

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE

BOROUGH OF HELMETTA

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

FOR THE YEAR ENDED DECEMBER 31, 2010

Presented by

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

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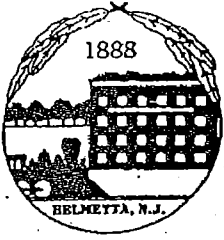
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INTRODUCTORY SECTION



BOROUGH OF HELMETTA

60 Main Street

Helmetta, New Jersey 08828

TO: The Honorable Mayor and Council Members

**RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2010**

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 2010 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 2010, our Current Fund, which encompasses the general government functions of the Borough, had revenues of \$1,897,274.14, exclusive of fund balance, expenditures of \$1,933,842.72 and a decrease of \$796.82 in fund balance at year-end. The Current Fund revenues increased approximately 3.32% or \$68,842.58 over 2009. Below is a comparison of the Current Fund revenues.

	<u>2010</u>	<u>2009</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 246,000.00	\$ 235,000.00	\$ 11,000.00	4.68 %
Current Tax Revenue	1,151,660.26	1,148,995.87	2,664.39	0.23
Delinquent Tax Revenue	95,395.77	69,145.92	26,249.85	37.96
Miscellaneous Revenue				
Anticipated	349,870.37	315,039.65	34,830.72	11.06
Non-Budget Revenues	33,595.86	32,540.67	1,055.19	3.24
Other Credits to Income	<u>112,251.94</u>	<u>76,873.69</u>	<u>35,378.25</u>	<u>46.02</u>
 Total Revenues from Local Sources	 \$ 1,988,774.20	 \$ 1,877,595.80	 \$ 111,178.40	 5.92 %
State Aid	142,271.00	178,844.00	(36,573.00)	(20.45)
Federal and State Grants	<u>12,228.94</u>	<u>17,991.76</u>	<u>(5,762.82)</u>	<u>(32.03)</u>
 Total Current Fund Revenues	 <u>\$ 2,143,274.14</u>	 <u>\$ 2,074,431.56</u>	 <u>\$ 68,842.58</u>	 <u>3.32 %</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 decrease in expenditures in 2010 over 2009 was approximately 5.54%, most of which is attributed to a scheduled reduction in debt service and is detailed as follows:

	<u>2010</u>	<u>2009</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 234,750.00	\$ 191,800.00	\$ 42,950.00	22.39 %
Land Use	16,208.00	22,200.00	(5,992.00)	(26.99)
Insurance	155,600.00	144,100.00	11,500.00	7.98
Public Safety	531,920.00	501,038.00	30,882.00	6.16
Public Works	348,037.00	353,179.00	(5,142.00)	(1.46)
Health and Human Services	36,115.00	33,658.00	2,457.00	7.30
Parks and Recreation	9,700.00	18,000.00	(8,300.00)	(46.11)
Utilities	96,600.00	104,200.00	(7,600.00)	(7.29)
Contingent	500.00	500.00		
Deferred Charges and				
Statutory Expenditures	134,752.11	138,045.08	(3,292.97)	(2.39)
Federal and State Programs	15,528.94	20,282.88	(4,753.94)	(23.44)
Capital Improvements	113,000.00	65,000.00	48,000.00	73.85
Municipal Debt Service	88,470.00	90,845.00	(2,375.00)	(2.61)
Reserve for Uncollected Taxes	<u>152,661.67</u>	<u>149,475.03</u>	<u>3,186.64</u>	<u>2.13</u>
Total Current Fund Expenditures	\$ <u><u>1,933,842.72</u></u>	\$ <u><u>1,832,322.99</u></u>	\$ <u><u>101,519.73</u></u>	<u><u>5.54 %</u></u>

WATER FUND

Our Water Utility Operating Fund generated operating revenues of \$496,211.77, exclusive of fund balance, and incurred operating expenses of \$497,670.00, resulting in a decrease in fund balance of \$1,458.23. The decrease in operating expenses from 2010 to 2009 was 2.31%. The following schedule summarizes revenues and expenses for 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Increase/(Decrease)</u>	
<u>Revenues</u>			<u>Amount</u>	<u>Percent</u>
Fund Balance	\$ 97,670.00	\$ 109,437.00	\$ (11,767.00)	(10.75) %
Rents	355,062.12	354,678.56	383.56	0.11
Cell Tower Revenue	62,077.31	59,460.94	2,616.37	4.40
Other Credits to Income:				
Non-Budget Revenue	5,003.01	18,849.30	(13,846.29)	(73.46)
Unexpended Balance of				
Appropriation Reserves and				
Reserve for Encumbrances	68,626.84	56,099.89	12,526.95	22.33
Current Appropriations Canceled	5,442.49		5,442.49	100.00
	<u>\$ 593,881.77</u>	<u>\$ 598,525.69</u>	<u>\$ (4,643.92)</u>	<u>(0.78) %</u>
 <u>Expenditures</u>				
Operating	\$ 333,100.00	\$ 338,100.00	\$ (5,000.00)	(1.48) %
Capital Improvements	10,000.00	15,000.00	(5,000.00)	(33.33)
Debt Service	145,620.00	147,537.00	(1,917.00)	(1.30)
Deferred Charges and				
Statutory Expenditures	8,950.00	8,800.00	150.00	1.70
	<u>\$ 497,670.00</u>	<u>\$ 509,437.00</u>	<u>\$ (11,767.00)</u>	<u>(2.31) %</u>

SEWER FUND

Our Sewer Utility Operating Fund generated operating revenues of \$419,969.53, exclusive of fund balance, and incurred operating expenses of \$423,050.00, resulting in a decrease in fund balance of \$3,080.47. The increase in operating expenses from 2010 to 2009 was 10.43%. The following schedule summarizes revenues and expenses for 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 73,050.00	\$ 33,900.00	\$ 39,150.00	115.49 %
Rents	354,223.44	357,396.66	(3,173.22)	(0.89)
Other Credits to Income:				
Unexpended Balance of				
Appropriation Reserves	54,864.53	35,542.66	19,321.87	54.36
Non-Budget Revenue	10,881.56	28,018.50	(17,136.94)	(61.16)
	<u>\$ 493,019.53</u>	<u>\$ 454,857.82</u>	<u>\$ 38,161.71</u>	<u>8.39 %</u>
<u>Expenditures</u>				
Operating	\$ 394,100.00	\$ 355,100.00	\$ 39,000.00	10.98 %
Capital Improvements	20,000.00	20,000.00	0.00	0.00
Deferred Charges and				
Statutory Expenditures	8,950.00	8,000.00	950.00	11.88
	<u>\$ 423,050.00</u>	<u>\$ 383,100.00</u>	<u>\$ 39,950.00</u>	<u>10.43 %</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 2010 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 2010 INITIATIVES

- ◆ We have increased the number of interlocal agreements that have a direct impact on our financial goals.
- ◆ The reconstruction for Madison Drive, Sutton Place and York Drive has been completed.
- ◆ 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 2011.
- ◆ The Borough has received a grant from the NJ Department of Transportation to reconstruct Maple Street, John Street and Washington Avenue.
- ◆ 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 Helme Snuff Mill in 2010. Decision was made in favor of the Borough; however, the redeveloper filed an appeal. In 2011, 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 2010, the Borough continued to demonstrate important indicators of continued financial strength as follows:

During 2010, total real estate tax revenues increased by \$2,664.39 or .023% to \$1,151,660.26. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 98.03% in 2010. 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 2010. Assessed values decreased to \$247,418,300.00.

CASH MANAGEMENT

Bank balances are insured up to \$100,000.00 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, 2010, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2010, 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 .752% of its equalized value. Debt Service was reduced in the last three years due to a scheduled reduction in principal payments.

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, 2010

Governing Body

Nancy Martin, Mayor
Vincent Ascioffa, Council President
Robert Janeczek, Councilman
Peter Karczewski, Councilman
Sewell Peckham, 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
Stacy Kitson, Court Administrator
Paul Granick, Prosecutor
Carol Feig, Water Revenue Collector and Sewer Revenue Collector

BOROUGH OF HELMETTA
CONSULTANTS AND ADVISORS
DECEMBER 31, 2010

AUDIT FIRM

Gerard Stankiewicz of
Samuel Klein and Company
36 West Main Street
Suite 301
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 Jicama 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, SUITE 301
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, 2010, 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, 2010 or the results of its operations, or cash flows of its proprietary fund types and non-expendable trust funds for the year then ended.

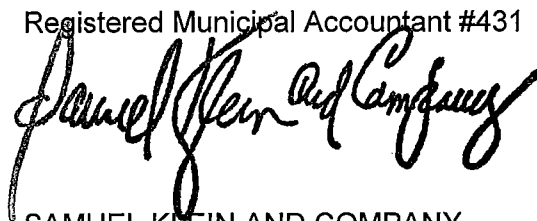
However, in our opinion, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account groups of the Borough as of December 31, 2010 and the results of operations and changes in fund balance - 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, 2010 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011 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
November 10, 2011

SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2010, and have issued our report thereon dated November 10, 2011. 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

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.

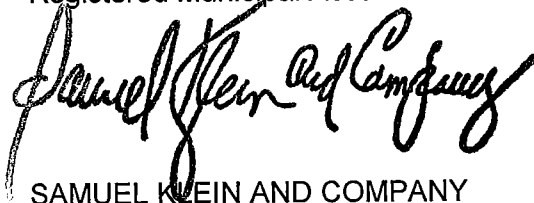
Compliance and Other Matters

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
November 10, 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, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Governmental Funds			Utilities		Trust Funds	General Fixed Asset Account	Totals	
	Current	General Capital	\$	Operating	Capital			2010	2009
ASSETS AND OTHER DEBITS									
Cash and Cash Equivalents	\$ 1,168,545.46	\$ 705,460.96	\$ 240,890.81	\$ 324,465.85	\$ 140,373.00			\$ 2,579,736.08	\$ 1,929,169.31
Intergovernmental Accounts Receivable	3,288.42	79,074.61						82,363.03	177,830.57
Receivables and Other Assets:									
Delinquent Property Taxes	111,556.44			65,360.83				111,556.44	93,632.54
Consumer Accounts Receivable								65,360.83	48,882.07
Property Acquired for Taxes - Assessed									
Valuation	8,800.00							8,800.00	8,800.00
Other Accounts Receivable	18,388.96							18,388.96	14,243.33
Interfunds Receivable	1,446.02							1,446.02	500.43
Deferred Charges	66,600.00	1,885,000.00						1,951,600.00	213,500.00
Fixed Capital								5,088,757.83	5,088,757.83
Fixed Assets							\$ 4,578,861.04	4,578,861.04	2,714,788.41
Federal and State Grant Fund:									
Cash and Cash Equivalent	33,474.37							33,474.37	9,183.00
Federal and State Grants Receivable	5,000.00							5,000.00	30,553.64
Interfund Receivable									
Total Assets and Other Debits	\$ 1,417,099.67	\$ 2,669,535.57	\$ 240,890.81	\$ 389,826.68	\$ 5,229,130.83	\$ 4,578,861.04	\$ 14,525,344.60	\$ 10,329,841.13	

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, 2010
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009)

	Governmental Funds			Utilities		Trust Funds	General Capital	General Fixed Asset Account	Totals	
	Current	Operating	Capital	2010	2009					
LIABILITIES, RESERVES AND FUND BALANCE										
Liabilities and Reserves:										
Appropriation Reserves	\$ 47,667.36	\$ 65,071.42		\$ 112,738.78	\$ 179,885.09					
Other Liabilities and Reserves	850,247.32	20,128.76	\$ 239,444.79	2,855,865.20	1,223,662.12					
Improvement Authorizations		101.08		27,741.89	78,706.98					
Interfunds Payable			1,446.02	1,446.02	31,054.07					
Bond Anticipation Notes				1,207,000.00	447,000.00					
USDA Loan				1,301,617.89	1,317,726.92					
Reserve for Receivables and Other Assets	140,191.42	65,360.83		2,459,302.07	165,780.63					
Reserve for Amortization				1,103,054.70	2,443,193.04					
Deferred Reserve for Amortization Federal and State Grant Fund:										
Reserve for Encumbrances	2,345.06			2,345.06	4,183.00					
Unappropriated/Appropriated Reserves	36,129.31			36,129.31	35,553.64					
Total Liabilities and Reserves	\$ 1,076,580.47	\$ 2,651,012.85	\$ 240,890.81	\$ 9,312,793.17	\$ 6,975,800.19					
Equity and Other Credits:										
Fund Balance	\$ 340,519.20	\$ 18,522.72		\$ 633,690.39	\$ 639,252.53					
Investment in General Fixed Assets				\$ 4,578,861.04	2,714,788.41					
Total Equity and Other Credits	\$ 340,519.20	\$ 18,522.72		\$ 5,212,551.43	\$ 3,354,040.94					
Total Liabilities, Reserves and Fund Balance	\$ 1,417,099.67	\$ 2,669,535.57	\$ 240,890.81	\$ 14,525,344.60	\$ 10,329,841.13					

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, 2010

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Revenues:						
Fund Balance Anticipated	\$ 246,000.00	\$ 246,000.00		\$ 170,720.00	\$ 170,720.00	
Rents				700,000.00	709,285.56	\$ 9,285.56
Miscellaneous Revenues	307,486.46	417,478.37	\$ 109,991.91	50,000.00	62,077.31	12,077.31
State Aid	142,271.00	142,271.00				
Grants	12,228.94	12,228.94				
	\$ 707,986.40	\$ 817,978.31	\$ 109,991.91	\$ 920,720.00	\$ 942,082.87	\$ 21,362.87
Receipts from Delinquent Taxes						
Amount to be Raised by Taxes for Support of Municipal Budget:	70,000.00	95,395.77	25,395.77			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,114,856.32	1,151,660.26	36,803.94			
Budget Totals	\$ 1,892,842.72	\$ 2,065,034.34	\$ 172,191.62	\$ 920,720.00	\$ 942,082.87	\$ 21,362.87
Non-budget Revenues						
Other Credits to Income		33,900.91	33,900.91		15,884.57	15,884.57
Unexpended Balance of Appropriation Reserves		44,338.89			123,491.37	123,491.37
Current Appropriations Canceled					5,442.49	5,442.49
Taxes Allocated to School and County		3,919,989.20	3,919,989.20			
Total Revenues	\$ 1,892,842.72	\$ 6,063,263.34	\$ 4,126,081.73	\$ 920,720.00	\$ 1,086,901.30	\$ 166,181.30

