Emergency	<u>14,273.00</u>
	\$ 2,162,460.86

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

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2010</u>	<u>2011 Levy</u>	<u>Collection</u> <u>2010</u>	<u>Collection</u> <u>2011</u>	<u>Due From</u> <u>State of</u> <u>New Jersey</u> <u>Chap. 20,</u> <u>P.L. 1971</u>	<u>Remitted</u> <u>and</u> <u>Canceled</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
2010	\$ 111,556.44			\$ 111,306.44	\$ 250.00		
2011		\$ 5,168,794.33	\$ 19,947.69	4,990,913.12	\$ 20,374.66	\$ 51,409.26	\$ 86,149.60
	\$ 111,556.44	\$ 5,168,794.33	\$ 19,947.69	\$ 5,102,219.56	\$ 20,624.66	\$ 51,409.26	\$ 86,149.60

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		\$ 5,163,814.51
Additional Tax		1,682.31
Added and Omitted Taxes (54:63.1 et. seq.)		<u>3,297.51</u>
		<u>\$ 5,168,794.33</u>

TAX LEVY

Consolidated School District Tax: Levy, School Year July 1, 2011 to June 30, 2012		\$ 3,170,964.63
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County Taxes:

County Tax	\$ 759,574.96	
County Open Space Preservation Tax	74,411.75	
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>534.61</u>	
Total County Taxes		<u>834,521.32</u>

\$ 4,005,485.95

Local Tax for Municipal Purpose	\$ 1,158,823.31	
Add: Additional Tax Levied	<u>4,485.07</u>	

Total Tax for Municipal Purpose		<u>1,163,308.38</u>
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\$ 5,168,794.33

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF DEFERRED CHARGES

	Original Amount	Date of Adoption	1/5 of Amount Authorized	Balance December 31, 2010	Increased by Resulting from 2011	Decreased by Raised in 2011	Balance December 31, 2011
Special Emergency Per N.J.S.A. 40A:4-53 - Revaluation of Real Property	\$ 70,000.00	2/8/2006	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00		
40A:4-57 Update of Master Plan	14,500.00	8/26/2009	2,900.00	11,600.00	2,900.00	\$ 8,700.00	\$ 8,700.00
40A:4-53 - Revaluation of Real Property	25,000.00	8/8/2011	5,000.00		\$ 25,000.00		25,000.00
40A:4-53 - Revaluation of Real Property	10,000.00	8/28/2011	2,000.00		10,000.00		10,000.00
				\$ 25,600.00	\$ 35,000.00	\$ 16,900.00	\$ 43,700.00
Emergency per N.J.S.A. 40A:4-46 Emergency Appropriation	41,000.00	10/14/2010	N/A	\$ 41,000.00	\$ 41,000.00		
40A:4-48 Emergency Appropriation	14,273.00	10/20/2011	N/A		\$ 14,273.00		\$ 14,273.00
				\$ 41,000.00	\$ 14,273.00	\$ 41,000.00	\$ 14,273.00
				\$ 66,600.00	\$ 49,273.00	\$ 57,900.00	\$ 57,973.00

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2010 APPROPRIATION RESERVES

	Balance	December 31, 2010	Balance	Balance	Balance
	Appropriation	Encumbered	After	After	Lapsed
	Reserves	Reserves	Transfers	Transfers	Paid or
					Charged
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 0.07		\$ 0.07		\$ 0.07
Municipal Clerk	19.82		19.82		19.82
Financial Administration	74.23		74.23		24.23
Revenue Administration (Collection of Taxes)	292.21		292.21	\$ 276.42	15.79
Tax Assessment Administration	25.68		0.68		0.68
Municipal Land Use Law (N.J.S.A. 44D-1):					
Planning Board	92.46		17.46		17.46
Police	3,443.64	\$ 33,000.00	42,818.64		250.80
Fire Prevention	8.80		8.80		8.80
Municipal Court	1,439.55		1,139.55		7.09
Road Repairs and Maintenance	1,476.89		876.89		36.41
Recycling	259.73		9.73		9.73
Board of Health	10.00		10.00		10.00
Recreation	80.42		5.42		5.42
Construction Officials (Chief Admin of Enforcement Agency) -					
Special Projects	31.04		6.04		6.04
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Interlocal Municipal Service Agreement:					
Animal Control	914.17		14.17		14.17
Animal Control Services (Dog Regulations)	864.66		864.66		864.66
Animal Control-Boro of South River	547.54		547.54		547.54
Total Salaries and Wages	\$ 9,580.91	\$ 33,000.00	\$ 46,555.91	\$ 44,817.20	\$ 1,838.71
Other Expenses:					
Operations - Within "CAPS":					
Mayor and Council	\$ 92.15	\$ 1,237.50	\$ 1,254.65		\$ 1,254.65
Municipal Clerk	134.67	464.48	474.15		9.67
Elections	34.59		9.59		9.59
Financial Administration	1,881.70	657.00	1,138.70		357.24
Revenue Administration (Collection of Taxes)	24.41	350.00	374.41		351.31
Tax Assessment Administration	43.38	42.56	60.94		18.38
Legal Services and Costs	4,839.62	5,203.56	8,293.20		9.95
Engineering Services and Costs	107.50		57.50		57.50
Municipal Land Use Law (N.J.S.A. 44D-1):					
Planning Board					
Other Expenses	68.51		18.51		18.51
Liability Insurance	52.44		2.44		2.44
Workers Compensation	48.00		48.00		48.00
Employee Group Insurance (Health)	867.09		17.09		17.09
Unemployment Insurance	73.08	50.00	123.08		21.91
Police:					
Miscellaneous Other Expenses	74.77	1,001.73	1,696.50		0.80
Office of Emergency Management	100.00		100.00		100.00
Fire	490.39	10,861.32	11,351.71		191.39
Fire Prevention Bureau	33.55		8.55		8.55

**BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbered		
Other Expenses:				
Operations - Within "CAPS" (Continued):				
Uniform Fire Safety Act	\$ 10.00	\$	\$	10.00
Municipal Court	777.97	108.50	108.50	2.97
Public Defender	1,550.00			50.00
Municipal Prosecutor	100.00	700.00	700.00	
Road Repairs and Maintenance	10.12	1,424.22	1,519.16	0.18
Solid Waste Collection:				
Garbage and Trash Removal	67.96	2,848.96	2,848.96	17.96
Recycling (Chap. 74 P.L. 1987)	92.72	17.72		17.72
Public Buildings and Grounds:				
Other Expenses	67.26	1,857.08	1,952.65	31.69
Vehicle Maintenance :				
Public Works		896.18	896.18	
Police Vehicle	278.41	2,335.02	4,833.65	4.78
Lease/ Acquire Vehicles	49.30	9.30		9.30
Reimbursement to Qualified Communities:				
Condominium Act:				
Trash Removal		54,000.00	33,426.04	20,573.96
Street Lighting		7,900.00	7,306.96	593.04
Snow and Leaf Removal		1,400.00	1,400.00	
Animal Control Services (Dog Regulation)		591.77	591.77	
Senior Citizens	109.31	9.31		9.31
Parks	412.12	12.12		12.12
Electricity	241.46	1,972.80	1,962.97	9.83
Street Lighting	1,700.92	1,663.16	3,456.76	7.32
Telephone	432.22	1,250.00	1,516.51	165.71
Natural Gas	688.07	2,863.19	2,582.01	28.25
Diesel Fuel	2.94	233.07	236.01	
Gasoline		2,883.73	2,164.87	18.86
Postage	41.31	22.99	22.99	41.31
Copier Expense	356.44	110.10	209.32	7.22
Office Supplies	110.43	415.73	415.73	10.43
Contingent	500.00	500.00	462.70	37.30
Operations - Excluded from "CAPS":				
Other Operations - Excluded from "CAPS":				
Social Security System (O,A,S,I)	227.78	3,127.78	2,916.32	211.46
Length of Service Awards Program	8,000.00	8,000.00	8,000.00	
County of Middlesex - Curbside Recycling Program	9,993.86	9,993.86	1,120.60	8,873.26
Matching Fund for Grants	3,300.00	3,300.00		3,300.00
Total Other Expenses	\$ 38,086.45	\$ 105,713.21	\$ 103,302.70	\$ 36,421.96
Grand Total	\$ 47,667.36	\$ 138,713.21	\$ 148,119.90	\$ 38,260.67