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, 2010

	Current Fund		Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual	Final Budget	Actual	
Expenditures:					
Current:					
Within "CAPS":					
General Government	\$ 234,750.00	\$ 234,750.00			
Land Use	16,208.00	16,208.00			
Insurance	142,216.00	142,216.00			
Public Safety	493,510.00	493,510.00			
Public Works	266,700.00	266,700.00			
Health and Human Services	14,460.00	14,460.00			
Park and Recreation	9,700.00	9,700.00			
Utilities and Bulk Purchases	96,600.00	96,600.00			
Uniform Construction Code	8,900.00	8,900.00			
Contingent	500.00	500.00			
Expenditures	112,798.00	112,798.00			
Excluded from "CAPS":					
Insurance	13,384.00	13,384.00			
Public Safety	29,510.00	29,510.00			
Public Works	81,337.00	81,337.00			
Health and Human Services	21,655.00	21,655.00			
Grants	15,528.94	15,528.94			
Operating			\$ 727,200.00	\$ 727,200.00	
Capital Improvements	113,000.00	113,000.00	30,000.00	30,000.00	
Debt Service	88,470.00	88,470.00	145,620.00	145,620.00	
Deferred Charges and Statutory					
Expenditures	21,954.11	21,954.11	17,900.00	17,900.00	
Reserve for Uncollected Taxes	152,661.67	152,661.67			
Total Budget Expenditures	\$ 1,933,842.72	\$ 1,933,842.72	\$ 920,720.00	\$ 920,720.00	

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, 2010

	Current Fund		Variance Favorable/ (Unfavorable)	Utility Operating Funds		Variance Favorable/ (Unfavorable)
	Final Budget	Actual		Final Budget	Actual	
Expenditures (Continued):						
County and School Taxes		\$ 3,919,989.20	(3,919,989.20)			
Other Expenses		5,228.24	(5,228.24)			
Total Expenditures	\$ 1,933,842.72	\$ 5,859,060.16	\$ (3,925,217.44)	\$ 920,720.00	\$ 920,720.00	
Excess in Revenues over Expenditures	(41,000.00)	\$ 204,203.18	\$ 200,864.29	\$ 166,181.30	\$ 166,181.30	
Adjustment to Income Before Fund Balance: Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Years	41,000.00	41,000.00				
Statutory Excess to Fund Balance		\$ 245,203.18	\$ (245,203.18)	\$ 166,181.30	\$ 166,181.30	
Fund Balance, January 1, 2010		341,316.02	341,316.02	243,804.37	243,804.37	
		\$ 586,519.20	\$ 96,112.84	\$ 409,985.67	\$ 409,985.67	
Decreased by:						
Utilization as Anticipated Revenue		\$ 246,000.00	\$ (246,000.00)	\$ 170,720.00	\$ 170,720.00	
		\$ 246,000.00	\$ (246,000.00)	\$ 170,720.00	\$ 170,720.00	
Fund Balance, December 31, 2010		\$ 340,519.20	\$ 342,112.84	\$ 239,265.67	\$ 239,265.67	

See Notes to Financial Statements.

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

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 18,749.34
 <u>INCREASED BY</u>		
Cancellation of Various Reserves and Funded Improvement Authorizations	\$ 2,672.18	
Other	<u>100.00</u>	<u>2,772.18</u>
		\$ 21,521.52
 <u>DECREASED BY</u>		
Appropriated to Finance Improvement Authorizations	\$ 2,000.00	
Other Adjustment	<u>998.80</u>	<u>2,998.80</u>
 <u>BALANCE, DECEMBER 31, 2010</u>		 <u><u>\$ 18,522.72</u></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, 2009</u>			
AND			
<u>BALANCE, DECEMBER 31, 2010</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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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, 2010

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

C. Risk Category

As of December 31, 2010, 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, 2010 was \$2,657,719.47. 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, 2010

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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u> *	<u>2006</u>
Tax Rate	\$ 2.033	\$ 2.003	\$ 1.965	\$ 1.910	\$ 7.050
Apportionment of Tax Rate:					
Municipal	0.450	0.439	0.442	0.425	1.426
County:					
Regular	0.284	0.276	0.262	0.259	0.911
Open Space	0.021	0.031	0.031	0.032	0.103
Local School	1.278	1.257	1.230	1.194	4.610

* Revaluation effective.

Assessed Valuation

2010	247,741,799.00
2009	249,929,840.00
2008	249,543,139.00
2007 *	250,640,757.00
2006	64,908,964.00

* Revaluation effective.

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
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	98.80%
2006	4,580,970.58	4,537,695.97	99.06%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percent of Tax Levy</u>
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%

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>
2010	\$ 8,800.00
2009	8,800.00
2008	8,800.00
2007	8,800.00
2006	8,800.00

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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>
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
2006	325,333.39	327,232.13

* 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>
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
2006	333,511.63	334,546.32
2005	314,573.95	318,733.67

* 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, 2010

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>				
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%
2006	169,979.28	48,000.00	N/A	28.24%
<u>Sewer Utility Operating Fund</u>				
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%
2006	64,990.63	45,900.00	10,000.00	86.01%
<u>Water Utility Operating Fund</u>				
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%
2006	281,935.71	152,480.00	None	54.08%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
Issued:			
General:			
Bonds and Notes	\$ 980,000.00	\$ 166,000.00	\$ 241,000.00
Water Utility:			
Notes and Loans	1,528,617.89	1,598,726.92	1,521,097.18
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Issued	<u>\$ 2,508,617.89</u>	<u>\$ 1,764,726.92</u>	<u>\$ 1,762,097.18</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
Reserve for Receivables:			
State of NJ DOT	\$ None	\$ None	\$ 20,675.00
Reserve for Payment of BAN	<u>None</u>	<u>175.00</u>	<u>None</u>
	<u>\$ None</u>	<u>\$ 175.00</u>	<u>\$ 20,675.00</u>
Net Debt Issued	<u>\$ 2,508,617.89</u>	<u>\$ 1,764,551.92</u>	<u>\$ 1,741,422.18</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ 905,000.00	\$ None	\$ 25,500.00
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>\$ 905,000.00</u>	<u>\$ None</u>	<u>\$ 25,500.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 3,413,617.89</u>	<u>\$ 1,764,551.92</u>	<u>\$ 1,766,922.18</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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>
Regional School District	None	None	None
Sewer Utility	None	None	None
Water Utility	\$ 1,528,617.89	\$ 1,528,617.89	None
General	<u>1,885,000.00</u>	<u>None</u>	<u>\$ 1,885,000.00</u>
	<u>\$ 3,413,617.89</u>	<u>\$ 1,528,617.89</u>	<u>\$ 1,885,000.00</u>

Net Debt \$1,885,000.00 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$250,925,018.00 equals .752%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 8,782,375.63
Net Debt	<u>1,885,000.00</u>
Remaining Borrowing Power	<u>\$ 6,897,375.63</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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	\$ 438,155.00
Deduction:	
Operating and Maintenance Costs	<u>403,050.00</u>
Excess in Revenue	<u>\$ 35,105.00</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	\$ 519,737.44
Deductions:	
Operating and Maintenance Costs	\$ 342,050.00
Debt Service	<u>140,177.51</u>
Total Deductions	<u>482,227.51</u>
Excess in Revenue	<u>\$ 37,509.93</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, 2010 the Borough has no serial bonds outstanding.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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	3.50%	2002	\$ 57,000.00	2005	2013
	3.50%	2003	<u>23,000.00</u>	2006	2014
			80,000.00		
	3.25%	2010	<u>900,000.00</u>	2013	2022
			<u>\$ 980,000.00</u>		
The General Capital BAN's of \$80,000.00 which matured on September 30, 2011 were paid off with a 2011 budget appropriation.					
Water Utility Capital Fund	3.50%	2002	\$ 25,000.00	2005	2013
	3.50%	2004	60,000.00	2007	2015
	3.50%	2009	<u>142,000.00</u>	2012	2020
			<u>\$ 227,000.00</u>		
TOTAL			<u>\$ 1,207,000.00</u>		

The Water Utility BAN's all of which matured on September 30, 2011 were reduced by a 2011 budget appropriation of \$63,000.00, resulting in a \$164,000.00 BAN renewed until September 28, 2012 at an interest rate of 2.59%.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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:			
4/1/2011	\$ 8,342.58	\$ 30,913.42	\$ 39,256.00
10/1/2011	8,540.71	30,715.29	39,256.00
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
	<u>92,930.70</u>	<u>299,629.30</u>	<u>392,560.00</u>
Thereafter:			
4/1/2016	\$ 10,549.68	\$ 28,706.32	\$ 39,256.00
10/1/2016	10,800.23	28,455.77	39,256.00
4/1/2017	11,056.74	28,199.26	39,256.00
10/1/2017	11,319.34	27,936.66	39,256.00
4/1/2018	11,588.17	27,667.83	39,256.00
10/1/2018	11,863.39	27,392.61	39,256.00
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
	<u>117,516.38</u>	<u>275,043.62</u>	<u>392,560.00</u>
4/1/2021	\$ 13,340.69	\$ 25,915.31	\$ 39,256.00
10/1/2021	13,657.54	25,598.46	39,256.00
4/1/2022	13,981.90	25,274.10	39,256.00
10/1/2022	14,313.97	24,942.03	39,256.00
4/1/2023	14,653.93	24,602.07	39,256.00
10/1/2023	15,001.96	24,254.04	39,256.00
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
	<u>148,606.44</u>	<u>243,953.56</u>	<u>392,560.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

Note 7. MUNICIPAL DEBT (CONTINUED)

USDA Loan – Water Utility Capital Fund (Continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2026	\$ 16,870.10	\$ 22,385.90	\$ 39,256.00
10/1/2026	17,270.76	21,985.24	39,256.00
4/1/2027	17,680.94	21,575.06	39,256.00
10/1/2027	18,100.86	21,155.14	39,256.00
4/1/2028	18,530.76	20,725.24	39,256.00
10/1/2028	18,970.87	20,285.13	39,256.00
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
	<u>187,921.62</u>	<u>204,638.38</u>	<u>392,560.00</u>
4/1/2031	\$ 21,333.24	\$ 17,922.76	\$ 39,256.00
10/1/2031	21,839.90	17,416.10	39,256.00
4/1/2032	22,358.60	16,897.40	39,256.00
10/1/2032	22,889.61	16,366.39	39,256.00
4/1/2033	23,433.24	15,822.76	39,256.00
10/1/2033	23,989.78	15,266.22	39,256.00
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
	<u>237,638.00</u>	<u>154,922.00</u>	<u>392,560.00</u>
4/1/2036	\$ 26,977.14	\$ 12,278.86	\$ 39,256.00
10/1/2036	27,617.84	11,638.16	39,256.00
4/1/2037	28,273.77	10,982.23	39,256.00
10/1/2037	28,945.27	10,310.73	39,256.00
4/1/2038	29,632.72	9,623.28	39,256.00
10/1/2038	30,336.50	8,919.50	39,256.00
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
	<u>300,507.31</u>	<u>92,052.69</u>	<u>392,560.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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, 2010 the following deferred charges are shown on Balance Sheets of various funds:

		Balance December 31, 2010	2011 Budget Appropriation	Balance to be Raised in Budgets of Succeeding Year
Current Fund:				
Emergency Authorization per NJSA 40A:4-46	\$	41,000.00	\$ 41,000.00	\$ 41,000.00
Special Emergency: per N.J.S.A. 40A:4-53 - Revaluation of Real Property	\$	14,000.00	14,000.00	None
per N.J.S.A. 55A:4-57 - Update Master Plan		<u>11,600.00</u>	<u>2,900.00</u>	<u>8,700.00</u>
		<u>\$ 66,600.00</u>	<u>\$ 57,900.00</u>	<u>\$ 49,700.00</u>

The appropriations in the 2011 budget are not less than that required by statute.

Note 9. DEFERRED REGIONAL/LOCAL PAYABLE SCHOOL DISTRICT TAXES

The Regional/Local School District Taxes were raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows.

On July 1, 2010 the Local School District by Executive Order of the Governor was merged into the Local School District of a neighboring town forming a Regional 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 old to fund 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:

	Regional/Local School District Taxes		
	Balance, December 31 <u>2010</u>	<u>2009</u>	
Balance of Tax - Regional	\$ 1,582,763.79	\$ 1,571,009.98	\$ 11,753.81
Deferred - Local	<u>945,000.00</u>	<u>945,000.00</u>	<u>None</u>
Payable	<u>\$ 637,763.79</u>	<u>\$ 626,009.98</u>	<u>\$ 11,753.81</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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. 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).

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.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

Note 10. PENSION PLANS (CONTINUED)

Contributions Required to be Made

Employee contributions for 2010 were five and one-half percent (5½%) of the employee's base wages for PERS and eight and one-half percent (8½%) for PFRS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years are as follows:

PERS					
Borough					
<u>Year</u>	<u>Normal</u>	<u>Accrued</u>	<u>Pension Security Act Credit</u>	<u>Net Cost</u>	<u>Employees</u>
2010	11,342.00	18,073.00	None	29,415.00	17,658.00
2009	10,262.00	11,869.00	None	22,131.00	16,045.96
2008	12,679.00	9,771.00	(4,490.00)	17,960.00	15,024.12

PFRS				
Borough				
<u>Year</u>	<u>Normal</u>	<u>Accrued</u>	<u>Net Cost</u>	<u>Employees</u>
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
2008	23,392.00	10,199.00	33,591.00	19,274.55

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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>
2011	5,146.00	2017	7,567.00
2012	5,722.00	2018	8,002.00
2013	6,050.00	2019	8,462.00
2014	6,398.00	2020	8,948.00
2015	6,768.00	2021	9,463.00

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, 2010

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

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

The NJSHBP as of July 1, 2009 had “local employees” statewide of 43,207 active and 15,277 retired for a total of 59,386 members. The Borough had nine (9) active and three (3) 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, 2010

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>
2010	3	\$ 19,667.64
2009	3	18,275.88
2008	3	23,196.60

Note 12. **RISK MANAGEMENT**

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, 2010, 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.

Note 13. **INTERFUNDS RECEIVABLE AND PAYABLE**

Interfunds receivable and payable balances at December 31, 2010 were as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 1,446.02	
Trust Other		\$ 1,446.02
	<u>\$ 1,446.02</u>	<u>\$ 1,446.02</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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, 2010 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	\$ 97,670.00	\$ 73,050.00	\$ 170,720.00
Rents	355,062.12	354,223.44	709,285.56
Miscellaneous	<u>62,077.31</u>	<u> </u>	<u>62,077.31</u>
Budget Totals	\$ 514,809.43	\$ 427,273.44	\$ 942,082.87
Other Credits to Income:			
Non-budget Revenue	5,003.01	10,881.56	15,884.57
Unexpended Balance of Appropriation Reserves	68,626.84	54,864.53	123,491.37
Current Appropriations Canceled	<u>5,442.49</u>	<u> </u>	<u>5,442.49</u>
Total Revenues	\$ <u>593,881.77</u>	\$ <u>493,019.53</u>	\$ <u>1,086,901.30</u>
Expenditures:			
Operating	\$ 333,100.00	\$ 394,100.00	\$ 727,200.00
Capital Improvements	10,000.00	20,000.00	30,000.00
Debt Service	145,620.00		145,620.00
Deferred Charges and Statutory Expenditures	<u>8,950.00</u>	<u>8,950.00</u>	<u>17,900.00</u>
Total Expenditures	\$ <u>497,670.00</u>	\$ <u>423,050.00</u>	\$ <u>920,720.00</u>
Statutory Excess in Revenue	\$ 96,211.77	\$ 69,969.53	\$ 166,181.30
Fund Balance, January 1	<u>128,127.25</u>	<u>115,677.12</u>	<u>243,804.37</u>
	\$ <u>224,339.02</u>	\$ <u>185,646.65</u>	\$ <u>409,985.67</u>
Decreased by:			
Utilization as Anticipated Revenue	\$ <u>97,670.00</u>	\$ <u>73,050.00</u>	\$ <u>170,720.00</u>
	\$ <u>97,670.00</u>	\$ <u>73,050.00</u>	\$ <u>170,720.00</u>
Fund Balance, December 31	\$ <u><u>126,669.02</u></u>	\$ <u><u>112,596.65</u></u>	\$ <u><u>239,265.67</u></u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2010

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. However, the Borough was recently served with notice of potential litigation related to a landfill cleanup which the Borough allegedly had transported waste to several years ago. It is too early in the process to determine the extent if any of the claim.

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, 2010 revealed net assets available for benefits of \$48,313.80. The Borough's contribution for December 31, 2010 is estimated at \$8,000.00 and for 2009 is \$6,400.00 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, 2010 AND 2009

	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
<u>ASSETS</u>		
Current Fund:		
Cash and Cash Equivalents	\$ 1,168,545.46	\$ 1,167,226.95
Due from State of New Jersey - Ch. 20,P.L. 1971	3,288.42	4,038.42
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	111,556.44	93,632.54
Property Acquired for Taxes - Assessed Valuation	8,800.00	8,800.00
Other Accounts Receivable:		
Revenue Accounts Receivable	18,388.96	13,965.59
Interfunds Receivable -		
Due from Trust Other Fund	1,446.02	222.69
Due from Payroll Fund		277.74
Deferred Charges	<u>66,600.00</u>	<u>47,500.00</u>
Total Current Fund	\$ <u>1,378,625.30</u>	\$ <u>1,335,663.93</u>
Grant Fund:		
Cash and Cash Equivalents	\$ 33,474.37	\$ 30,553.64
Grants Receivable	<u>5,000.00</u>	<u>9,183.00</u>
Total Grant Fund	\$ <u>38,474.37</u>	\$ <u>39,736.64</u>
Total Assets	\$ <u><u>1,417,099.67</u></u>	\$ <u><u>1,375,400.57</u></u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - STATUTORY BASIS
AS OF DECEMBER 31, 2010 AND 2009

<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 47,667.36	\$ 53,888.59
Prepaid Taxes	19,947.69	14,889.26
Reserve for Encumbrances	166,089.13	125,314.07
Regional District School Tax Payable	637,764.69	626,099.98
Due to State of New Jersey:		
Various	100.00	358.00
Various Reserves	26,345.81	26,345.81
Interfunds Payable -		
Due to Grant Fund		<u>30,553.64</u>
	<u>\$ 897,914.68</u>	<u>\$ 877,449.35</u>
Reserve for Receivables and Other Assets	140,191.42	116,898.56
Fund Balance	<u>340,519.20</u>	<u>341,316.02</u>
 Total Current Fund	 <u>\$ 1,378,625.30</u>	 <u>\$ 1,335,663.93</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 30,654.07	\$ 31,873.43
Unappropriated	5,475.24	3,680.21
Reserve for Encumbrances	<u>2,345.06</u>	<u>4,183.00</u>
 Total Grant Fund	 <u>\$ 38,474.37</u>	 <u>\$ 39,736.64</u>
 Total Liabilities, Reserves and Fund Balance	 <u>\$ 1,417,099.67</u>	 <u>\$ 1,375,400.57</u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 246,000.00	\$ 235,000.00
Miscellaneous Revenues Anticipated	349,870.37	315,039.65
State Aid	142,271.00	178,844.00
Grants	12,228.94	17,991.76
Receipts from Delinquent Taxes	95,395.77	69,145.92
Amount to be Raised by Taxation for Support of Municipal Budget	1,151,660.26	1,148,995.87
Non-Budget Revenues	33,595.86	32,540.67
Surplus Anticipated from Helmetta Board of Education	67,608.00	
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Canceled	44,338.89	65,956.28
Interfunds Liquidated	305.05	1,004.23
Cancellation of Grants:		
Appropriated Reserves		2,813.18
Cancellation of Reserve for State Tax Appeals		7,100.00
Taxes Allocated to School and County Taxes	<u>3,919,989.20</u>	<u>3,909,201.88</u>
 Total Income	 <u>\$ 6,063,263.34</u>	 <u>\$ 5,983,633.44</u>
 Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 234,750.00	\$ 191,800.00
Land Use	16,208.00	22,200.00
Insurance	142,216.00	144,100.00
Public Safety	493,510.00	423,355.00
Public Works	266,700.00	265,800.00
Health and Human Services	14,460.00	12,610.00
Park and Recreation	9,700.00	18,000.00
Utilities and Bulk Purchases	96,600.00	104,200.00
Uniform Construction Code	8,900.00	24,500.00
Contingent	500.00	500.00
Deferred Charges and Statutory Expenditures	112,798.00	112,445.08
Excluded from "CAPS":		
Insurance	13,384.00	
Public Safety	29,510.00	53,183.00
Public Works	81,337.00	87,379.00

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS":		
Health and Human Services	\$ 21,655.00	\$ 21,048.00
Grants	15,528.94	20,282.88
Capital Improvements	113,000.00	65,000.00
Municipal Debt Service	88,470.00	90,845.00
Deferred Charges and Statutory	21,954.11	25,600.00
Reserve for Uncollected Taxes	152,661.67	149,475.03
County Taxes	753,968.58	766,951.46
County Added and Omitted Taxes:		
2008		2.39
2009	40.34	46.42
2010	487.20	
Regional/Local District School Taxes	3,165,533.42	3,142,204.00
Interfund Advanced	1,237.00	13.56
Prior Year Senior Citizens' and Veterans'	1,500.00	
Refund of Prior Years Revenue	2,450.90	
Cancellation of Grants Receivable		2,022.92
	<hr/>	<hr/>
Total Expenditures	\$ 5,859,060.16	\$ 5,743,563.74
Excess to Fund Balance	\$ 204,203.18	\$ 240,069.70
Add: Expenditures by Statute Deferred Charges to Budgeted Succeeding Years	<hr/> 41,000.00	<hr/> 14,500.00
Statutory Excess to Fund Balance	\$ 245,203.18	\$ 254,569.70
Fund Balance, January 1	<hr/> 341,316.02	<hr/> 321,746.32
	\$ 586,519.20	\$ 576,316.02
Decreased by:		
Utilized as Anticipated Revenue	<hr/> 246,000.00	<hr/> 235,000.00
Fund Balance, December 31	<hr/> <u>\$ 340,519.20</u>	<hr/> <u>\$ 341,316.02</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget as <u>Modified</u>	Realized	Excess or (Deficit)
Surplus Anticipated	\$ <u>246,000.00</u>	\$ <u>246,000.00</u>	_____
Miscellaneous Revenues:			
Fees and Permits:			
Other	980.00	2,915.75	1,935.75
Fines and Costs:			
Municipal Court	115,000.00	198,688.95	83,688.95
Interest and Costs on Taxes	<u>8,520.00</u>	<u>23,195.04</u>	<u>14,675.04</u>
	\$ <u>124,500.00</u>	\$ <u>224,799.74</u>	\$ <u>100,299.74</u>
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 111,498.00	\$ 111,498.00	
Consolidated Municipal Property Tax Relief Aid	<u>30,773.00</u>	<u>30,773.00</u>	_____
	\$ <u>142,271.00</u>	\$ <u>142,271.00</u>	_____
Special Items of Revenue Offset with Appropriations:			
Alcohol Education and Rehabilitation Fund - Reserved	\$ 301.64	\$ 301.64	
Clean Communities Program	4,000.00	4,000.00	
Drunk Driving Enforcement Fund	487.06	487.06	
Body Armor Replacement Fund	622.09	622.09	
Forest Service Volunteer Fire Assistance	3,625.00	3,625.00	
Recycling Tonnage Grant	2,193.15	2,193.15	
Sam's Club Foundation	<u>1,000.00</u>	<u>1,000.00</u>	_____
	\$ <u>12,228.94</u>	\$ <u>12,228.94</u>	_____

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	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	\$ 11,713.46	\$ 11,713.46	
Animal Control Contract - Borough of Spotswood	6,000.00	6,311.50	\$ 311.50
Zoning/Code Enforcement Contract - Borough of Spotswood	5,665.00	5,665.00	
Animal Control Contract - Borough of South River	11,000.00	15,525.50	\$ 4,525.50
Animal Control Contract - Borough of Sayreville	22,000.00	23,682.50	\$ 1,682.50
Cell Tower Fees	<u>59,000.00</u>	<u>62,172.67</u>	<u>3,172.67</u>
	<u>\$ 115,378.46</u>	<u>\$ 125,070.63</u>	<u>\$ 9,692.17</u>
Surplus Anticipated from Helmetta Board of Education	<u>\$ 67,608.00</u>	<u>\$ 67,608.00</u>	<u>\$</u>
Receipts from Delinquent Taxes	<u>\$ 70,000.00</u>	<u>\$ 95,395.77</u>	<u>\$ 25,395.77</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	<u>\$ 1,114,856.32</u>	<u>\$ 1,151,660.26</u>	<u>\$ 36,803.94</u>
Budget Totals	<u>\$ 1,892,842.72</u>	<u>\$ 2,065,034.34</u>	<u>\$ 172,191.62</u>
Non-Budget Revenue		<u>33,595.86</u>	<u>33,595.86</u>
	<u>\$ 1,892,842.72</u>	<u>\$ 2,098,630.20</u>	<u>\$ 205,787.48</u>
Detail:			
Adopted Budget	<u>\$ 1,892,842.72</u>		

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

GENERAL GOVERNMENT FUNCTIONS

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
General Administration:					
Salaries and Wages	\$ 13,500.00	\$ 13,500.00	\$ 13,499.93		\$ 0.07
Mayor and Council:					
Other Expenses	4,000.00	4,400.00	3,070.35	1,237.50	92.15
Other Expenses - School Board Oversight	3,000.00	3,000.00	3,000.00		
Other Expenses - Website Creation	1,000.00	1,000.00	1,000.00		
Municipal Clerk:					
Salaries and Wages	17,600.00	17,100.00	17,080.18		19.82
Other Expenses	7,500.00	7,000.00	6,400.85	464.48	134.67
Electrons:					
Other Expenses	1,000.00	800.00	765.41		34.59
Financial Administration:					
Salaries and Wages	24,500.00	23,600.00	23,525.77		74.23
Other Expenses	17,500.00	16,900.00	14,361.30	657.00	1,881.70
Audit Services:					
Other Expenses	8,900.00	8,900.00	8,900.00		
Revenue Administration (Collection of Taxes):					
Salaries and Wages	19,500.00	18,750.00	18,457.79		292.21
Other Expenses	5,000.00	4,900.00	4,525.59	350.00	24.41
Tax Assessment Administration:					
Salaries and Wages	12,000.00	11,500.00	11,474.32		25.68
Other Expenses	3,500.00	3,100.00	3,014.06	42.56	43.38
Legal Services and Costs:					
Other Expenses (Emergency \$20,000)	65,000.00	96,000.00	85,956.80	5,203.58	4,839.62
Engineering Services and Costs:					
Other Expenses	3,000.00	4,200.00	4,092.50		107.50

LAND USE ADMINISTRATION
Municipal Land Use Law (N.J.S.A. 44D-1):

Planning Board:					
Salaries and Wages	2,700.00	2,700.00	2,607.54		92.46
Other Expenses	4,700.00	4,700.00	4,631.49		68.51
Other Expenses-Legal	8,808.00	8,808.00	8,808.00		

INSURANCE

Liability Insurance	35,000.00	33,100.00	33,047.56		52.44
Worker's Compensation	13,500.00	13,500.00	13,452.00		48.00
Employee Group Insurance (Health)	100,616.00	95,216.00	94,348.91		867.09
Unemployment Insurance	2,000.00	400.00	276.92	50.00	73.08