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, 2010	2011 Revenue Realized	Decreased by		Balance December 31, 2011
			Cash Received	Transfer from Unappropriated Reserves	
Bicycle Pedestrian Grant	\$ 2,000.00				\$ 2,000.00
Clean Communities Program		4,000.00	4,000.00		
Alcohol Education and Rehabilitation		269.67	269.67		
Body Armor Replacement Fund		894.24		894.24	
Green Communities	3,000.00				3,000.00
Law Enforcement Grant		5,000.00			5,000.00
Police Car Camera Grant		20,000.00	20,000.00		
NJ Clean Energy Grant		12,798.95	12,798.95		
Forest Service Volunteer Fire Assistance		4,581.00		4,581.00	
	\$ 5,000.00	\$ 47,543.86	\$ 37,068.62	\$ 5,475.24	\$ 10,000.00
	\$ 5,000.00	\$ 47,543.86	\$ 37,068.62	\$ 5,475.24	\$ 10,000.00
Detail:					
Grant - As Adopted	\$ 9,744.91				
Grant - Added by NJSA 40A:4-87		37,798.95			
	\$ 47,543.86				

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

Grant	Balance December 31, 2010	Budget	Paid or Charged Cash Disbursed	Reserve for Encumbrances	Balance December 31, 2011
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
Clean Communities Program:					
2005	2,320.71				2,320.71
2006	4,000.00				4,000.00
2011		4,000.00			4,000.00
Bicycle Pedestrian Safety Grant-2009 Body Armor Replacement Fund	149.10				149.10
2006	238.00				238.00
2007	500.00				500.00
2008	500.00				500.00
2009	500.00				500.00
2010	622.09				622.09
2011		894.24			894.24
SLAHEOP Grant	2,405.72				2,405.72
Department of Environmental Protection - Green Communities	1,000.00				1,000.00

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

Grant	Balance December 31, 2010	Budget	Paid or Charged		Balance December 31, 2011
			Cash Disbursed	Reserve for Encumbrances	
State: (Continued)					
Police Car Camera grant		\$ 20,000.00	\$ 14,475.00	\$ 1,100.00	\$ 4,425.00
NJ Clean Energy Grant		12,798.95	12,798.95		
Law Enforcement Grant		5,000.00	5,000.00		
NJDEP Stormwater Management Grant	\$ 6,822.00		1,500.00	5,322.00	
Forest Services Volunteer Fire Assistance:					
2010	3,152.97		3,152.97		
2011	2,370.11	4,581.00	881.66	2,349.15	1,350.19
Recycling Tonnage Grant			1,500.00		870.11
	\$ 26,938.04	\$ 47,543.86	\$ 39,308.58	\$ 8,771.15	\$ 26,402.17
Federal:					
Federal Emergency Management Agency:					
Grant:					
2004	\$ 1,756.90				\$ 1,756.90
2005	959.13				959.13
	\$ 2,716.03				\$ 2,716.03
	\$ 30,654.07	\$ 47,543.86	\$ 39,308.58	\$ 8,771.15	\$ 30,118.20

Detail:
 Grant - As Adopted \$ 9,744.91
 Grant - Added by N.J.S.A. 40A:4-87 37,798.95
 \$ 47,543.86

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	Balance December 31, <u>2010</u>	<u>Increased by</u> Cash <u>Received</u>	<u>Decreased by</u> Anticipated as <u>Revenue</u>	Balance December 31, <u>2011</u>
State:				
Body Armor Replacement Fund	\$ 894.24	\$ 926.04	\$ 894.24	\$ 926.04
Recycling Tonnage Grant		4,581.84		4,581.84
Federal:				
US Forest Fire SVC	<u>4,581.00</u>		<u>4,581.00</u>	
	\$ <u>5,475.24</u>	\$ <u>5,507.88</u>	\$ <u>5,475.24</u>	\$ <u>5,507.88</u>

TRUST AND AGENCY FUNDS

BOROUGH OF HELMETTA
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	Payroll Fund		Animal Control		Other		Totals	
	2011	2010	2011	2010	2011	2010	(Memorandum Only)	2010
ASSETS								
Cash and Cash Equivalents	\$ 1,520.31		\$ 450.06	\$ 96.82	\$ 145,996.40	\$ 240,793.99	\$ 147,966.77	\$ 240,890.81
Interfunds Receivable- Due from Municipal Court			138.74		250.50		250.50	
Deficit							138.74	
Total Assets	\$ 1,520.31		\$ 588.80	\$ 96.82	\$ 146,246.90	\$ 240,793.99	\$ 148,356.01	\$ 240,890.81
LIABILITIES AND RESERVES								
Other Liabilities and Reserves:								
Interfunds Payable - Due to Current Fund	\$ 1,520.31				\$ 167.94	\$ 1,446.02	\$ 1,688.25	\$ 1,446.02
Due to State of New Jersey			\$ 253.80	\$ 1.20			253.80	1.20
Reserve for Encumbrances			335.00	82.02	150.00	15,523.54	485.00	15,605.56
Various Reserves				13.60	141,939.24	215,501.99	141,939.24	215,515.59
Unemployment Reserves					3,989.72	8,322.44	3,989.72	8,322.44
Total Liabilities and Reserves	\$ 1,520.31		\$ 588.80	\$ 96.82	\$ 146,246.90	\$ 240,793.99	\$ 148,356.01	\$ 240,890.81

BOROUGH OF HELMETTA
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	<u>Balance</u> December 31, 2010	<u>Receipts</u> <u>Deposits</u>	<u>Disbursed</u>	<u>Balance</u> December 31, 2011
Reserve for:				
Land Right of Way Acquisition - Developers -				
Heather Glen	\$ 300.00			300.00 (1)
Performance Bond	1,586.69			1,586.69 (1)
Developer Deposits and Reserves	23,845.98	\$ 5,541.08	7,304.26	22,082.80 (1)
Off Duty Police	6,214.58	5,620.00	8,882.50	2,952.08
Recycling	604.57			604.57
Municipal Alliance Donations	1,160.95			1,160.95
Reserve for Public Defender		4,289.00	1,500.00	2,789.00
Street Opening Deposits	7,096.00	200.00		7,296.00 (1)
Recreation	2,489.59	6,042.38	7,437.73	1,094.24
Accumulated Sick Leave Reserve	7,775.18	15,823.54	20,574.94	3,023.78
Parking Offense Adjudication Account	48.00	24.00		72.00
Tax Sale Premium	20,600.00	4,900.00	2,400.00	23,100.00
Tax Title Lien Redemption		19,435.50	19,435.50	
Uniform Fire Safety Penalty Act				
COAH	284.00			284.00
Snowflake Fund	9,083.00	3.14		9,086.14
Animal Shelter Donations	200.00			200.00
School Board Expenses	132,223.00	13,172.47	4,641.13	8,531.34
Miscellaneous	1,990.45	562.20	77,000.00	55,785.20
	<u>\$ 215,501.99</u>	<u>\$ 75,613.31</u>	<u>\$ 149,176.06</u>	<u>\$ 141,939.24</u>

(1) Detail on file in office of Chief Financial Officer.