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
PUBLIC SAFETY FUNCTIONS					
Police:					
Salaries and Wages	\$ 402,200.00	\$ 397,700.00	\$ 361,256.36	\$ 33,000.00	\$ 3,443.64
Other Expenses:					
Miscellaneous Other Expenses	18,000.00	20,000.00	18,923.50	1,001.73	74.77
Office of Emergency Management:					
Other Expenses	100.00	100.00			100.00
Fire:					
Other Expenses	24,000.00	24,000.00	12,648.29	10,861.32	490.39
Fire Prevention Bureau:					
Salaries and Wages	3,550.00	3,550.00	3,541.20		8.80
Other Expenses	1,000.00	800.00	766.45		33.55
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	6,000.00	5,700.00	4,900.00	700.00	100.00
Municipal Court:					
Salaries and Wages	28,000.00	34,100.00	32,660.45		1,439.55
Other Expenses	3,000.00	4,000.00	3,113.53	108.50	777.97
Public Defender (P.L. 1997, C.256):					
Other Expenses	1,550.00	1,550.00			1,550.00
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance:					
Salaries and Wages	78,000.00	82,950.00	81,473.11		1,476.89
Other Expenses	13,000.00	12,000.00	10,565.66	1,424.22	10.12
Solid Waste Collection:					
Garbage and Trash Removal:					
Other Expenses	45,000.00	43,900.00	40,983.08	2,848.96	67.96
Recycling (Chap. 74 P.L. 1987):					
Salaries and Wages	5,700.00	5,500.00	5,240.27		259.73
Other Expenses	250.00	250.00	157.28		92.72
Public Buildings and Grounds:					
Other Expenses	17,000.00	16,000.00	14,065.66	1,867.08	67.26
Vehicle Maintenance:					
Other Expenses - Public Works	8,000.00	6,500.00	5,603.82	896.18	
Other Expenses - Police Vehicle	7,500.00	12,500.00	9,886.57	2,335.02	278.41
Other Expenses - Lease/ Acquire Vehicles	24,000.00	23,800.00	23,750.70		49.30

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

PUBLIC WORKS FUNCTIONS (CONTINUED)

Reimbursement to Qualified Communities:

Condominium Act:
Trash Removal
Street Lighting
Snow and Leaf Removal

\$	54,000.00	\$	54,000.00	\$	54,000.00	\$	54,000.00
	7,900.00		7,900.00		7,900.00		7,900.00
	1,400.00		1,400.00		1,400.00		1,400.00

HEALTH AND HUMAN SERVICES FUNCTIONS

Board of Health:

Salaries and Wages
Public Health Service (N.J.S. 40:13-1):
Kiddie Keep-Well Camp
South County Day Care
Animal Control Services (Dog Regulation):
Salaries and Wages
Other Expenses

\$	10.00	10.00				\$	10.00
	350.00	350.00	350.00				
	250.00	250.00	250.00				
	6,300.00	8,300.00	7,385.83				914.17
	5,500.00	5,550.00	4,958.23			591.77	

PARK AND RECREATION FUNCTIONS

Recreation:

Salaries and Wages
Other Expenses
Senior Citizens:
Other Expenses
Parks:
Other Expenses

1,000.00	200.00	119.58				80.42
7,500.00	7,500.00	7,500.00				
1,000.00	1,000.00	890.69				109.31
7,500.00	1,000.00	587.88				412.12

UTILITY EXPENSES AND BULK PURCHASES

Electricity
Street Lighting
Telephone
Natural Gas
Diesel Fuel
Gasoline
Postage
Copier Expense
Office Supplies

19,000.00	19,000.00	17,227.20	1,531.34	241.46
21,000.00	21,000.00	17,635.92	1,663.16	1,700.92
14,000.00	11,500.00	9,817.78	1,250.00	432.22
12,500.00	11,500.00	7,948.74	2,863.19	688.07
3,000.00	3,000.00	2,763.99	233.07	2.94
16,300.00	21,300.00	18,416.27	2,883.73	
5,400.00	4,400.00	4,335.70	22.99	41.31
2,900.00	3,900.00	3,433.46	110.10	356.44
1,000.00	1,000.00	473.84	415.73	110.43

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

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

Other Expenses

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>
	\$ 9,800.00	\$ 8,900.00	\$ 8,868.96		\$ 31.04
	400.00				
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>		
	\$ 1,259,794.00	\$ 1,283,044.00	\$ 1,184,197.27	\$ 137,913.21	\$ 24,233.52
	<u>500.00</u>	<u>500.00</u>			<u>500.00</u>
	\$ 1,260,294.00	\$ 1,283,544.00	\$ 1,184,197.27	\$ 137,913.21	\$ 24,733.52
	\$ 630,360.00	\$ 634,060.00	\$ 592,091.29	\$ 33,700.00	\$ 8,268.71
	629,934.00	649,484.00	592,105.98	104,213.21	16,464.81
	\$ 21,148.00	\$ 21,148.00	\$ 21,148.00		
	49,200.00	45,950.00	44,922.22	\$ 800.00	\$ 227.78
	40,752.00	40,752.00	40,752.00		
	<u>4,948.00</u>	<u>4,948.00</u>	<u>4,948.00</u>		
	\$ 116,048.00	\$ 112,798.00	\$ 111,770.22	<u>800.00</u>	\$ 227.78
	\$ 1,376,342.00	\$ 1,396,342.00	\$ 1,295,967.49	\$ 138,713.21	\$ 24,961.30

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Employee Group Insurance (Health) (P.L. 2007 c.62)	\$ 13,384.00	\$ 13,384.00	\$ 13,384.00		
Length of Service Awards Program	8,000.00	8,000.00			\$ 8,000.00
Interlocal Municipal Service Agreements:					
Borough of Spotswood:					
Police:					
Radio Dispatching Services	21,510.00	21,510.00	21,510.00		
Animal Control:					
Salaries and Wages	6,000.00	6,000.00	5,135.34		864.66
Zoning/Code Enforcement	5,000.00	5,000.00	5,000.00		
Sanitation:					
Garbage and Trash Removal:					
Other Expenses	38,337.00	38,337.00	38,337.00		
Middlesex County Board of Health	15,655.00	15,655.00	15,655.00		
County of Middlesex - Curbside Recycling Program	21,000.00	21,000.00	11,006.14		9,993.86
Borough of South River - Animal Control					
Salaries and Wages	8,000.00	8,000.00	7,452.46		547.54
Borough of Savreville - Animal Control					
Salaries and Wages	9,000.00	9,000.00	9,000.00		
Total Interlocal Municipal Service Agreements	\$ 124,502.00	\$ 124,502.00	\$ 113,095.94		\$ 11,406.06
Public and Private Programs Offset by Revenues:					
Drunk Driving Enforcement Fund	\$ 487.06	\$ 487.06	\$ 487.06		
Body Armor Replacement Fund	622.09	622.09	622.09		
Alcohol Education and Rehabilitation	301.64	301.64	301.64		
Clean Communities Program	4,000.00	4,000.00	4,000.00		
Forest Services Volunteer Fire Assistance	3,625.00	3,625.00	3,625.00		
Recycling Tonnage Grant	2,193.15	2,193.15	2,193.15		
Sam's Club Foundation	1,000.00	1,000.00	1,000.00		
Match Funds For Grants	3,300.00	3,300.00			3,300.00
Total Public and Private Programs Offset by Revenues	\$ 15,528.94	\$ 15,528.94	\$ 12,228.94		\$ 3,300.00
Total Operations - Excluded from "CAPS"	\$ 161,414.94	\$ 161,414.94	\$ 138,708.88		\$ 22,706.06
Detail:					
Salaries and Wages	\$ 28,000.00	\$ 11,000.00	\$ 10,135.34		\$ 864.66
Other Expenses	133,414.94	150,414.94	128,573.54		21,841.40

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund (Emergency \$21,000)	\$ 20,000.00	\$ 41,000.00	\$ 41,000.00		
Down Payments on Improvements	50,000.00	50,000.00	50,000.00		
Reserve for Acquisition of Police SUV	2,000.00	2,000.00	2,000.00		
Reserve for Acquisition of Animal Control Van	20,000.00	20,000.00	20,000.00		
Total Capital Improvements Excluded from "CAPS"	\$ 92,000.00	\$ 113,000.00	\$ 113,000.00		
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes Interest on Notes	\$ 81,000.00	\$ 81,000.00	\$ 81,000.00		
	7,470.00	7,470.00	7,470.00		
Total Municipal Debt Service - Excluded from "CAPS"	\$ 88,470.00	\$ 88,470.00	\$ 88,470.00		
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	\$ 21,900.00	\$ 21,900.00	\$ 21,900.00		
Improvement Authorizations - Unfunded: Ordinance #2003-15	54.11	54.11	54.11		
Total Deferred Charges - Municipal - Excluded from "CAPS"	\$ 21,954.11	\$ 21,954.11	\$ 21,954.11		
Total General Appropriations - Excluded from "CAPS"	\$ 363,839.05	\$ 384,839.05	\$ 362,132.99	\$	\$ 22,706.06
Subtotal General Appropriations	\$ 1,740,181.05	\$ 1,781,181.05	\$ 1,658,100.48	\$ 138,713.21	\$ 47,667.36
RESERVE FOR UNCOLLECTED TAXES					
	152,661.67	152,661.67	152,661.67		
Total General Appropriations	\$ 1,892,842.72	\$ 1,933,842.72	\$ 1,810,762.15	\$ 138,713.21	\$ 47,667.36
Detail:					
Adopted Budget	\$ 1,892,842.72				
Added by NJSA 40A:4-46	41,000.00				
	\$ 1,933,842.72				

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

Year	Balance December 31, 2009	2010 Levy	Added Taxes	Collection 2009	Collection 2010	Due From State of New Jersey Chap. 20, P.L. 1971	Remitted and Canceled	Balance December 31, 2010
2008	\$ 93,632.54		\$ 1,763.23		\$ 95,395.77			
	\$ 93,632.54		\$ 1,763.23		95,395.77			
2009		\$ 5,041,253.55		\$ 14,889.26	4,881,848.53	\$ 22,250.00	\$ 10,709.32	\$ 111,556.44
	\$ 93,632.54	\$ 5,041,253.55	\$ 1,763.23	\$ 14,889.26	\$ 4,977,244.30	\$ 22,250.00	\$ 10,709.32	\$ 111,556.44

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		\$ 5,036,591.06
Additional Tax Penalties		1,415.12
Added and Omitted Taxes (54:63.1 et. seq.)		<u>3,247.37</u>
		<u>\$ 5,041,253.55</u>

TAX LEVY

Regional District School Tax:		
Levy, School Year July 1, 2010 to June 30, 2011		\$ 3,165,533.42

County Taxes:		
County Tax	\$ 703,311.55	
County Open Space Preservation Tax	50,657.03	
County Added and Omitted Taxes (54:4-63.1 & 12 et. seq.)	<u>487.20</u>	
Total County Taxes		<u>754,455.78</u>

\$ 3,919,989.20

Local Tax for Municipal Purpose	\$ 1,114,856.32
Add: Additional Tax Levied	<u>2,760.47</u>

Total Tax for Municipal Purpose 1,117,616.79

\$ 5,037,605.99

Added Taxes:		
Senior Citizens and Veterans Disabled		\$ 1,500.00
Added Taxes		<u>263.23</u>
		<u>\$ 1,763.23</u>

**BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF DEFERRED CHARGES**

	<u>Original Amount</u>	<u>Date of Adoption</u>	<u>1/5 of Amount Authorized</u>	<u>Balance December 31, 2009</u>	<u>Increased by Resulting from 2010</u>	<u>Decreased by Raised in 2010</u>	<u>Balance December 31, 2010</u>
Special Emergency Per N.J.S.A. 40A:4-54 - Damage from Severe Rain Storm	\$ 25,000.00	9/28/2005	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
40A:4-53 - Revaluation of Real Property	70,000.00	2/8/2006	14,000.00	28,000.00	14,000.00		\$ 14,000.00
40A:4-57 Update of Master Plan	14,500.00	8/26/2009	2,900.00	14,500.00	2,900.00		11,600.00
				\$ 47,500.00	\$ 21,900.00	\$ 21,900.00	\$ 25,600.00
Emergency 40A:4-46 Emergency Appropriation	41,000.00	10/14/2010	N/A		\$ 41,000.00		41,000.00
					\$ 41,000.00		\$ 41,000.00
				\$ 47,500.00	\$ 41,000.00	\$ 21,900.00	\$ 66,600.00

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance December 31, 2009		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbered			
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 500.18		\$ 0.18		\$ 0.18
Municipal Clerk	166.74		166.74		166.74
Financial Administration	54.24		54.24		54.24
Revenue Administration (Collection of Taxes)	439.55		439.55		439.55
Tax Assessment Administration	25.68		25.68		25.68
Municipal Land Use Law (N.J.S.A. 44D-1):					
Planning Board	92.46		92.46		92.46
Police	2,223.77	\$ 6,000.00	10,223.77	\$ 10,042.77	181.00
Fire Prevention	58.80		58.80		58.80
Municipal Court	567.68		567.68	148.10	419.58
Public Defender	1,750.00		1,750.00		1,750.00
Road Repairs and Maintenance	1,563.22		563.22	338.89	224.33
Recycling	372.35		372.35	157.62	214.73
Board of Health	10.00		10.00		10.00
Recreation	2,000.00				
Construction Officials	275.14		275.14		275.14
Construction Officials (Chief Admin of Enforcement Agency) - Special Projects	100.00		100.00		100.00
Operations - Excluded from "CAPS":					
Other Operations - Excluded from "CAPS":					
Animal Control	25.20		25.20		25.20
Animal Control-Boro of South River	1,643.03		1,643.03		1,643.03
Animal Control-Boro of Sayreville	1,704.04		1,704.04	157.62	1,546.42
Total Salaries and Wages	\$ 13,572.08	\$ 6,000.00	\$ 18,072.08	\$ 10,845.00	\$ 7,227.08
Other Expenses:					
Operations - Within "CAPS":					
General Administration	\$ 500.00		\$ 8.00		\$ 8.00
Mayor and Council	8.00				
Municipal Clerk	207.85	\$ 933.18	1,141.03	\$ 933.18	207.85
Elections	25.48		25.48		25.48
Financial Administration	150.11	1,289.29	1,439.40	1,398.35	41.05
Revenue Administration (Collection of Taxes)	615.41		115.41		115.41
Tax Assessment Administration	1,312.00		312.00		312.00
Legal Services and Costs	63.16	2,400.00	4,463.16	4,070.57	392.59
Engineering Services and Costs	1,516.50	2,075.00	2,591.50	590.00	2,001.50
Municipal Land Use Law (N.J.S.A. 44D-1):					
Planning Board	297.92		297.92		297.92
Liability Insurance	47.84		47.84		47.84
Workers Compensation	174.00		174.00		174.00
Employee Group Insurance (Health)	618.74		118.74		118.74
Unemployment Insurance	0.20	36.00	36.20	36.00	0.20
Police:					
Miscellaneous Other Expenses	742.99	1,532.10	2,275.09	2,074.18	200.91
Office of Emergency Management	100.00		100.00		100.00
Fire	51.41	9,517.86	9,569.27	9,503.74	65.53
Fire Prevention Bureau		224.05	224.05	201.60	22.45
Uniform Fire Safety Act	10.00		10.00		10.00

**BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance December 31, 2009		Balance After Transfers	Paid or Charged	Balance Lapsed
	Appropriation Reserves	Encumbered			
Other Expenses: (Continued)					
Operations - Within "CAPS" (Continued):					
Municipal Court	\$ 870.39	\$ 784.64	\$ 1,655.03	\$ 1,018.12	\$ 636.91
Public Defender	50.00		50.00		50.00
Road Repairs and Maintenance	850.56	3,183.56	4,034.12	3,660.32	373.80
Solid Waste Collection:					
Garbage and Trash Removal	2,064.63	3,282.96	5,347.59	2,777.50	2,570.09
Recycling (Chap. 74 P.L. 1987)	291.00		291.00		291.00
Public Buildings and Grounds:					
Other Expenses	827.85	3,824.39	6,652.24	6,180.64	471.60
Vehicle Maintenance:					
Public Works	7.07	1,405.35	1,412.42	1,412.42	389.62
Fire	400.00		400.00	10.38	1,007.17
Police Vehicle	7.17		1,007.17		1,007.17
Lease/Acquire Vehicles	51.62		51.62		51.62
Reimbursement to Qualified Communities: Condominium Act:					
Trash Removal		51,000.00	53,000.00	52,659.05	340.95
Street Lighting		7,900.00	6,900.00	6,872.77	27.23
Snow and Leaf Removal	1,400.00		2,400.00	792.37	1,607.63
Animal Control Services (Dog Regulation)	1,925.05	237.25	1,662.30	237.25	1,425.05
Recreation	279.43		279.43	236.24	43.19
Senior Citizens	556.86		556.86		556.86
Parks	3,646.75		2,646.75		2,646.75
Electricity	1,524.23	1,300.00	2,824.23	1,442.40	1,381.83
Street Lighting	2,401.20	1,700.00	4,101.20	3,687.95	413.25
Telephone	268.54	1,630.00	1,898.54	1,474.43	424.11
Natural Gas	4,201.01	1,000.00	5,201.01	1,465.39	3,735.62
Diesel Fuel	1,225.92		1,225.92		1,225.92
Gasoline	2,203.63	2,000.00	4,203.63	2,020.31	2,183.32
Postage	1,154.72		1,154.72		1,154.72
Copier Expense	832.97	69.19	902.16	245.24	656.92
Office Supplies	321.19	230.39	551.58	230.39	321.19
Construction Official (Chief Administration of Enforcement Agency)	696.88	508.12	705.00	377.12	327.88
Contingent	500.00		500.00		500.00
Deferred Charges and Statutory Expenditures:					
Public Employees' Retirement System	1.00		1.00		1.00
Social Security System	72.38	700.00	772.38	749.70	22.68
Public Employees' Retirement System - Delayed Enrollment Penalty					
Operations - Excluded from "CAPS":					
Length of Service Awards Program	269.17	8,000.00	8,000.00	6,400.00	1,600.00
Zoning/Code Enforcement	4,457.98	2,500.00	6,957.98	1,210.42	269.17
County of Middlesex - Curbside Recycling Program					
Total Other Expenses	\$ 40,316.51	\$ 109,263.33	\$ 151,079.84	\$ 113,968.03	\$ 37,111.81
Grand Total	\$ 53,888.59	\$ 115,263.33	\$ 169,151.92	\$ 124,813.03	\$ 44,338.89

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

	<u>Local</u>	<u>Regional</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2009</u>			
Payable - Local		\$ 1,571,099.08	\$ 1,571,099.08
Deferred Local School Taxes	\$ (945,000.00)	<u> </u>	<u>(945,000.00)</u>
	(945,000.00)	1,571,099.08	626,099.08
 <u>INCREASED BY</u>			
Levy - School Year July 1, 2010 to June 30, 2011	<u> </u>	\$ 3,165,533.42	\$ 3,165,533.42
 <u>DECREASED BY</u>			
Cash Disbursed	<u> </u>	<u>3,153,868.71</u>	<u>3,153,868.71</u>
 <u>BALANCE, DECEMBER 31, 2010</u>			
Payable - Regional		\$ 1,582,763.79	\$ 637,763.79
Deferred Local School Taxes	\$ (945,000.00)	<u> </u>	<u>(945,000.00)</u>
	<u>\$ (945,000.00)</u>	<u>\$ 1,582,763.79</u>	<u>\$ (307,236.21)</u>

Note on July 1, 2009 the Local School District was merged into the Spotswood Borough Local School District to form a regional district known as the Spotswood-Helmetta Regional School District.

**BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE**

<u>Grant</u>	<u>Balance December 31, 2009</u>	<u>2010 Revenue Realized</u>	<u>Cash Received</u>	<u>Decreased by Transfer from Unappropriated Reserves</u>	<u>Balance December 31, 2010</u>
Local:					
Sam's Club Foundation	\$ 4,183.00	\$ 1,000.00		\$ 1,000.00	
	<u>2,000.00</u>	<u>1,000.00</u>		<u>1,000.00</u>	
State:					
Municipal Alliance on Alcoholism and Drug Abuse:					
2009	\$ 4,183.00		\$ 4,183.00		
Bicycle Pedestrian Grant					\$ 2,000.00
Clean Communities Program	\$ 4,000.00		4,000.00		
Alcohol Education and Rehabilitation		301.64	301.64		
Body Armor Replacement Fund		622.09	622.09		
Drunk Driving Enforcement Fund		487.06		\$ 487.06	
Green Communities	3,000.00				3,000.00
Recycling Tonnage Grant		2,193.15		2,193.15	
Forest Service Volunteer Fire Assistance		3,625.00	3,625.00		
	<u>\$ 9,183.00</u>	<u>\$ 11,228.94</u>	<u>\$ 12,731.73</u>	<u>\$ 2,680.21</u>	<u>\$ 5,000.00</u>
	<u>\$ 9,183.00</u>	<u>\$ 12,228.94</u>	<u>\$ 12,731.73</u>	<u>\$ 3,680.21</u>	<u>\$ 5,000.00</u>

**BOROUGH OF HELMETTA
FEDERAL AND STATE GRANT FUND
STATEMENT OF APPROPRIATED RESERVES**

	<u>Balance</u> December 31, 2009	<u>Budget</u>	<u>Cash</u> <u>Disbursed</u>	<u>Paid or Charged</u> <u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> December 31, 2010
Local:					
<u>Grant</u>					
Sam's Club Foundation	\$ 1,957.99	\$ 487.06	\$ 2,099.99	\$ 345.06	\$ 1,000.00
	\$ 1,957.99	\$ 487.06	\$ 2,099.99	\$ 345.06	\$ 1,000.00
State:					
Drunk Driving Enforcement Fund	248.06				248.06
Municipal Alcohol Education and Rehabilitation Program:					
2002	387.97				387.97
2004	873.79				873.79
2005	283.72				283.72
2006	169.34				169.34
2007	92.82				92.82
2009					
2010		301.64			301.64
Clean Communities Program:					
2005	2,320.71				2,320.71
2006	4,000.00				4,000.00
2009	493.00		493.00		
2010	1,124.10	4,000.00	4,000.00		
Bicycle Pedestrian Safety Grant-2009			975.00		149.10
Body Armor Replacement Fund					
PY	37.00		37.00		
2006	1,000.00		762.00		238.00
2007	500.00				500.00
2008	500.00				500.00
2009	500.00				500.00
2010		622.09			622.09
SLAHEOP Grant	2,405.72				2,405.72
Department of Environmental Protection -					
Green Communities	1,000.00				1,000.00
NJDEP Stormwater Management Grant	6,822.00				6,822.00
Forest Services Volunteer Fire Assistance:					
2009	2,070.91		2,070.91		
2010	2,370.11	3,625.00	472.03		3,152.97
Recycling Tonnage Grant	2,370.11	2,193.15	2,193.15		2,370.11
	\$ 29,157.24	\$ 11,228.94	\$ 13,103.08	\$ 345.06	\$ 26,938.04
Federal:					
Federal Emergency Management Agency:					
Grant:					
2004	1,756.90				1,756.90
2005	959.13				959.13
	\$ 2,716.03				\$ 2,716.03
	\$ 31,873.27	\$ 12,228.94	\$ 13,103.08	\$ 345.06	\$ 30,654.07

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>December 31, 2009</u>	<u>Increased by</u> <u>Cash</u> <u>Received</u>	<u>Decreased by</u> <u>Anticipated as</u> <u>Revenue</u>	<u>Balance</u> <u>December 31, 2010</u>
State:				
Body Armor Replacement Fund	\$ 2,193.15	\$ 894.24	\$ 2,193.15	\$ 894.24
Recycling Tonnage Grant	487.06		487.06	
Drunk Driving Enforcement Fund				
Federal:				
US Forest Fire SVC		4,581.00		4,581.00
Local:				
Sam's Club Foundation	<u>1,000.00</u>		<u>1,000.00</u>	
	<u>\$ 3,680.21</u>	<u>\$ 5,475.24</u>	<u>\$ 3,680.21</u>	<u>\$ 5,475.24</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, 2010 AND 2009

	<u>Payroll Fund</u>	<u>Animal Control</u>	<u>Other</u>	<u>Totals</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>(Memorandum Only)</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS				
Cash and Cash Equivalents		\$ 96.82	\$ 41.68	\$ 114,352.81
Due from Employees	\$ 277.74		\$ 240,793.99	\$ 240,890.81
	<u>\$ 277.74</u>	<u>\$ 41.68</u>	<u>\$ 240,793.99</u>	<u>\$ 114,352.81</u>
Total Assets		<u>\$ 96.82</u>	<u>\$ 41.68</u>	<u>\$ 240,890.81</u>
				<u>\$ 114,672.23</u>
LIABILITIES AND RESERVES				
Other Liabilities and Reserves:				
Interfunds Payable - Due to Current Fund	\$ 277.74		\$ 1,446.02	\$ 1,446.02
Due to State of New Jersey		\$ 1.20		\$ 500.43
Reserve for Encumbrances		82.02	15,523.54	28.80
Various Reserves		\$ 13.60	215,501.99	15,605.56
Unemployment Reserves			8,322.44	543.10
			<u>11,198.36</u>	<u>102,401.54</u>
Total Liabilities and Reserves	<u>\$ 277.74</u>	<u>\$ 41.68</u>	<u>\$ 240,793.99</u>	<u>\$ 114,352.81</u>
				<u>\$ 240,890.81</u>
				<u>\$ 114,672.23</u>

BOROUGH OF HELMETTA
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	<u>Balance</u> December 31, 2009	<u>Receipts</u>	<u>Interest</u> Due Developers	<u>Disbursed</u>	<u>Balance</u> December 31, 2010
		<u>Deposits</u>			
Reserve for:					
Land Right of Way Acquisition - Developers - Heather Glen	\$ 300.00				\$ 300.00 (1)
Performance Bond	1,586.68	\$	0.01		1,586.69 (1)
Developer Deposits and Reserves	29,616.16	\$ 6,448.67	2.24	\$ 12,221.09	23,845.98 (1)
Off Duty Police	7,267.08	2,632.50		3,685.00	6,214.58
Recycling	604.57				604.57
Municipal Alliance Donations	1,449.45	55.00		343.50	1,160.95
Street Opening Deposits	7,096.00				7,096.00 (1)
Recreation	236.03	3,489.10		1,235.54	2,489.59
Accumulated Sick Leave Reserve	23,878.72	300.00		16,403.54	7,775.18
Parking Offense Adjudication Account	30.00	18.00			48.00
Tax Sale Premium	17,600.00	14,891.54		11,891.54	20,600.00
Tax Title Lien Redemption		64,145.47		64,145.47	
Uniform Fire Safety Penalty Act	200.00	84.00			284.00
COAH	8,325.50	757.50			9,083.00
Redevelopment	8.02			8.02	
Snowflake Fund	200.00				200.00
Snow Removal	2,000.00			2,000.00	
School Board Dissolution Excess		199,831.00		67,608.00	132,223.00
Miscellaneous	1,990.45				1,990.45
	<u>\$ 102,388.66</u>	<u>\$ 292,652.78</u>	<u>\$ 2.25</u>	<u>\$ 179,541.70</u>	<u>\$ 215,501.99</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	\$ 75,816.40	\$ 75,816.40
Public Employees Retirement System:		
Regular	17,658.00	17,658.00
Contributory Insurance	1,618.89	1,618.89
Back Contributory Insurance	67.18	67.18
Loans	3,231.95	3,231.95
Social Security and Medicare Taxes	56,152.83	56,152.83
State Income Tax	18,794.07	18,794.07
New Jersey Disability and Unemployment Tax	7,508.28	7,508.28
Police and Firemen's Retirement System:		
Regular	24,918.81	24,918.81
Dental	1,395.00	1,395.00
Health	4,746.84	4,746.84
Dues	2,900.44	2,900.44
Child Support	14,300.00	14,300.00
Deferred Compensation - PEBSCO	<u>11,720.00</u>	<u>11,720.00</u>
	<u>\$ 240,828.69</u>	<u>\$ 240,828.69</u>

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

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 12.88
 <u>INCREASED BY</u>		
Cash Receipts:		
Dog License Fees	\$ 1,487.00	
Cat License Fees	558.00	
Late Fees	<u>385.00</u>	<u>2,430.00</u>
		\$ 2,442.88
 <u>DECREASED BY</u>		
Expenditures	2,347.26	
Reserve for Encumbrances	<u>82.02</u>	<u>2,429.28</u>
 <u>BALANCE, DECEMBER 31, 2010</u>		 <u><u>\$ 13.60</u></u>
 <u>DOG LICENSE FEES COLLECTED</u>		
<u>Year</u>		
2008		\$ 1,284.00
2009		<u>\$ 1,414.40</u>
		 <u><u>\$ 2,698.40</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, 2009</u>	\$ 11,198.36
<u>DECREASED BY</u> Expenditures	\$ <u>2,875.92</u>
<u>BALANCE, DECEMBER 31, 2010</u>	\$ <u><u>8,322.44</u></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, 2010 AND 2009

	Balance December 31, <u>2010</u>	Balance December 31, <u>2009</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>705,460.96</u>	\$ <u>54,776.29</u>
Intergovernmental Accounts Receivable	\$ <u>79,074.61</u>	\$ <u>173,792.15</u>
Deferred Charges to Future Taxation - Unfunded	\$ <u>1,885,000.00</u>	\$ <u>166,000.00</u>
Total Assets	\$ <u><u>2,669,535.57</u></u>	\$ <u><u>394,568.44</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bond Anticipation Notes	\$ <u>980,000.00</u>	\$ <u>166,000.00</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 20,442.24	\$ 31,988.14
Reserve for Acquisition of a Police SUV, 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	5,782.63	5,782.63
Reserve for Down Payment on Improvements		10,000.00
Reserve for Auisition of Animal Shelter	1,000.00	
Reserve for Payment of Bond Anticipation Notes		175.00
Reserve for Encumbrances	<u>1,583,059.65</u>	<u>53,088.30</u>
	\$ <u>1,643,372.04</u>	\$ <u>154,121.59</u>
Improvement Authorizations:		
Funded	\$ 5,568.02	\$ 50,926.62
Unfunded	<u>22,072.79</u>	<u>4,770.89</u>
	\$ <u>27,640.81</u>	\$ <u>55,697.51</u>
Fund Balance	\$ <u>18,522.72</u>	\$ <u>18,749.34</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>2,669,535.57</u></u>	\$ <u><u>394,568.44</u></u>

There were Bonds and Notes Authorized but not Issued at December 31, 2010 of \$905,000.00.

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

	Balance December 31, 2009	Receipts		Disbursements		Transfer	Balance December 31, 2010
		Miscellaneous	Other	Improvement Authorizations			
Fund Balance	\$ 18,749.34	\$ 100.00					\$ 18,522.72
Capital Improvement Fund	31,988.14	41,000.00	7,500.00				20,442.24
Due from State of New Jersey	(102,542.15)	187,189.11	53,088.30				(79,074.61)
Department of Transportation	53,088.30						1,583,059.65
Reserve for Encumbrances	5,782.63						5,782.63
Reserve for Detention Basin	9,087.52						1,000.00
Reserve for Community Development Block Grant		1,000.00					
Reserve for Acquisition of an Animal Shelter		2,000.00					
Reserve for Acquisition of a Police SUV	20,000.00	20,000.00					
Reserve for Acquisition of a Animal Control Van	24,000.00						
Reserve for Affordable Housing	10,000.00	50,000.00					
Reserve for Down Payment on Improvements		71,250.00					
Reserve for County of Middlesex - Sustainable	(71,250.00)						
Economic Growth Grant - Unappropriated	175.00					175.00	
Reserve for Payment of Bond Anticipation Notes							
Ordinance Number				Improvement Authorizations			
2003-15				54.11		175.00	
2008-06	4,770.89		5,000.00				
2008-08/ 2008-12/ 2008-14	2,503.35					2,503.35	
2009-02						12,189.96	
2009-03	12,189.96					2,953.63	
2010-05	24,761.10					11,472.21	
2010-15/ 2010-28	11,472.21					16,786.76	5,568.02
2010-16						210,000.00	
2010-17 2010-29		900,000.00				95,000.00	(882,927.21)
						20,000.00	
						32,000.00	
						1,989,139.36	
	\$ 54,776.29	\$ 1,272,593.22	\$ 65,588.30	\$ 556,320.25	\$ 1,989,139.36	\$ 705,460.96	

Bracketed Amount Denotes Deficit.

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

	NJ DOT					County of Middlesex
Total	Guide Rail 2009-03	Old Forge Rd 2009-02	Madison Drive 2010-05	2009-05	Future Years	2009-05
<u>BALANCE, DECEMBER 31, 2009</u>	\$ 173,792.15	\$ 20,688.15	\$ 81,854.00	\$	\$	71,250.00
Increased By:						
Awarded	190,000.00			\$	190,000.00	
Decreased By:						
Cash Receipts	258,439.11	11,447.90	81,602.58		94,138.63	71,250.00
Cancelled	26,278.43	9,240.25	251.42		16,786.76	
<u>BALANCE, DECEMBER 31, 2010</u> (UNRESERVED)	\$ 79,074.61			\$	79,074.61	

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

Ordinance Number	Improvement Description	Balance December 31, 2009	2010 Authorizations	Cancelled	Budget Appropriation	Balance December 31, 2010	Analysis of Detail		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2000-07/ 2002-20/ 2004-22	Improvements to Baker Drive	\$ 161,000.00			\$ 81,000.00	\$ 80,000.00	\$ 80,000.00		
2003-15	Construction of a Bike Path	5,000.00		\$ 5,000.00					
2010-15/ 2010-28	Various Improvements For Animal Shelter		\$ 1,805,000.00			1,805,000.00	900,000.00	882,927.21	22,072.79
		\$ 166,000.00	\$ 1,805,000.00	\$ 5,000.00	\$ 81,000.00	\$ 1,885,000.00	\$ 980,000.00	\$ 882,927.21	\$ 22,072.79

**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, 2009</u>	<u>Increased by BAN Issued</u>	<u>Excess BAN Cash</u>	<u>Decreased By Budget Appropriation</u>	<u>Balance December 31, 2010</u>
2000-07/2002-20/ 2004-22	Improvements to Baker Drive	10/11/02	10/03/08	10/01/10	3.50%	\$ 114,000.00		\$ 57,000.00	\$ 57,000.00	\$ 57,000.00
2000-07/2002-20/ 2004-22	Improvements to Baker Drive	10/10/03	10/03/08	10/01/10	3.50%	47,000.00			24,000.00	23,000.00
2003-15	Construction of Bike Path	10/02/09	10/02/09	10/01/10	3.50%	5,000.00		\$ 5,000.00		
2010-15/2010-28	Various Improvements for Animal Shelter	12/23/10	12/23/10	12/23/11	3.25%		\$ 900,000.00			900,000.00
						\$ 166,000.00	\$ 900,000.00	\$ 5,000.00	\$ 81,000.00	\$ 980,000.00

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2009</u>		\$	31,988.14
<u>INCREASED BY</u>			
Budget Appropriation	\$ 41,000.00		
Funded Improvement Authorizations Cancelled	<u>19,954.10</u>		60,954.10
<u>DECREASED BY</u>			
Utilized To Finance Improvement Authorizations	\$ 65,000.00		
Preliminary Fees Charged	<u>7,500.00</u>		<u>72,500.00</u>
<u>BALANCE, DECEMBER 31, 2010</u>		\$	<u><u>20,442.24</u></u>

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

Ordinance Number	Description	Ordinance Date	Ordinance Amount	Balance December 31, 2009		2010 Authorizations	Paid or Charged	Cancelled	Balance December 31, 2010	
				Funded	Unfunded				Funded	Unfunded
2003-15	Construction of a Bike Path (NJDOT: \$65,000.00)	05/21/03	\$ 86,000.00	\$	\$ 4,770.89			\$ 4,770.89		
2008-06	Reconstruction of Lake Avenue (NJDOT: \$185,000.00)	05/12/08	200,000.00	\$	2,503.35			2,503.35		
2008-08/ 2008-12/ 2008-14	Water Main Improvements and the Installation of Curbs and Sidewalks	05/12/08, 09/24/08, 12/12/08	196,200.00		12,189.96			12,189.96		
2009-02	Improvements to Old Forge Rd (NJDOT: \$196,748.58)	03/04/09	217,000.00		24,761.10		\$ 21,807.47	2,953.63		
2009-03	Installation of a Guide Rail (NJDOT: \$85,759.75)	03/04/09	33,000.00		11,472.21			11,472.21		
2010-05	Improvements to Madison Drive (NJDOT: \$173,213.24)	03/08/10	193,213.24			\$ 210,000.00	187,645.22	16,786.76	\$ 5,568.02	
2010-15/ 2010-28	Various Improvements for Animal Shelter	10/30/10	1,900,000.00			1,900,000.00	1,877,927.21			\$ 22,072.79
2010-16	Acquisition of Animal Control Van	06/23/10	20,000.00			20,000.00	20,000.00			
2010-17/ 2010-29	Acquisition of Police SUV	11/22/10	32,000.00			32,000.00	32,000.00			
				\$ 50,926.62	\$ 4,770.89	\$ 2,162,000.00	\$ 2,139,379.90	\$ 50,676.80	\$ 5,568.02	\$ 22,072.79

Detail:
 Deferred Charges to Future Taxation, Unfunded
 NJDOT Grants \$ 1,805,000.00
 Capital Improvement Fund 190,000.00
 Down Payment of Improvements 85,000.00
 Reserve for Police SUV 60,000.00
 Fund Balance 20,000.00
 2,000.00
\$ 2,162,000.00

Detail of Cancellations:
 Fund Balance \$ 2,672.18
 Receivable from NJDOT 26,278.43
 Capital Improvement Fund 19,954.10
 Deferred Charges to Future Taxation-Unfunded 4,770.89
\$ 53,675.80

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

<u>Ordinance Number</u>	<u>Description</u>	<u>2010 Authorizations</u>	<u>Issued</u>	<u>Balance December 31, 2010</u>
2010-15/ 2010-28	Various Improvements for Animal Shelter	\$ <u>1,805,000.00</u>	\$ <u>900,000.00</u>	\$ <u>905,000.00</u>
		\$ <u>1,805,000.00</u>	\$ <u>900,000.00</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, 2010 AND 2009

	Sewer Utility		Water Utility		Totals (Memorandum Only)	
	2010	2009	2010	2009	2010	2009
ASSETS						
Operating Fund:						
Cash and Cash Equivalents	\$ 157,152.96	\$ 175,385.28	\$ 167,312.89	\$ 221,104.31	\$ 324,465.85	\$ 396,489.59
Consumer Accounts Receivable	30,667.21	23,369.88	34,693.62	25,512.19	65,360.83	48,882.07
Total Assets	\$ 187,820.17	\$ 198,755.16	\$ 202,006.51	\$ 246,616.50	\$ 389,826.68	\$ 445,371.66
LIABILITIES, RESERVES AND FUND BALANCE						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 43,880.33	\$ 56,689.28	\$ 21,191.09	\$ 69,307.22	\$ 65,071.42	\$ 125,996.50
Other Liabilities and Reserves:						
Reserve for Encumbrances	\$ 213.74	\$ 2,046.32	\$ 1,466.49	\$ 5,070.86	\$ 1,680.23	\$ 7,117.18
Consumer Overpayments	462.24	972.56	379.24	525.90	841.48	1,498.46
Accrued Interest on Loans and Notes			17,607.05	18,073.08	17,607.05	18,073.08
Reserve for Receivables and Other Assets	\$ 675.98	\$ 3,018.88	\$ 19,452.78	\$ 23,669.84	\$ 20,128.76	\$ 26,688.72
Fund Balance	\$ 30,667.21	\$ 23,369.88	\$ 34,693.62	\$ 25,512.19	\$ 65,360.83	\$ 48,882.07
Total Liabilities, Reserves and Fund Balance	\$ 112,596.65	\$ 115,677.12	\$ 126,669.02	\$ 128,127.25	\$ 239,265.67	\$ 243,804.37
	\$ 187,820.17	\$ 198,755.16	\$ 202,006.51	\$ 246,616.50	\$ 389,826.68	\$ 445,371.66

SEWER UTILITY OPERATING FUND

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

	<u>Year 2010</u>	<u>Year 2009</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 73,050.00	\$ 33,900.00
Rents	354,223.44	357,396.66
Other Credits to Income:		
Non-Budget Revenue	10,881.56	28,018.50
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	<u>54,864.53</u>	<u>35,542.66</u>
Total Income	\$ <u>493,019.53</u>	\$ <u>454,857.82</u>
<u>EXPENDITURES</u>		
Operating	\$ 394,100.00	\$ 355,100.00
Capital Improvement Fund	20,000.00	20,000.00
Deferred Charges and Statutory Expenditures	<u>8,950.00</u>	<u>8,800.00</u>
Total Expenditures	\$ <u>423,050.00</u>	\$ <u>383,900.00</u>
Statutory Excess to Fund Balance	\$ 69,969.53	\$ 70,957.82
Fund Balance, January 1	<u>115,677.12</u>	<u>78,619.30</u>
	\$ <u>185,646.65</u>	\$ <u>149,577.12</u>
Decreased by -		
Utilized by Sewer Operating Budget	\$ <u>73,050.00</u>	\$ <u>33,900.00</u>
	\$ <u>73,050.00</u>	\$ <u>33,900.00</u>
Fund Balance, December 31	\$ <u><u>112,596.65</u></u>	\$ <u><u>115,677.12</u></u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 73,050.00	\$ 73,050.00	
Rents	<u>350,000.00</u>	<u>354,223.44</u>	\$ <u>4,223.44</u>
	\$ 423,050.00	\$ 427,273.44	\$ 4,223.44
Non-Budget Revenue	<u> </u>	<u>10,881.56</u>	<u>10,881.56</u>
	<u>\$ 423,050.00</u>	<u>\$ 438,155.00</u>	<u>\$ 15,105.00</u>