BOROUGH OF HELMETTA
PAYROLL FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

	<u>Increased</u>	<u>Decreased</u>
Federal Withholding Tax	\$ 108,377.96	\$ 108,377.96
Public Employees Retirement System:		
Regular	19,366.49	19,366.49
Contributory Insurance	1,686.19	1,686.19
Back Contributory Insurance	3,625.56	3,625.56
Loans	4,647.56	4,647.56
Social Security and Medicare Taxes	120,786.55	120,786.55
State Income Tax	24,427.47	24,427.47
New Jersey Disability and Unemployment Tax	5,609.51	5,609.51
Police and Firemen's Retirement System:		
Regular	23,851.76	23,851.76
Loans	3,288.03	3,288.03
Dental	1,140.00	1,140.00
Health	5,718.55	5,718.55
Dues	2,661.00	2,661.00
Child Support	13,468.00	13,468.00
Deferred Compensation - PEBSCO	<u>15,920.00</u>	<u>15,920.00</u>
	<u>\$ 354,574.63</u>	<u>\$ 354,574.63</u>

BOROUGH OF HELMETTA
ANIMAL CONTROL TRUST FUND
STATEMENT OF RESERVE/(DEFICIT)
FOR ANIMAL CONTROL EXPENDITURES

<u>BALANCE, DECEMBER 31, 2010</u>		\$ 13.60
 <u>INCREASED BY</u>		
Cash Receipts:		
Dog License Fees	\$ 1,482.40	
Cat License Fees	536.00	
Late Fees	145.00	
Other	501.00	
Prior Year Adjustment	<u>2.40</u>	<u>2,666.80</u>
		\$ 2,680.40
 <u>DECREASED BY</u>		
Expenditures	2,484.14	
Encumbrances	<u>335.00</u>	<u>2,819.14</u>
 <u>BALANCE (DEFICIT), DECEMBER 31, 2011</u>		 \$ <u><u>(138.74)</u></u>

DOG LICENSE FEES COLLECTED

<u>Year</u>		
2009	\$ 1,414.40	
2010	<u>1,482.40</u>	
		\$ <u><u>2,896.80</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, 2010</u>	\$ 8,322.44
<u>INCREASED BY</u>	
Cash Receipts	<u>109.17</u>
	\$ 8,431.61
<u>DECREASED BY</u>	
Expenditures	<u>4,441.89</u>
<u>BALANCE, DECEMBER 31, 2011</u>	<u>\$ 3,989.72</u>

GENERAL CAPITAL FUND

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	Balance December 31, <u>2011</u>	Balance December 31, <u>2010</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>437,052.41</u>	\$ <u>705,460.96</u>
Intergovernmental Accounts Receivable	\$ <u>433,394.61</u>	\$ <u>79,074.61</u>
Deferred Charges to Future Taxation - Unfunded	\$ <u>1,805,000.00</u>	\$ <u>1,885,000.00</u>
Total Assets	\$ <u><u>2,675,447.02</u></u>	\$ <u><u>2,669,535.57</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes	\$ <u>1,805,000.00</u>	\$ <u>980,000.00</u>
Interfund Payable - Due to Current Fund	\$ <u>25,000.00</u>	<u> </u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 26,010.26	\$ 20,442.24
Reserve for Acquisition of an Animal Control Van, Appropriated	20,000.00	
Reserve for CDBG	9,087.52	9,087.52
Reserve for Affordable Housing	24,000.00	24,000.00
Reserve for Detention Basin	3,082.64	5,782.63
Reserve for Acquisition of Animal Shelter		1,000.00
Reserve for Encumbrances	<u>37,256.90</u>	<u>1,583,059.65</u>
	\$ <u>119,437.32</u>	\$ <u>1,643,372.04</u>
Improvement Authorizations:		
Funded	\$ 665,942.76	\$ 22,072.79
Unfunded	<u>26,642.22</u>	<u>5,568.02</u>
	\$ <u>692,584.98</u>	\$ <u>27,640.81</u>
Fund Balance	\$ <u>33,424.72</u>	\$ <u>18,522.72</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>2,675,447.02</u></u>	\$ <u><u>2,669,535.57</u></u>

There were No Bonds and Notes Authorized but not Issued at December 31, 2011.

**BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
ANALYSIS OF CASH AND CASH EQUIVALENTS**

Fund Balance	Receipts		Disbursements		Balance December 31, 2011
	December 31, 2010	Miscellaneous	Other	Improvement Authorizations	
Capital Improvement Fund	\$ 18,522.72	\$ 902.00			\$ 33,424.72
Due from State of New Jersey	20,442.24	20,000.00			26,010.26
Department of Transportation	(79,074.61)				(250,496.61)
Due from County of Middlesex		25,000.00			(179,298.00)
Due to/from Current Fund		26,798.95	\$ 12,798.95		25,000.00
Due to/from Grant Fund					
Reserve for Encumbrances	1,583,059.65		\$ 1,566,679.75		37,256.90
Reserve for Detention Basin	5,782.63		2,699.99		3,082.64
Reserve for Community Development Block Grant	9,087.52				9,087.52
Reserve for Acquisition of an Animal Shelter	1,000.00	198.33	1,198.33		20,000.00
Reserve for Acquisition of a Animal Control Van		20,000.00			24,000.00
Reserve for Affordable Housing	24,000.00				
Ordinance Number					
2010-05				Improvement Authorizations	
				Improvements to Madison Drive	5,568.02
2010-15/ 2010-28					
	(882,927.21)	905,969.43			23,042.22
				Various Improvements For Animal Shelter	
2011-4		500,000.00			482,621.01
				Improvements to Helmetta Lake Park	
2011-05					
				Various Street Improvements	180,700.75
2011-08					
				Various Improvements For Animal Shelter	
2011-20					
				Park Improvements	
	\$ 705,460.95	\$ 1,498,868.71	\$ 1,583,377.02	\$ 183,900.24	\$ 437,052.41
				20,877.00	23,498.00
				\$ 411,165.02	\$ 411,165.02
					\$ 482,621.01
					180,700.75
					155,800.00
					2,621.00
					\$ 437,052.41

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE -
NEW JERSEY DEPARTMENT OF TRANSPORTATION AND COUNTY OF MIDDLESEX

	<u>NJ DOT</u>	<u>County Of Middlesex</u>	
	Street Improvements <u>2011-05</u>	(Open Space Trust) Lake Park Improvements <u>2011-04</u>	Animal Shelter Improvements <u>2011-08</u> Park Improvements <u>2011-20</u>
<u>Total</u>	\$ 79,074.61		
<u>BALANCE, DECEMBER 31, 2010</u>	\$ 79,074.61		
Increased By:			
Awarded	\$ 171,422.00	\$ 500,000.00	\$ 23,498.00
Decreased By:			
Cash Receipts	\$ 500,000.00	500,000.00	
<u>BALANCE, DECEMBER 31, 2011</u>	<u>\$ 429,794.61</u>	<u>\$ 171,422.00</u>	<u>\$ 79,074.61</u>
Detail:			
Sustainable Growth		\$ 100,000.00	
2009 CDBG		27,900.00	
2010 CDBG		27,900.00	
2011 CDBG		\$ 23,498.00	
		<u>\$ 155,800.00</u>	<u>\$ 23,498.00</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, 2010</u>	<u>Budget Appropriation</u>	<u>Balance December 31, 2011</u>	<u>Analysis of Detail Bond Anticipation Notes</u>
2000-07/ 2002-20 2004-22	Improvements to Baker Drive	\$ 80,000.00	\$ 80,000.00		
2010-15/ 2010-28	Various Improvements for Animal Shelter	<u>1,805,000.00</u>		<u>\$ 1,805,000.00</u>	<u>\$ 1,805,000.00</u>
		<u>\$ 1,885,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 1,805,000.00</u>	<u>\$ 1,805,000.00</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, 2010</u>	<u>2011 BAN Issued</u>	<u>Decreased By Budget Appropriation</u>	<u>Balance December 31, 2011</u>
2000-07/2002-20/ 2004-22	Improvements to Baker Drive	10/11/02	10/03/08	10/01/11	3.50%	\$ 57,000.00		\$ 57,000.00	
2000-07/2002-20/ 2004-22	Improvements to Baker Drive	10/10/03	10/03/08	10/01/11	3.50%	23,000.00		23,000.00	
2010-15/2010-28	Various Improvements For Animal Shelter	12/23/10	12/23/10	12/23/12	3.25%	900,000.00			\$ 900,000.00
2011-08	Various Improvements For Animal Shelter	05/17/11	05/17/11	05/17/12	2.22%		\$ 905,000.00		905,000.00
						\$ 980,000.00	\$ 905,000.00	\$ 80,000.00	\$ 1,805,000.00
	Detail: Budget Appropriation							\$ 80,000.00	