ANALYSIS OF NON-BUDGETED REVENUE

Non-Budgeted Reserve:	
Sewer Connection Fees	\$ 1,743.41
Interest and Delinquent Accounts	3,138.15
Interlocal - Borough of Jamesburg	<u>6,000.00</u>
	<u>\$ 10,881.56</u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Canceled</u>
<u>OPERATING</u>						
Salaries and Wages	\$ 60,000.00	\$ 60,000.00	\$ 55,791.62		\$ 4,208.38	
Other Expenses	27,000.00	27,000.00	18,585.90	\$ 213.74	8,200.36	
Monroe Utility Authority Cost	280,000.00	280,000.00	264,128.49		15,871.51	
Other Expenses - Insurance	27,000.00	27,000.00	27,000.00			
Accumulated Sick Leave	100.00	100.00	100.00			
Total Operating	<u>\$ 394,100.00</u>	<u>\$ 394,100.00</u>	<u>\$ 365,606.01</u>	<u>\$ 213.74</u>	<u>\$ 28,280.25</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
Capital Outlay	5,000.00	5,000.00			10,000.00	
Capital Outlay - I&I	10,000.00	10,000.00				
Total Capital Improvements	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 5,000.00</u>		<u>\$ 15,000.00</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 2,700.00	\$ 2,700.00	\$ 2,700.00			
Social Security System (O.A.S.I.)	6,000.00	6,000.00	5,615.30		\$ 384.70	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	250.00	250.00	34.62		215.38	
Total Deferred Charges and Statutory Expenditures	<u>\$ 8,950.00</u>	<u>\$ 8,950.00</u>	<u>\$ 8,349.92</u>		<u>\$ 600.08</u>	
Total Sewer Utility Appropriations	<u>\$ 423,050.00</u>	<u>\$ 423,050.00</u>	<u>\$ 378,955.93</u>	<u>\$ 213.74</u>	<u>\$ 43,880.33</u>	

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

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 23,369.88
<u>INCREASED BY</u>		
Sewer Rents Levied		361,520.77
		\$ 384,890.65
<u>DECREASED BY</u>		
Collections	\$ 353,250.88	
Customer Overpayments Applied	972.56	354,223.44
<u>BALANCE, DECEMBER 31, 2010</u>		\$ 30,667.21

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance	December 31, 2009	Appropriation Reserves	Encumbered	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATING							
Salaries and Wages	\$	12,578.47	12,578.47		12,578.47	\$	12,578.47
Other Expenses	\$	4,962.73	2,046.32	7,009.05	2,193.22	\$	4,815.83
Monroe Utilities Authority Cost		23,731.01		23,731.01	1,677.85		22,053.16
Other Expense-Insurance		1.70		1.70			1.70
CAPITAL IMPROVEMENTS							
Capital Outlay		5,000.00		5,000.00			5,000.00
Capital Outlay - I & I		10,000.00		10,000.00			10,000.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
Statutory Expenditures:							
Contribution to:							
Social Security System (O.A.S.I.)		159.79	159.79		159.79		159.79
Unemployment Compensation Insurance (N.J.S. 43:21 et. seq.)		255.58	255.58	255.58			255.58
	\$	56,689.28	\$ 2,046.32	\$ 58,735.60	\$ 3,871.07	\$	54,864.53

WATER UTILITY OPERATING FUND

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

	<u>Year 2010</u>	<u>Year 2009</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 97,670.00	\$ 109,437.00
Rents	355,062.12	354,678.56
Cell Tower Revenue	62,077.31	59,460.94
Other Credits to Income:		
Non-Budget Revenue	5,003.01	18,849.30
Unexpended Balance of Appropriation Reserves and Reserve for Encumbrances	68,626.84	56,099.89
Current Appropriations Canceled	<u>5,442.49</u>	<u> </u>
Total Income	\$ <u>593,881.77</u>	\$ <u>598,525.69</u>
<u>EXPENDITURES</u>		
Operating	\$ 333,100.00	\$ 338,100.00
Capital Improvements	10,000.00	15,000.00
Debt Service	145,620.00	147,537.00
Deferred Charges and Statutory Expenditures	<u>8,950.00</u>	<u>8,800.00</u>
Total Expenditures	\$ <u>497,670.00</u>	\$ <u>509,437.00</u>
Statutory Excess to Fund Balance	\$ 96,211.77	\$ 89,088.69
Fund Balance, January 1	<u>128,127.25</u>	<u>148,475.56</u>
	\$ 224,339.02	\$ 237,564.25
Decreased By:		
Utilized by Water Operating Budget	<u>97,670.00</u>	<u>109,437.00</u>
Fund Balance, December 31	<u>\$ 126,669.02</u>	<u>\$ 128,127.25</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2010

	<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	\$ 57,000.00	\$ 54,791.67		\$ 2,208.33	
Other Expenses	46,000.00	44,000.00	29,949.06	\$ 1,397.74	12,653.20	
Purchase of Water	195,000.00	205,000.00	199,201.77	68.75	5,729.48	
Other Expenses - Insurance	27,000.00	27,000.00	27,000.00			
Accumulated Sick Leave	100.00	100.00	100.00			
Total Operating	\$ 328,100.00	\$ 333,100.00	\$ 311,042.50	\$ 1,466.49	\$ 20,591.01	
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00			
Capital Outlay	5,000.00					
Capital Outlay - Reserve Water Tower Repainting	5,000.00	5,000.00	5,000.00			
Total Capital Improvements	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00			
DEBT SERVICE						
Payment of Bond Anticipation Notes and Capital Notes	\$ 54,000.00	\$ 54,000.00	\$ 54,000.00			\$ 5,442.49
Interest on Notes	13,108.00	13,108.00	7,665.51			
USDA Loan	78,512.00	78,512.00	78,512.00			
Total Debt Service	\$ 145,620.00	\$ 145,620.00	\$ 140,177.51			\$ 5,442.49
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 2,700.00	\$ 2,700.00	\$ 2,700.00			
Social Security System (O.A.S.I.)	6,000.00	6,000.00	5,615.30		\$ 384.70	
Unemployment Compensation Insurance (NJSA 43:21-3 et.seq.)	250.00	250.00	34.62		215.38	
Total Deferred Charges and Statutory Expenditures	\$ 8,950.00	\$ 8,950.00	\$ 8,349.92		\$ 600.08	
Total Water Utility Appropriations	\$ 497,670.00	\$ 497,670.00	\$ 469,569.93	\$ 1,466.49	\$ 21,191.09	\$ 5,442.49

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

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 25,512.19
<u>INCREASED BY</u>		
Water Rents Levied		<u>364,243.55</u>
		\$ 389,755.74
<u>DECREASED BY</u>		
Collections	\$ 354,536.22	
Customer Overpayments Applied	<u>525.90</u>	<u>355,062.12</u>
<u>BALANCE, DECEMBER 31, 2010</u>		<u><u>\$ 34,693.62</u></u>

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

<u>BALANCE, DECEMBER 31, 2009</u>		\$ 18,073.08
<u>INCREASED BY</u>		
Budget Appropriation for:		
Interest on Notes	\$ 7,665.51	
Interest on USDA Loan	<u>62,402.97</u>	<u>70,068.48</u>
		\$ 88,141.56
<u>DECREASED BY</u>		
Disbursed		<u>70,534.51</u>
<u>BALANCE, DECEMBER 31, 2010</u>		<u>\$ 17,607.05</u>

ANALYSIS OF ACCRUED INTEREST, DECEMBER 31, 2010

		Principal Outstanding December 31, <u>2010</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Bond Anticipation Notes	\$	227,000.00	3.50%	10/2/2010	12/31/2010	90 Days	\$ 1,959.04
USDA Loan		1,301,617.89	4.75%	10/1/2010	12/31/2010	3 Months	<u>15,648.01</u>
							<u>\$ 17,607.05</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF 2009 APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2009</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Appropriation</u> <u>Reserves</u>	<u>Encumbered</u>		
<u>OPERATING</u>				
Salaries and Wages	\$ 17,081.60	\$ 17,081.60	\$	\$ 17,081.60
Other Expenses	5,325.81	10,396.67	5,751.24	4,645.43
Purchase of Water	41,664.16	41,664.16		41,664.16
<u>CAPITAL IMPROVEMENTS</u>				
Capital Outlay	4,820.29	4,820.29		4,820.29
<u>DEFERRED CHARGES AND</u> <u>STATUTORY EXPENDITURES</u>				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	159.79	159.79		159.79
Unemployment Compensation				
Insurance (N.J.S. 43:21 et. seq.)	255.57	255.57		255.57
	<u>\$ 69,307.22</u>	<u>\$ 5,070.86</u>	<u>\$ 5,751.24</u>	<u>\$ 68,626.84</u>

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, 2010 AND 2009

	Sewer Utility		Water Utility		Total (Memorandum Only)	
<u>ASSETS</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash and Cash Equivalents	\$ 54,399.08	\$ 49,399.08	\$ 85,973.92	\$ 146,882.31	\$ 140,373.00	\$ 196,281.39
Fixed Capital						
Fixed Capital Authorized and Uncompleted	\$ 1,701,244.62	\$ 1,701,244.62	\$ 3,387,412.13	\$ 3,237,513.21	\$ 5,088,656.75	\$ 4,938,757.83
	\$ 1,701,244.62	\$ 1,701,244.62	101.08	150,000.00	101.08	150,000.00
	\$ 1,755,643.70	\$ 1,750,643.70	\$ 3,387,513.21	\$ 3,387,513.21	\$ 5,088,757.83	\$ 5,088,757.83
Total Assets	\$ 1,755,643.70	\$ 1,750,643.70	\$ 3,473,487.13	\$ 3,534,395.52	\$ 5,229,130.83	\$ 5,285,039.22
<u>LIABILITIES AND RESERVES</u>						
Bond Anticipation Notes			\$ 227,000.00	\$ 281,000.00	\$ 227,000.00	\$ 281,000.00
USDA Loan			\$ 1,301,617.89	\$ 1,317,726.92	\$ 1,301,617.89	\$ 1,317,726.92
Improvement Authorizations: Unfunded			\$ 101.08	\$ 23,009.47	\$ 101.08	\$ 23,009.47
Capital Improvement Fund	\$ 43,150.00	\$ 38,150.00	\$ 28,522.29	\$ 23,522.29	\$ 71,672.29	\$ 61,672.29
Reserve for Encumbrances			31,000.00	48,000.00	31,000.00	48,000.00
Reserve for Water-Tower Repainting	\$ 43,150.00	\$ 38,150.00	\$ 59,522.29	\$ 97,522.29	\$ 102,672.29	\$ 135,672.29
Reserve for Amortization	\$ 1,648,643.70	\$ 1,648,643.70	\$ 810,658.37	\$ 794,549.34	\$ 2,459,302.07	\$ 2,443,193.04
Deferred Reserve for Amortization	\$ 52,600.92	\$ 52,600.92	\$ 1,050,453.78	\$ 996,453.78	\$ 1,103,054.70	\$ 1,049,054.70
Fund Balance	\$ 11,249.08	\$ 11,249.08	\$ 24,133.72	\$ 24,133.72	\$ 35,382.80	\$ 35,382.80
Total Liabilities and Reserves	\$ 1,755,643.70	\$ 1,750,643.70	\$ 3,473,487.13	\$ 3,534,395.52	\$ 5,229,130.83	\$ 5,285,039.22

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, 2010.

SEWER UTILITY CAPITAL FUND

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

	Balance December 31, <u>2009</u>	<u>Receipts</u> <u>Miscellaneous</u>	Balance December 31, <u>2010</u>
Fund Balance	\$ 11,249.08		\$ 11,249.08
Capital Improvement Fund	<u>38,150.00</u>	\$ <u>5,000.00</u>	<u>43,150.00</u>
	<u>\$ 49,399.08</u>	<u>\$ 5,000.00</u>	<u>\$ 54,399.08</u>

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2009

AND

BALANCE, DECEMBER 31, 2010

\$ 1,701,244.62

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, 2009</u>	\$	38,150.00
<u>INCREASED BY</u> 2010 Budget Appropriation		<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2010</u>	\$	<u><u>43,150.00</u></u>

WATER UTILITY CAPITAL FUND

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

	<u>Balance</u> December 31, 2009	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u> <u>From</u> <u>To</u>	<u>Balance</u> December 31, 2010
Fund Balance	\$ 24,133.72				\$ 24,133.72
Capital Improvement Fund	23,522.29	\$ 5,000.00			28,522.29
Reserve for Encumbrances	48,000.00		\$ 45,000.00	\$ 3,000.00	
Reserve for Water Tower Repainting	26,000.00	5,000.00			31,000.00
Reserve for Payment of Notes-Ord 03-09/04-02/04-16	2,216.83				2,216.83
<u>Ordinance</u>					
<u>Number</u>					
2009-6	<u>23,009.47</u>		<u>25,908.39</u>	<u>\$ 3,000.00</u>	<u>101.08</u>
Various Water Utility Improvements	<u>\$ 146,882.31</u>	<u>\$ 10,000.00</u>	<u>\$ 70,908.39</u>	<u>\$ 3,000.00</u>	<u>\$ 85,973.92</u>

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2009 \$ 3,237,513.21

INCREASED BY

Transferred from Fixed Capital Authorized and Uncompleted 149,898.92

BALANCE, DECEMBER 31, 2010 \$ 3,387,412.13

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>149,898.92</u>
	<u>\$ 3,387,412.13</u>

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>BALANCE, DECEMBER 31, 2009</u>	\$ 150,000.00
<u>DECREASED BY</u>	
Transferred to Fixed Capital	<u>149,898.92</u>
<u>BALANCE, DECEMBER 31, 2010</u>	<u>\$ 101.08</u>

Detail:

<u>Ordinance</u> <u>Number</u>	<u>Description</u>	
2009-6	Various Water Utility Improvements	\$ <u>101.08</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, 2009</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2010</u>
2002-03	Reconstruction of Railroad Ave Water Main	10/11/2002	10/2/2010	10/1/2011	3.50%	\$ 41,000.00	\$ 16,000.00	\$ 25,000.00
2003-09/ 2004-02/ 2004-16	Replacement of Water Meters	10/8/2004	10/2/2010	10/1/2011	3.50%	90,000.00	30,000.00	60,000.00
2009-6	Various Improvements	10/1/2009	10/2/2010	10/1/2011	3.50%	150,000.00	8,000.00	142,000.00
						<u>\$ 281,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 227,000.00</u>

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

Purpose	Date of Issue	Issue	Year	Maturity of Loan Outstanding		Interest Rate	Balance December 31, 2009	Decreased by	Balance December 31, 2010
				December 31, 2010	Date/Amount				
				April 1	Oct 1				
						4.75%			
			2011	\$ 8,342.58	\$ 8,540.71				
			2012	8,743.55	8,951.21				
			2013	9,163.80	9,381.44				
			2014	9,604.25	9,832.35				
			2015	10,065.87	10,304.94				
			2016	10,549.88	10,800.23				
			2017	11,056.74	11,319.34				
			2018	11,588.17	11,863.39				
			2019	12,145.15	12,433.59				
			2020	12,728.89	13,031.20				
			2021	13,340.69	13,657.54				
			2022	13,981.90	14,313.97				
			2023	14,653.93	15,001.96				
			2024	15,358.26	15,723.02				
			2025	16,096.44	16,478.73				
			2026	16,870.10	17,270.76				
			2027	17,680.94	18,100.86				
			2028	18,530.76	18,970.87				
			2029	19,421.42	19,882.68				
			2030	20,354.90	20,838.33				
			2031	21,333.24	21,839.90				
			2032	22,358.60	22,889.61				
			2033	23,433.24	23,989.78				
			2034	24,559.54	25,142.83				
			2035	25,739.97	26,351.29				
			2036	26,977.14	27,617.84				
			2037	28,273.77	28,945.27				
			2038	29,632.72	30,336.50				
			2039	31,056.99	31,794.59				
			2040	32,549.72	33,322.77				
			2041	34,114.19	34,924.40				
			2042	35,753.85	36,603.01				
			2043	37,472.33	37,629.66				
				\$ 643,533.32	\$ 658,084.57		\$ 1,317,726.92	\$ 16,109.03	\$ 1,301,617.89
							\$ 1,317,726.92	\$ 16,109.03	\$ 1,301,617.89

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

<u>BALANCE, DECEMBER 31, 2009</u>	\$	23,522.29
<u>INCREASED BY</u>		
2010 Budget Appropriation		<u>5,000.00</u>
<u>BALANCE, DECEMBER 31, 2010</u>	\$	<u><u>28,522.29</u></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, 2009 <u>Unfunded</u>	Paid or Charged	Cancelled	Balance December 31, 2010 <u>Unfunded</u>
2009-6	Various Water Utility Improvements	04/06/09	\$ 150,000.00	\$ 23,009.47	\$ 25,908.39	\$ 3,000.00	\$ 101.08
				<u>\$ 23,009.47</u>	<u>\$ 25,908.39</u>	<u>\$ 3,000.00</u>	<u>\$ 101.08</u>

GENERAL FIXED ASSETS

BOROUGH OF HELMETTA
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS

	Balance December 31, 2010	Balance December 31, 2009
	<u> </u>	<u> </u>
General Fixed Assets:		
Land	\$ 198,531.09	\$ 87,600.00
Buildings	2,343,858.84	701,364.00
Vehicles	1,269,041.73	1,192,364.03
Equipment	<u>767,429.38</u>	<u>733,460.38</u>
	<u>\$ 4,578,861.04</u>	<u>\$ 2,714,788.41</u>
Investment in General Fixed Assets	<u>\$ 4,578,861.04</u>	<u>\$ 2,714,788.41</u>
	<u>\$ 4,578,861.04</u>	<u>\$ 2,714,788.41</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government	\$ 234,750.00	\$ 191,800.00	\$ 190,275.00	\$ 211,025.00	\$ 265,050.00	\$ 216,540.00	\$ 179,155.00	\$ 203,845.00	\$ 180,106.00	\$ 189,623.00
Land Use	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	11,170.00
Insurance	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	105,270.00
Public Safety	531,920.00	501,038.00	484,512.00	448,735.00	442,741.00	416,104.00	441,888.00	429,820.00	388,358.00	432,641.00
Public Works	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	255,850.00
Health and Human Services	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	24,658.00
Park and Recreation	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	4,000.00
Utilities	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	65,300.00
Deferred Charges and Statutory Expenditures:										
State and Federal Grants	134,752.11	138,045.08	131,794.03	102,350.00	79,707.57	57,886.51	55,746.71	50,671.00	130,207.00	52,698.00
Capital Improvements	15,528.94	20,282.88	50,513.74	115,237.17	59,793.73	142,946.51	162,671.22	7,479.00	125,217.63	111,479.00
Debt Service	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	10,000.00
Contingent	88,470.00	90,845.00	302,720.00	326,730.00	336,302.00	335,926.00	335,770.00	298,264.00	361,355.00	356,590.00
Transferred to Board of Education - Subsidy	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Reserve for Uncollected Taxes	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	87,261.80
	<u>\$ 1,933,842.72</u>	<u>\$ 1,832,322.99</u>	<u>\$ 1,953,623.91</u>	<u>\$ 1,968,491.17</u>	<u>\$ 2,056,321.30</u>	<u>\$ 1,928,812.51</u>	<u>\$ 1,865,913.13</u>	<u>\$ 1,650,021.00</u>	<u>\$ 1,896,596.63</u>	<u>\$ 1,697,040.80</u>

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

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

Function	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating	\$ 394,100.00	\$ 355,100.00	\$ 349,600.00	\$ 330,100.00	\$ 320,400.00	\$ 314,000.00	\$ 298,500.00	\$ 301,000.00	\$ 283,000.00	\$ 272,740.00
Capital Improvements	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	2,500.00
Debt Service				10,400.00	11,000.00	11,600.00	43,360.00	47,822.00	50,410.00	52,997.40
Deferred Charges and Statutory Expenditures	8,950.00	8,800.00	8,000.00	5,900.00	5,084.00	4,500.00	4,175.00	4,175.00	4,021.00	4,360.00
	<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>	<u>\$ 332,597.40</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Operating	\$ 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	\$ 221,695.00
Capital Improvements	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	2,500.00
Debt Service	145,620.00	147,537.00	141,190.00	161,996.00	168,772.00	166,572.00	206,686.00	110,289.00	80,706.00	80,367.94
Deferred Charges and Statutory Expenditures	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	4,005.00
	<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>\$ 462,822.00</u>	<u>\$ 491,456.00</u>	<u>\$ 363,984.00</u>	<u>\$ 322,727.00</u>	<u>\$ 308,567.94</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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Surplus Anticipated	\$ 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	\$ 223,625.00
Taxes (1)	1,151,660.26	1,148,995.87	1,183,003.44	1,174,057.97	1,021,733.09	972,368.71	930,050.31	896,271.75	755,240.14	622,352.61
Delinquent Taxes	95,395.77	69,145.92	37,856.72	42,313.15	42,927.60	51,003.13	69,712.72	68,290.59	85,933.37	67,951.59
Miscellaneous	349,870.37	315,039.65	291,401.52	448,307.54	265,774.49	172,659.66	201,389.08	319,720.39	348,997.01	243,038.57
State Aid	142,271.00	178,844.00	308,429.00	320,886.00	341,680.00	361,680.00	361,680.00	388,348.18	465,793.53	423,824.00
State and Federal Grants	12,228.94	17,991.76	38,731.61	109,204.17	58,397.53	149,321.51	147,592.22	6,083.00	123,821.63	110,483.00
Non-budget Revenues and Other Items	145,850.00	109,414.36	81,297.04	112,503.59	161,190.41	130,571.73	176,249.33	158,594.92	86,112.17	15,413.45
	<u>\$ 2,143,276.34</u>	<u>\$ 2,074,431.56</u>	<u>\$ 2,165,719.33</u>	<u>\$ 2,255,272.42</u>	<u>\$ 2,232,703.12</u>	<u>\$ 2,179,554.74</u>	<u>\$ 2,208,663.66</u>	<u>\$ 2,104,298.83</u>	<u>\$ 2,105,897.85</u>	<u>\$ 1,706,688.22</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>
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%
2001	1.010	0.720	3.280	5.010	96.80%	3.04%

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>
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%
2001	2,825,287.75	2,734,799.38	96.80%

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>
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%
2001	None	85,759.80	85,759.80	3.04%

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>
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%
2001	54,547,500	107,525,133	50.73%

** 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 - 2010</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%
Eavington, 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, 2010
(UNAUDITED)

Average Equalized Valuation		\$ <u>250,925,018.00</u>
Borrowing Margin - 3½% of Average Equalized Valuation		\$ 8,782,375.63
Net Debt		<u>1,885,000.00</u>
Remaining Borrowing Power		\$ <u>6,897,375.63</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Helmetta	\$ 3,413,617.89	\$ 1,528,617.89	\$ 1,885,000.00
Regional School District Debt allocated to Borough	\$ None	\$ None	None
Overlapping Debt Apportioned to the Municipality: County of Middlesex (1) \$607,439,232 x .2268(%)			<u>1,377,672.00</u>
			\$ <u>3,262,672.00</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>
2010	2,178	\$ 245,357,299.00	\$ 1,885,000.00	0.77%	\$ 865.47
2009	1,825	251,849,359.00	165,825.00	0.07%	90.86
2008	1,825	255,568,396.00	245,825.00	0.10%	134.70
2007	1,825	251,770,995.00 (4)	529,825.00	0.21%	290.32
2006	1,825	245,640,394.00	853,325.00	0.35%	467.58
2005	1,825	214,703,304.00	1,141,575.00	0.53%	625.52
2004	1,825	175,787,697.00	1,446,050.00	0.82%	792.36
2003	1,825	145,401,102.00	1,740,050.00	1.20%	953.45
2002	1,825	123,431,347.00	1,912,925.00	1.55%	1,048.18
2001	1,825	107,525,133.00	1,804,150.00	1.68%	988.58

(1) Based on the 2000 U.S. Census for 2001 through 2009 and 2010 Census for 2010.

(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>
2010	\$ 81,000.00	\$ 7,470.00	\$ 88,470.00	\$ 1,933,842.72	4.57%
2009	80,000.00	10,845.00	90,845.00	1,832,322.99	4.96%
2008	284,000.00	18,720.00	302,720.00	1,953,623.91	15.50%
2007	294,500.00	32,173.05	326,673.05	1,968,491.17	16.60%
2006	288,000.00	48,302.00	336,302.00	2,056,321.30	16.35%
2005	287,500.00	48,373.73	335,873.73	1,928,812.51	17.41%
2004	287,000.00	48,640.79	335,640.79	1,865,913.13	17.99%
2003	241,000.00	56,963.10	297,963.10	1,650,021.00	18.06%
2002	290,000.00	71,355.00	361,355.00	1,896,596.63	19.05%
2001	267,000.00	89,590.00	356,590.00	1,697,040.80	21.00%

(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	\$ 438,155.00
Deductions:	
Operating and Maintenance Cost	<u>403,050.00</u>
Excess in Revenues	<u>\$ 35,105.00</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		\$ 519,737.44
Deductions:		
Operating and Maintenance Cost	\$ 342,050.00	
Debt Service	<u>140,177.51</u>	
Total Deductions		<u>482,227.51</u>
Excess in Revenues		<u><u>\$ 37,509.93</u></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)
2010	2,178	9.10%	869	\$ 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
2001	1,825	4.00%	761	26,688

(1) 2000 U.S. Census for 2001 through 2009 and 2010 Census for 2010.

(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, 2010
(UNAUDITED)

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

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	3	3
Police	5	4
Public Works	2	1
Volunteer Firemen		21
Other	<u> </u>	<u>12</u>
Total Employees	<u>10</u>	<u>41</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2010

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 \$29,500.00, except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,500.00 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 bids were requested by public advertising for the following items:

Reconstruction of Madison Dr.,
Sutton Place and York Ave.

Animal Shelter Construction

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 \$29,500.00 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

Chevrolet Tahoe Police Vehicles and Equipment
Animal Control Van
Ford Crown Victoria Police Vehicle and Related Options

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2010

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, 2010, 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, 2010, 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, 2010 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, 2010

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2010 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2010 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, 2010 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, 2010

Cash Balances

The cash balances in all funds were verified with the depositories as of December 31, 2010 and as of October 31, 2011 in connection with the supplemental reconciliations.

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

The change and petty cash funds were counted.

Revenues

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

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. These matters should be reviewed with all departments for compliance.

Minutes of Governing Body Meetings

The Minutes of all governing body meetings for 2010 upon approval should be numbered, bound and securely filed on a contemporaneous basis. This matter has been discussed with the Borough Clerk who has made progress in this area.

OTHER COMMENTS
DECEMBER 31, 2010

Payroll

An examination was made of the employees' compensation records for the year 2010 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. Several instances of payments to employees for extra services occurred that were not in the Borough's salary ordinance. This condition is under review for the correction by the 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 a SAS #70/88 Report on Internal Control of Service Organizations, which discusses the operations of service and various control features.

Miscellaneous Comments

The confirmation sent to the Regional Board of Education verified that the school taxes payable at December 31, 2010 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.

Federal and State Grants

There are several State grant reserves in various funds that are outstanding as of December 31, 2010, some of which are in excess of two (2) years old. These should be reviewed for utilization or refund to the grant source. This matter should be reviewed by the Chief Financial Officer and the specific grant coordinators.

Interfunds

The balance sheets of various funds reflect an Interfund Receivable/Payable as of December 31, 2010. We have been advised by the Chief Financial Officer that these have been liquidated subsequent to year end.

OTHER COMMENTS (CONTINUED)
DECEMBER 31, 2010

Miscellaneous Comments (Continued)

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 2010 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, 2010.

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 2009 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, 2010

None.

Status of Prior Year Audit Findings

Prior year audit findings were implemented to our satisfaction.

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 the first letter of the first name being a large, stylized "G".

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For The Firm
SAMUEL KLEIN AND COMPANY