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2010</u>		\$ 20,442.24
<u>INCREASED BY</u>		
Budget Appropriation	\$ 20,000.00	
Funded Improvement Authorization Cancelled	<u>5,568.02</u>	<u>25,568.02</u>
		46,010.26
<u>DECREASED BY</u>		
Utilized To Finance Improvement Authorizations		<u>20,000.00</u>
<u>BALANCE, DECEMBER 31, 2011</u>		<u>\$ 26,010.26</u>

Detail of Improvements Authorizations:
 Ord 11-05 \$20,000.00

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

Ordinance Number	Description	Date	Ordinance Amount	Balance December 31, 2010		2011 Authorizations	Paid or Charged	Cancelled	Balance December 31, 2011	
				Funded	Unfunded				Funded	Unfunded
2010-05	Improvements to Madison Drive (NJDOT: \$190,000)	03/08/10	\$ 193,213.24	\$ 5,568.02				\$ 5,568.02		
2010-15/ 2010-28	Various Improvements for Animal Shelter	07/13/10 10/27/10	1,900,000.00		\$ 22,072.79		\$ (969.43)			\$ 23,042.22
2011-4	Improvements to Helmetta Lake Park (MCOST)	04/18/11	500,000.00			\$ 500,000.00	17,378.99			\$ 482,621.01
2011-05	Various Street Improvements (NJDOT \$171,422)	04/18/11	191,422.00			191,422.00	10,721.25			180,700.75
2011-08	Various Improvements for Animal Shelter (CDBG \$55,800 and Sustainable Growth \$100,000)	05/09/11	155,800.00			155,800.00	155,800.00			
2011-20	Park Improvements (CDBG \$23,498)	12/06/11	23,498.00			23,498.00	20,877.00			2,621.00
				\$ 5,568.02	\$ 22,072.79	\$ 870,720.00	\$ 203,807.81	\$ 5,568.02	\$ 665,942.75	\$ 23,042.22
Detail:										
	County Of Middlesex Open Space					\$ 500,000.00				
	NJDOT Grants					171,422.00				
	CDBG					79,298.00				
	Sustainable Growth					100,000.00				
	Capital Improvement Fund					20,000.00				
						\$ 870,720.00				
Detail of Cancellations:										
	Capital improvement Fund							\$ 5,568.02		

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance December 31, 2010</u>	<u>Issued</u>
2010-15/ 2010-28	Various Improvements for Animal Shelter	\$ 905,000.00	\$ 905,000.00
		<u>\$ 905,000.00</u>	<u>\$ 905,000.00</u>

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 - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	Sewer Utility		Water Utility		Totals (Memorandum Only)	
	2011	2010	2011	2010	2011	2010
ASSETS						
Operating Fund:						
Cash and Cash Equivalents	\$ 154,404.05	\$ 157,152.96	\$ 151,331.20	\$ 167,312.89	\$ 305,735.25	\$ 324,465.85
Consumer Accounts Receivable	35,335.17	30,667.21	30,265.39	34,693.62	65,600.56	65,360.83
Total Assets	<u>\$ 189,739.22</u>	<u>\$ 187,820.17</u>	<u>\$ 181,596.59</u>	<u>\$ 202,006.51</u>	<u>\$ 371,335.81</u>	<u>\$ 389,826.68</u>
LIABILITIES, RESERVES AND FUND BALANCE						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 26,430.30	\$ 43,880.33	\$ 61,339.44	\$ 21,191.09	\$ 87,769.74	\$ 65,071.42
Other Liabilities and Reserves:						
Reserve for Encumbrances	81.39	213.74	2,580.69	1,466.49	2,662.08	1,680.23
Consumer Overpayments	857.50	462.24	1,021.24	379.24	1,878.74	841.48
Accrued Interest on Loans and Notes			16,718.64	17,607.05	16,718.64	17,607.05
Reserve for Receivables and Other Assets	\$ 938.89	\$ 675.98	\$ 20,320.57	\$ 19,452.78	\$ 21,259.46	\$ 20,128.76
Fund Balance	\$ 35,335.17	\$ 30,667.21	\$ 30,265.39	\$ 34,693.62	\$ 65,600.56	\$ 65,360.83
	<u>\$ 127,034.86</u>	<u>\$ 112,596.65</u>	<u>\$ 69,671.19</u>	<u>\$ 126,669.02</u>	<u>\$ 196,706.05</u>	<u>\$ 239,265.67</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 189,739.22</u>	<u>\$ 187,820.17</u>	<u>\$ 181,596.59</u>	<u>\$ 202,006.51</u>	<u>\$ 371,335.81</u>	<u>\$ 389,826.68</u>

SEWER UTILITY OPERATING FUND

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

	<u>Year 2011</u>	<u>Year 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 57,745.00	\$ 73,050.00
Rents	411,095.60	354,223.44
Other Credits to Income:		
Non-Budget Revenue	10,265.68	10,881.56
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	<u>40,821.93</u>	<u>54,864.53</u>
Total Income	<u>\$ 519,928.21</u>	<u>\$ 493,019.53</u>
<u>EXPENDITURES</u>		
Operating	\$ 415,100.00	\$ 394,100.00
Capital Improvement Fund	20,000.00	20,000.00
Deferred Charges and Statutory Expenditures	<u>12,645.00</u>	<u>8,950.00</u>
Total Expenditures	<u>\$ 447,745.00</u>	<u>\$ 423,050.00</u>
Statutory Excess to Fund Balance	\$ 72,183.21	\$ 69,969.53
Fund Balance, January 1	<u>112,596.65</u>	<u>115,677.12</u>
	<u>\$ 184,779.86</u>	<u>\$ 185,646.65</u>
Decreased by -		
Utilized by Sewer Operating Budget	<u>\$ 57,745.00</u>	<u>\$ 73,050.00</u>
Fund Balance, December 31	<u>\$ 127,034.86</u>	<u>\$ 112,596.65</u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 57,745.00	\$ 57,745.00	
Rents	<u>390,000.00</u>	<u>411,095.60</u>	<u>\$ 21,095.60</u>
	\$ 447,745.00	\$ 468,840.60	\$ 21,095.60
Non-Budget Revenue	<u> </u>	<u>10,265.68</u>	<u>10,265.68</u>
	<u>\$ 447,745.00</u>	<u>\$ 479,106.28</u>	<u>\$ 31,361.28</u>

ANALYSIS OF REALIZED REVENUES

Miscellaneous:

Interest & Costs on Rents	\$ 4,265.68
Interlocal Service Agreement - Borough of Jamesburg	<u>6,000.00</u>
	<u>\$ 10,265.68</u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
OPERATING					
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 59,975.74		\$ 24.26
Other Expenses	27,000.00	26,000.00	22,330.79	\$ 81.39	3,587.82
Monroe Utility Authority Cost	300,000.00	300,000.00	293,660.96		6,339.04
Other Expenses - Insurance	29,000.00	29,000.00	28,111.85		888.15
Accumulated Sick Leave	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>		
Total Operating	\$ 416,100.00	\$ 415,100.00	\$ 404,179.34	\$ 81.39	\$ 10,839.27
CAPITAL IMPROVEMENTS					
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	<u>10,000.00</u>	<u>10,000.00</u>			<u>10,000.00</u>
Total Capital Improvements	\$ 20,000.00	\$ 20,000.00	\$ 5,000.00		\$ 15,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 5,520.00	\$ 5,520.00	\$ 5,520.00		
Social Security System (O.A.S.I.)	6,000.00	7,000.00	6,533.97		\$ 466.03
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>125.00</u>	<u>125.00</u>			<u>125.00</u>
Total Deferred Charges and Statutory Expenditures	\$ 11,645.00	\$ 12,645.00	\$ 12,053.97		\$ 591.03
Total Sewer Utility Appropriations	<u>\$ 447,745.00</u>	<u>\$ 447,745.00</u>	<u>\$ 421,233.31</u>	<u>\$ 81.39</u>	<u>\$ 26,430.30</u>

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

<u>BALANCE, DECEMBER 31, 2010</u>		\$	30,667.21
<u>INCREASED BY</u>			
Sewer Rents Levied			415,763.56
		\$	446,430.77
<u>DECREASED BY</u>			
Collections	\$ 410,633.36		
Customer Overpayments Applied	462.24		411,095.60
<u>BALANCE, DECEMBER 31, 2011</u>		\$	35,335.17

**BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Encumbered</u>		
<u>OPERATING</u>				
Salaries and Wages	\$ 4,208.38	\$ 4,208.38	\$ 548.45	\$ 3,659.93
Other Expenses	8,200.36	8,414.10	754.21	7,659.89
Monroe Utilities Authority Cost	15,871.51	15,871.51	1,969.48	13,902.03
<u>CAPITAL IMPROVEMENTS</u>				
Capital Outlay	5,000.00	5,000.00		5,000.00
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.)	384.70	384.70		384.70
Unemployment Compensation Insurance (N.J.S. 43:21 et. seq.)	215.38	215.38		215.38
	<u>\$ 43,880.33</u>	<u>\$ 213.74</u>	<u>\$ 3,272.14</u>	<u>\$ 40,821.93</u>

WATER UTILITY OPERATING FUND

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

	<u>Year 2011</u>	<u>Year 2010</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 87,777.00	\$ 97,670.00
Rents	390,767.82	355,062.12
Cell Tower Revenue	64,582.12	62,077.31
Other Credits to Income:		
Non-Budget Revenue	4,159.97	5,003.01
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	20,342.97	68,626.84
Current Appropriations Canceled	926.29	5,442.49
	<u>568,556.17</u>	<u>593,881.77</u>
Total Income	\$ 568,556.17	\$ 593,881.77
<u>EXPENDITURES</u>		
Operating	\$ 364,100.00	\$ 328,100.00
Capital Improvements	15,000.00	15,000.00
Debt Service	146,032.00	145,620.00
Deferred Charges and Statutory Expenditures	12,645.00	8,950.00
	<u>537,777.00</u>	<u>497,670.00</u>
Total Expenditures	\$ 537,777.00	\$ 497,670.00
Statutory Excess to Fund Balance	\$ 30,779.17	\$ 96,211.77
Fund Balance, January 1	<u>126,669.02</u>	<u>128,127.25</u>
	\$ 157,448.19	\$ 224,339.02
Decreased By:		
Utilized by Water Operating Budget	<u>87,777.00</u>	<u>97,670.00</u>
Fund Balance, December 31	<u><u>69,671.19</u></u>	<u><u>126,669.02</u></u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Utilized	\$ 87,777.00	\$ 87,777.00	
Rents	390,000.00	390,767.82	\$ 767.82
Cell Tower Revenue	<u>60,000.00</u>	<u>64,582.12</u>	<u>4,582.12</u>
	\$ 537,777.00	\$ 543,126.94	\$ 5,349.94
Non-Budget Revenues	<u> </u>	<u>4,159.97</u>	<u>4,159.97</u>
	<u>\$ 537,777.00</u>	<u>\$ 547,286.91</u>	<u>\$ 9,509.91</u>

ANALYSIS OF NON BUDGET REVENUE

Interest on Delinquent Accounts	\$ 3,838.03
Meter Readings	160.00
Miscellaneous	<u>161.94</u>
	<u>\$ 4,159.97</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2011

	<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	\$ 60,000.00	\$ 60,000.00	\$ 58,975.78	\$ 800.00	\$ 224.22	
Other Expenses	46,000.00	45,000.00	32,360.54	1,711.94	10,927.52	
Purchase of Water	230,000.00	230,000.00	186,222.73	68.75	43,708.52	
Other Expenses - Insurance	29,000.00	29,000.00	28,111.85		888.15	
Accumulated Sick Leave	100.00	100.00	100.00			
Total Operating	<u>\$ 365,100.00</u>	<u>\$ 364,100.00</u>	<u>\$ 305,770.90</u>	<u>\$ 2,580.69</u>	<u>\$ 55,748.41</u>	
CAPITAL IMPROVEMENTS						
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 - Reserve Water Tower Repainting	5,000.00	5,000.00	5,000.00			
Total Capital Improvements	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 10,000.00</u>		<u>\$ 5,000.00</u>	
DEBT SERVICE						
Payment of Bond Anticipation Notes and Capital Notes	\$ 63,000.00	\$ 63,000.00	\$ 63,000.00			
Interest on Notes	4,520.00	4,520.00	3,593.71			\$ 926.29
USDA Loan	78,512.00	78,512.00	78,512.00			
Total Debt Service	<u>\$ 146,032.00</u>	<u>\$ 146,032.00</u>	<u>\$ 145,105.71</u>			<u>\$ 926.29</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 5,520.00	\$ 5,520.00	\$ 5,520.00			
Social Security System (O.A.S.I.)	6,000.00	7,000.00	6,533.97		\$ 466.03	
Unemployment Compensation Insurance (NJSA 43:21-3 et. Seq.)	125.00	125.00			125.00	
Total Deferred Charges and Statutory Expenditures	<u>\$ 11,645.00</u>	<u>\$ 12,645.00</u>	<u>\$ 12,053.97</u>		<u>\$ 591.03</u>	
Total Water Utility Appropriations	<u>\$ 537,777.00</u>	<u>\$ 537,777.00</u>	<u>\$ 472,930.58</u>	<u>\$ 2,580.69</u>	<u>\$ 61,339.44</u>	<u>\$ 926.29</u>

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

<u>BALANCE, DECEMBER 31, 2010</u>		\$	34,693.62
<u>INCREASED BY</u>			
Water Rents Levied			<u>386,339.59</u>
		\$	421,033.21
<u>DECREASED BY</u>			
Collections	\$	390,388.58	
Customer Overpayments Applied		<u>379.24</u>	<u>390,767.82</u>
<u>BALANCE, DECEMBER 31, 2011</u>		\$	<u><u>30,265.39</u></u>

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

<u>BALANCE, DECEMBER 31, 2010</u>		\$ 17,607.05
<u>INCREASED BY</u>		
Budget Appropriation for:		
Interest on Notes	\$ 3,593.71	
Interest on USDA Loan	<u>61,628.71</u>	<u>65,222.42</u>
		\$ 82,829.47
<u>DECREASED BY</u>		
Disbursed		<u>66,110.83</u>
<u>BALANCE, DECEMBER 31, 2011</u>		<u>\$ 16,718.64</u>

ANALYSIS OF ACCRUED INTEREST, DECEMBER 31, 2011

		Principal Outstanding December 31, <u>2011</u>	Interest Rate	From	To	Period	Amount
Bond Anticipation Notes	\$	164,000.00	2.59%	10/2/2010	12/31/2010	92 Days	\$ 1,070.63
USDA Loan		1,284,734.60	4.75%	10/1/2010	12/31/2010	3 Months	<u>15,648.01</u>
							<u>\$ 16,718.64</u>

**BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF 2010 APPROPRIATION RESERVES**

	Balance December 31, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Encumbered</u>		
OPERATING				
Salaries and Wages	\$ 2,208.33		\$ 548.45	\$ 1,659.88
Other Expenses	12,653.20	\$ 1,397.74	1,697.41	12,353.53
Purchase of Water	5,729.48	68.75	68.75	5,729.48
		\$ 2,208.33		
		14,050.94		
		5,798.23		
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	384.70			384.70
Unemployment Compensation Insurance (N.J.S. 43:21 et. seq.)	215.38			215.38
		\$ 22,657.58		
	\$ 21,191.09	\$ 1,466.49	\$ 2,314.61	\$ 20,342.97

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

BOROUGH OF HELMETTA
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
SEWER UTILITY AND WATER UTILITY CAPITAL FUNDS - STATUTORY BASIS
AS OF DECEMBER 31, 2011 AND 2010

	Sewer Utility		Water Utility		Total (Memorandum Only)
	2011	2010	2011	2010	2011
ASSETS					
Cash and Cash Equivalents	\$ 59,399.08	\$ 54,399.08	\$ 95,872.84	\$ 85,973.92	\$ 155,271.92
Fixed Capital	\$ 1,701,244.62	\$ 1,701,244.62	\$ 3,387,513.21	\$ 3,387,513.21	\$ 5,088,757.83
Total Assets	\$ 1,760,643.70	\$ 1,755,643.70	\$ 3,483,386.05	\$ 3,473,487.13	\$ 5,244,029.75
LIABILITIES AND RESERVES					
Bond Anticipation Notes			\$ 164,000.00	\$ 227,000.00	\$ 164,000.00
USDA Loan			\$ 1,284,734.60	\$ 1,301,617.89	\$ 1,284,734.60
Improvement Authorizations: Unfunded				\$ 101.08	\$ 101.08
Capital Improvement Fund Reserve for Water-Tower Repainting	\$ 48,150.00	\$ 43,150.00	\$ 33,522.29	\$ 28,522.29	\$ 81,672.29
			36,000.00	31,000.00	36,000.00
Reserve for Amortization	\$ 48,150.00	\$ 43,150.00	\$ 69,522.29	\$ 59,522.29	\$ 117,672.29
Deferred Reserve for Amortization	\$ 1,648,643.70	\$ 1,648,643.70	\$ 827,541.66	\$ 810,658.37	\$ 2,476,185.36
	\$ 52,600.92	\$ 52,600.92	\$ 1,113,453.78	\$ 1,050,453.78	\$ 1,166,054.70
Fund Balance	\$ 11,249.08	\$ 11,249.08	\$ 24,133.72	\$ 24,133.72	\$ 35,382.80
Total Liabilities and Reserves	\$ 1,760,643.70	\$ 1,755,643.70	\$ 3,483,386.05	\$ 3,473,487.13	\$ 5,244,029.75

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, 2011.

SEWER UTILITY CAPITAL FUND

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

	Balance December 31, <u>2010</u>	<u>Receipts</u> <u>Miscellaneous</u>	Balance December 31, <u>2011</u>
Fund Balance	\$ 11,249.08		\$ 11,249.08
Capital Improvement Fund	<u>43,150.00</u>	\$ <u>5,000.00</u>	<u>48,150.00</u>
	<u>\$ 54,399.08</u>	<u>\$ 5,000.00</u>	<u>\$ 59,399.08</u>

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2010</u>	
<u>AND</u>	
<u>BALANCE, DECEMBER 31, 2011</u>	\$ <u>1,701,244.62</u>

Detail:	
Construction of Sanitary Sewer	\$ 1,420,000.00
Renovation to Municipal Building Including Furniture, Fixtures and Equipment	13,000.00
Waste Water Collection Facility	205,750.92
Capital Outlay - 2004	8,140.00
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
Acquisition of a Dump Truck	<u>32,250.00</u>
	<u>\$ 1,701,244.62</u>

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

<u>BALANCE, DECEMBER 31, 2010</u>	\$ 43,150.00
<u>INCREASED BY</u>	
2011 Budget Appropriation	<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2011</u>	\$ <u>48,150.00</u>

WATER UTILITY CAPITAL FUND

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

	<u>Balance</u> December 31, 2010	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> December 31, 2011
Fund Balance				
Capital Improvement Fund	\$ 24,133.72			\$ 24,133.72
Reserve for Water Tower Repainting	28,522.29	\$ 5,000.00		33,522.29
Reserve for Payment of Notes-Ord 03-09/04-02/04-16	31,000.00	5,000.00		36,000.00
	2,216.83			2,216.83
<u>Ordinance</u>				
<u>Number</u>				
			<u>101.08</u>	
2009-6			\$ 101.08	
Various Water Utility Improvements				
	<u>\$ 85,973.92</u>	<u>\$ 10,000.00</u>	<u>\$ 101.08</u>	<u>\$ 95,872.84</u>

Bracketed Amount Denotes Deficit.

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

<u>BALANCE, DECEMBER 31, 2010</u>	
<u>AND</u>	
<u>BALANCE, DECEMBER 31, 2011</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 HELMETTA
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, 2010</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2011</u>
2002-03	Reconstruction of Railroad Ave. Water Main	10/11/2002	9/30/2011	9/28/2012	2.59%	\$ 25,000.00	\$ 25,000.00	
2003-09/ 2004-02/ 2004-16	Replacement of Water Meters	10/8/2004	9/30/2011	9/28/2012	2.59%	60,000.00	30,000.00	\$ 30,000.00
2009-6	Various Improvements	10/11/2009	9/30/2011	9/28/2012	2.59%	142,000.00	8,000.00	134,000.00
						<u>\$ 227,000.00</u>	<u>\$ 63,000.00</u>	<u>\$ 164,000.00</u>
<u>Detail:</u>								
Budget Appropriation							<u>\$ 63,000.00</u>	

**BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF USDA LOAN PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Issue</u>	<u>Year</u>	<u>Maturity of Loan Outstanding December 31, 2011</u> <u>Date/Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2010</u>	<u>Decreased by</u>	<u>Balance December 31, 2011</u>
Construction of Water Tower	10/10/03	\$ 1,400,000.00		April 1				
			2012	\$ 8,743.55	4.75%	\$ 1,301,617.89	\$ 16,883.29	\$ 1,284,734.60
			2013	9,163.80				
			2014	9,604.25				
			2015	10,065.87				
			2016	10,549.68				
			2017	11,056.74				
			2018	11,588.17				
			2019	12,145.15				
			2020	12,728.89				
			2021	13,340.69				
			2022	13,981.90				
			2023	14,653.93				
			2024	15,358.26				
			2025	16,096.44				
			2026	16,870.10				
			2027	17,680.94				
			2028	18,530.76				
			2029	19,421.42				
			2030	20,354.90				
			2031	21,333.24				
			2032	22,358.60				
			2033	23,433.24				
			2034	24,559.54				
		2035	25,739.97					
		2036	26,977.14					
		2037	28,273.77					
		2038	29,632.72					
		2039	31,056.99					
		2040	32,549.72					
		2041	34,114.19					
		2042	35,753.85					
		2043	37,472.33					
				Oct 1				
				\$ 8,951.21				
				9,381.44				
				9,832.35				
				10,304.94				
				10,800.23				
				11,319.34				
				11,863.39				
				12,433.59				
				13,031.20				
				13,657.54				
				14,313.97				
				15,001.96				
				15,723.02				
				16,478.73				
				17,270.76				
				18,100.86				
				18,970.87				
				19,882.68				
				20,838.33				
				21,839.90				
				22,889.61				
				23,989.78				
				25,142.83				
				26,351.29				
				27,617.84				
				28,945.27				
				30,336.50				
				31,794.59				
				33,322.77				
				34,924.40				
				36,603.01				
				37,629.66				
				\$ 635,190.74		\$ 1,301,617.89	\$ 16,883.29	\$ 1,284,734.60
				\$ 649,543.86				

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

<u>BALANCE, DECEMBER 31, 2010</u>	\$ 28,522.29
<u>INCREASED BY</u>	
2011 Budget Appropriation	<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2011</u>	<u>\$ 33,522.29</u>

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	Balance December 31, 2010 <u>Unfunded</u>	Paid or <u>Charged</u>
2009-6	Various Water Utility Improvements	04/06/09	\$ 150,000.00	\$ 101.08	\$ 101.08
				\$ 101.08	\$ 101.08

GENERAL FIXED ASSETS

BOROUGH OF HELMETTA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

	Balance December 31, 2011	Balance December 31, 2010
General Fixed Assets:		
Land	\$ 198,531.09	\$ 198,531.09
Buildings	2,474,861.81	2,343,858.84
Vehicles	1,455,379.43	1,269,041.73
Equipment	<u>874,732.23</u>	<u>767,429.38</u>
	<u>\$ 5,003,504.56</u>	<u>\$ 4,578,861.04</u>
Investment in General Fixed Assets	<u>\$ 5,003,504.56</u>	<u>\$ 4,578,861.04</u>
	<u>\$ 5,003,504.56</u>	<u>\$ 4,578,861.04</u>

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Government	\$ 234,950.00	\$ 234,750.00	\$ 191,800.00	\$ 190,275.00	\$ 211,025.00	\$ 265,050.00	\$ 216,640.00	\$ 179,155.00	\$ 203,845.00	\$ 180,106.00
Land Use	13,900.00	16,208.00	22,200.00	10,200.00	13,600.00	18,550.00	7,325.00	16,370.00	47,220.00	11,920.00
Insurance	176,925.00	155,600.00	144,100.00	133,868.00	131,438.00	134,675.00	129,005.00	141,000.00	120,170.00	108,600.00
Public Safety	534,252.00	531,920.00	501,038.00	484,512.00	448,735.00	442,741.00	416,104.00	441,886.00	429,920.00	398,358.00
Public Works	352,180.00	348,037.00	353,179.00	314,610.00	306,610.00	306,180.00	327,342.00	307,465.00	266,068.00	256,950.00
Health and Human Services	43,478.00	36,115.00	33,658.00	27,458.00	27,316.00	28,122.00	28,763.00	27,493.00	25,994.00	25,383.00
Park and Recreation	15,000.00	9,700.00	18,000.00	17,250.00	20,500.00	19,500.00	12,250.00	8,750.00	6,060.00	3,500.00
Utilities	107,800.00	96,600.00	104,200.00	107,900.00	97,450.00	90,200.00	80,625.00	60,600.00	68,930.00	65,500.00
Interlocal Agreement-Animal Shelter	108,900.00									
Deferred Charges and Statutory Expenditures	182,883.00	134,752.11	138,045.08	131,794.03	102,350.00	79,707.57	57,886.00	55,746.71	50,671.00	130,207.00
State and Federal Grants	47,543.86	15,528.84	20,282.88	50,513.74	115,237.17	59,793.73	142,946.51	162,671.22	7,479.00	125,217.63
Capital Improvements	79,000.00	113,000.00	65,000.00	35,000.00	18,000.00	145,000.00	49,500.00	16,500.00	10,000.00	10,000.00
Debt Service	110,834.00	88,470.00	80,845.00	302,720.00	326,730.00	336,302.00	335,926.00	335,770.00	298,264.00	361,555.00
Contingent	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Transferred to Board of Education - Subsidy										
Reserve for Uncollected Taxes	154,315.00	152,661.67	149,475.03	147,023.14	149,000.00	130,000.00	124,000.00	112,004.20	115,000.00	120,000.00
	\$ 2,162,460.86	\$ 1,933,842.72	\$ 1,832,322.99	\$ 1,953,623.91	\$ 1,969,491.17	\$ 2,056,321.30	\$ 1,926,812.51	\$ 1,865,913.13	\$ 1,850,021.00	\$ 1,896,596.63

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating	\$ 415,100.00	\$ 384,100.00	\$ 355,100.00	\$ 349,600.00	\$ 330,100.00	\$ 320,400.00	\$ 314,000.00	\$ 298,500.00	\$ 301,000.00	\$ 283,000.00
Capital Improvements	20,000.00	20,000.00	20,000.00	20,000.00	25,500.00	13,000.00	33,000.00	30,000.00	9,000.00	5,500.00
Debt Service	12,645.00	8,950.00	8,800.00	8,000.00	10,400.00	11,000.00	11,600.00	43,360.00	47,822.00	50,410.00
Deferred Charges and Statutory Expenditures					5,900.00	5,084.00	4,500.00	4,175.00	4,175.00	4,021.00
	<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>	<u>\$ 361,997.00</u>	<u>\$ 342,931.00</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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Operating	\$ 364,100.00	\$ 333,100.00	\$ 338,100.00	\$ 347,600.00	\$ 317,600.00	\$ 279,975.00	\$ 276,450.00	\$ 240,000.00	\$ 234,000.00	\$ 223,000.00
Capital Improvements	15,000.00	10,000.00	15,000.00	15,000.00	17,000.00	25,000.00	37,000.00	24,000.00	15,500.00	15,000.00
Debt Service	146,032.00	145,620.00	147,537.00	141,190.00	161,996.00	169,772.00	166,572.00	206,656.00	110,289.00	80,706.00
Deferred Charges and Statutory Expenditures	12,645.00	8,950.00	8,800.00	8,000.00	6,400.00	19,819.00	2,800.00	20,800.00	4,175.00	4,021.00
	<u>\$ 537,777.00</u>	<u>\$ 497,670.00</u>	<u>\$ 509,437.00</u>	<u>\$ 511,790.00</u>	<u>\$ 502,996.00</u>	<u>\$ 493,566.00</u>	<u>\$ 482,822.00</u>	<u>\$ 491,456.00</u>	<u>\$ 363,964.00</u>	<u>\$ 322,727.00</u>

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									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Surplus Anticipated	\$ 246,000.00	\$ 246,000.00	\$ 235,000.00	\$ 225,000.00	\$ 48,000.00	\$ 341,000.00	\$ 341,950.00	\$ 322,000.00	\$ 267,000.00	\$ 240,000.00
Taxes (1)	1,180,064.52	1,151,660.26	1,148,995.87	1,163,003.44	1,174,057.97	1,021,733.09	972,368.71	930,050.31	895,271.75	755,240.14
Delinquent Taxes	111,556.44	95,395.77	69,145.92	37,856.72	42,313.15	42,927.60	51,003.13	69,712.72	68,280.59	85,933.37
Miscellaneous	532,467.72	417,478.37	315,039.65	291,401.52	448,307.54	265,774.49	172,659.66	201,389.08	319,720.39	346,997.01
State Aid	142,271.00	142,271.00	178,844.00	308,429.00	320,886.00	341,660.00	361,660.00	361,660.00	388,348.18	465,793.53
State and Federal Grants	47,543.86	12,228.94	17,991.76	38,731.61	109,204.17	58,397.53	149,321.51	147,582.22	6,083.00	123,821.63
Non-budget Revenues and Other Items	135,389.75	76,242.00	109,414.36	81,297.04	112,503.59	161,190.41	130,571.73	176,249.33	158,594.92	86,112.17
	<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>\$ 2,209,663.66</u>	<u>\$ 2,104,286.83</u>	<u>\$ 2,105,897.85</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>
2011	\$ 0.469	\$ 0.339	\$ 1.283	\$ 2.091	97.34%	2.43%
2010	0.450	0.305	1.278	2.033	97.57%	2.43%
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%
2003	1.208	0.857	4.500	6.565	98.47%	1.53%
2002	1.230	0.810	4.330	6.370	98.15%	1.78%

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>
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%
2003	3,980,152.90	3,919,180.24	98.47%
2002	3,641,793.47	3,574,512.94	98.15%

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>
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%
2003	None	60,978.04	60,978.04	1.53%
2002	None	64,922.91	64,922.91	1.78%

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>
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%
2003	58,073,200	145,401,102	39.94%
2002	56,543,900	123,431,347	45.81%

** 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 - 2011</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Kaplan at Helmetta, LLC	\$ 1,699,000	0.68%
Sutton Plaza Associates	1,500,000	0.60%
Maglies, Robert	1,428,000	0.57%
Bohinski, Loretta	1,053,500	0.42%
Buchan, William & Roseann	983,600	0.39%
Aggo LLC	877,600	0.35%
Motard, Gregory	820,500	0.33%
Bohinski, Charles & Sandra	724,700	0.29%
Beecher, J & H	624,600	0.25%
Raczynski, Anthony & Barbara	605,200	0.24%
Bohinski, Mark & Meredith	573,700	0.23%
Buchan, William Jr.	539,800	0.22%
Glyco Corp.	529,800	0.21%
Covington, Harold & Irene	525,100	0.21%
Grote, John & Lisa	512,500	0.21%
Smith, Patrick & Kimberly	<u>507,700</u>	<u>0.20%</u>
	<u>\$ 13,505,300</u>	<u>5.40%</u>

Source: Municipal Tax Collector's Office.

BOROUGH OF HELMETTA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011
(UNAUDITED)

Average Equalized Valuation	\$ <u>244,820,031.67</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 8,568,701.11
Net Debt	<u>1,805,000.00</u>
Remaining Borrowing Power	\$ <u>6,763,701.11</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Helmetta	\$ 3,253,734.60	\$ 1,448,734.60	\$ 1,805,000.00
Consolidated School District Debt allocated to Borough	\$ None	\$ None	None
Overlapping Debt Apportioned to the Municipality: County of Middlesex (1) \$661,870,515 x .2356(%)			<u>1,559,367.00</u>
			\$ <u>3,364,367.00</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>
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 (4)	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
2003	1,825	145,401,102.00	3,747,800.00	2.58%	2,053.59
2002	1,825	123,431,347.00	3,931,175.00	3.18%	2,154.07

(1) Based on the 2000 U.S. Census for 2002 through 2009 and 2010 Census for 2010 and 2011.

(2) Per the State of New Jersey only Real Property included.

(3) Per Annual Debt Statement - Includes Self-Liquidating Net Debt.

(4) Revaluation Effective.

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>
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	4.09%
2009	80,000.00	10,845.00	90,845.00	1,832,322.99	4.70%
2008	284,000.00	18,720.00	302,720.00	1,953,623.91	16.52%
2007	294,500.00	32,173.05	326,673.05	1,968,491.17	16.72%
2006	288,000.00	48,302.00	336,302.00	2,056,321.30	17.08%
2005	287,500.00	48,373.73	335,873.73	1,928,812.51	16.33%
2004	287,000.00	48,640.79	335,640.79	1,865,913.13	17.40%
2003	241,000.00	56,963.10	297,963.10	1,650,021.00	15.97%
2002	290,000.00	71,355.00	361,355.00	1,896,596.63	21.90%

(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	\$ 479,106.28
Deductions:	
Operating and Maintenance Cost	<u>427,745.00</u>
Excess in Revenues	<u>\$ 51,361.28</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		\$ 547,124.97
Deductions:		
Operating and Maintenance Cost	\$ 376,745.00	
Debt Service	<u>145,105.71</u>	
Total Deductions		<u>521,850.71</u>
Excess in Revenues		<u>\$ 25,274.26</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> (4)
2011	2,178	8.60%	868	\$ 33,022
2010	2,178	8.80%	868	33,022
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
2003	1,825	5.90%	788	26,688
2002	1,825	6.00%	786	26,688

(1) 2000 U.S. Census for 2002 through 2009 and 2010 Census for 2010 and 2011.

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

(3) Borough Tax Collector's Office.

(4) Middlesex County Planning Board (Census).

BOROUGH OF HELMETTA
MISCELLANEOUS STATISTICS
DECEMBER 31, 2011
(UNAUDITED)

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

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative		3
Police	5	7
Public Works	2	3
Volunteer Firemen		21
Other	<u> </u>	<u>13</u>
Total Employees	<u>7</u>	<u>47</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2011

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, due to the absence of a Qualified Purchasing Agent (QPA), except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 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 no bids by public advertising during the year.

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 \$17,500.00 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.

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

State Contract Purchases

2012 Chevrolet Express 1500 Cargo Van

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2011

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 1, 2011, 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 1, 2011, 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 1, 2011 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, 2011

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2011 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2011 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 21, 2011 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.

It was noted during our review that there are several meters in need of repair. This matter should be referred to the appropriate official for corrective action.

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.

OTHER COMMENTS
DECEMBER 31, 2011

Cash Balances

The cash balances in all funds were verified with the depositories as of December 31, 2011 and as of June 30, 2012 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.

Municipal court bank service charges need to be addressed for correction as soon as possible.

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.

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. This matter has been discussed with the Borough Clerk.

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. Minor exceptions were noted.

Animal Control Shelter

Our examination included a review of the animal tracking and billing process within the Animal Shelter. There were problems from time to time with the accuracy of the billing related to other municipalities in that they contained in some cases, charges that belong to other municipalities, which required adjustments post billing/mailing. In some instances, it is based on available data and is unavoidable. Procedures should be reviewed to ensure more accurate billings in the future. In addition, for all prenumbered forms a reconciliation process should be established to account for the numerical sequence on all documents.

OTHER COMMENTS
DECEMBER 31, 2011

Payroll

An examination was made of the employees' compensation records for the year 2011 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 has come to our attention that components of salaries of certain employees who hold multiple titles may not have had all eligible wages included in the pension (PERS) base wage calculation. This may have been caused by a misinterpretation of the allocation of the administrative salary and related treatment. This matter is under review by the Borough Chief Financial Officer.

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.

Miscellaneous Comments

The confirmation sent to the Consolidated Board of Education verified that the school taxes payable at December 31, 2011 were in agreement with the Borough's records.

Construction Code Official

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

Grants

There are grant reserves that are outstanding as of December 31, 2011. This matter should be reviewed by the Chief Financial Officer and the specific grant coordinators.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2011

Miscellaneous Comments (Continued)

Interfunds

The balance sheets of various funds reflect an Interfund Receivable/Payable as of December 31, 2011. 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 2011 and for the bank honesty coverage.

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, 2011.

Financial Procedures Review

It is suggested that for all financial processes 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 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 2011 was not required.

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, 2011

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,

A handwritten signature in black ink, appearing to read "G. Stankiewicz". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For The Firm
SAMUEL KLEIN AND COMPANY