

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE

BOROUGH OF HELMETTA

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

FOR THE YEAR ENDED DECEMBER 31, 2022

**Presented by
Borough of Helmetta**

**Salvatore Masucci
Business Administrator**

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INTRODUCTORY SECTION



BOROUGH OF HELMETTA

51 Main Street, Helmetta, New Jersey 08828

June 29, 2023

TO: The Honorable Mayor and Council Members

RE: Annual Comprehensive Financial Report for the
Year Ended December 31, 2022

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

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

PRESENT AND FUTURE CHALLENGES

During the 2022 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 2022, our Current Fund, which encompasses the general government functions of the Borough, had revenues of \$2,359,493.87 exclusive of fund balance, expenditures of \$2,335,139.91 and a decrease of \$16,164.08 in fund balance at year-end. The Current Fund revenues increased approximately \$62,218.13 or 2.29% over 2021. Below is a comparison of the Current Fund revenues.

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 417,036.00	\$ 417,036.00	\$	%
Current Tax Revenue	1,457,694.97	1,451,184.01	6,510.96	0.45
Delinquent Tax Revenue	69,304.58	65,909.28	3,395.30	5.15
Miscellaneous Revenue				
Anticipated	441,551.94	409,276.47	32,275.47	7.89
Nonbudget Revenues	128,712.93	93,506.69	35,206.24	37.65
Other Credits to Income	<u>96,842.54</u>	<u>97,923.37</u>	<u>(1,080.83)</u>	<u>(1.10)</u>
 Total Revenues from Local Sources	 \$ 2,611,142.96	 \$ 2,534,835.82	 \$ 76,307.14	 3.01 %
 State Aid	 142,358.88	 143,271.00	 (912.12)	 (0.64)
Grants	<u>23,028.03</u>	<u>36,204.92</u>	<u>(13,176.89)</u>	<u>(36.40)</u>
 Total Current Fund Revenues	 \$ <u>2,776,529.87</u>	 \$ <u>2,714,311.74</u>	 \$ <u>62,218.13</u>	 <u>2.29 %</u>

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

CURRENT FUND (CONTINUED)

The increase in expenditures in 2022 over 2021 was \$31,310.77 or 1.36% and is detailed as follows:

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
General Government	\$ 260,120.00	\$ 280,120.00	\$ (20,000.00)	(7.14) %
Land Use	18,250.00	9,450.00	8,800.00	93.12
Insurance	216,500.00	203,500.00	13,000.00	6.39
Public Safety	770,220.00	729,136.00	41,084.00	5.63
Public Works	426,481.00	418,881.00	7,600.00	1.81
Health and Human Services	31,155.00	29,214.91	1,940.09	6.64
Parks and Recreation	27,150.00	24,000.00	3,150.00	13.13
Utilities	120,500.00	94,500.00	26,000.00	27.51
Code Enforcement	7,030.00	6,700.00	330.00	4.93
Deferred Charges and				
Statutory Expenditures	52,665.00	53,876.00	(1,211.00)	(2.25)
Grant Programs	23,028.03	36,204.92	(13,176.89)	(36.40)
Capital Improvements	85,000.00	150,000.00	(65,000.00)	(43.33)
Municipal Debt Service	132,950.00	87,946.00	45,004.00	51.17
Reserve for Uncollected Taxes	<u>164,090.88</u>	<u>180,300.31</u>	<u>(16,209.43)</u>	<u>(8.99)</u>
Total Current Fund Expenditures	\$ <u>2,335,139.91</u>	\$ <u>2,303,829.14</u>	\$ <u>31,310.77</u>	<u>1.36 %</u>

WATER UTILITY FUND

Our Water Utility Operating Fund generated operating revenues of \$657,670.27 exclusive of fund balance and incurred operating expenses of \$608,412.00 resulting in an increase in fund balance of \$3,344.07. The increase in operating expenses from 2021 to 2022 was \$3,344.07 or 0.55%. The water utility has 12 commercial customers, 884 residential customers and 4 sprinkler system customers. The following schedule summarizes revenues and expenses for 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 36,116.13	\$ 28,379.67	\$ 7,736.46	27.26 %
Rents	492,874.27	456,262.51	36,611.76	8.02
Cell Tower Revenue	95,292.19	93,378.84	1,913.35	2.05
Fair Share Water Tower	28,295.87	26,988.33	1,307.54	4.84
Nonbudget Revenue	4,279.05	5,932.26	(1,653.21)	(27.87)
Other Credits to Income	36,928.89	48,548.15	(11,619.26)	(23.93)
	<u>\$ 693,786.40</u>	<u>\$ 659,489.76</u>	<u>\$ 34,296.64</u>	<u>5.20 %</u>
<u>Expenditures</u>				
Operating	\$ 491,000.00	\$ 486,000.00	\$ 5,000.00	1.03 %
Capital Improvements	20,000.00	20,000.00	0.00	0.00
Debt Service	82,802.00	82,768.00	34.00	0.04
Deferred Charges and				
Statutory Expenditures	14,610.00	13,600.00	1,010.00	7.43
Refund of Prior Years Revenue		2,699.93	(2,699.93)	(100.00)
	<u>\$ 608,412.00</u>	<u>\$ 605,067.93</u>	<u>\$ 3,344.07</u>	<u>0.55 %</u>

SEWER UTILITY FUND

Our Sewer Utility Operating Fund generated operating revenues of \$564,661.31 exclusive of fund balance, incurred operating expenses of \$560,990.00 and transferred \$20,000.00 to Current Fund resulting in a decrease in fund balance of \$16,328.69. The increase in operating expenses from 2021 to 2022 was \$1,455.68 or 0.26%. The sewer utility has 11 commercial customer units and 876 residential customer units. The following schedule summarizes revenues and expenses for 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<u>Revenues</u>				
Fund Balance	\$ 70,990.00	\$ 67,056.00	\$ 3,934.00	5.87 %
Rents	494,582.96	492,809.26	1,773.70	0.36
Nonbudget Revenue	2,398.26	2,915.32	(517.06)	(17.74)
Other Credits to Income	67,680.09	55,363.28	12,316.81	22.25
	<u>\$ 635,651.31</u>	<u>\$ 618,143.86</u>	<u>\$ 17,507.45</u>	<u>2.83 %</u>
<u>Expenditures</u>				
Operating	\$ 527,200.00	\$ 524,000.00	\$ 3,200.00	0.61 %
Capital Improvements	15,000.00	15,000.00	0.00	0.00
Debt Service	4,290.00	4,256.00	34.00	0.80
Deferred Charges and Statutory Expenditures	14,500.00	13,800.00	700.00	5.07
Refund of Prior Years Revenue		2,478.32	(2,478.32)	(100.00)
	<u>\$ 560,990.00</u>	<u>\$ 559,534.32</u>	<u>\$ 1,455.68</u>	<u>0.26 %</u>

For the foreseeable future, our elected and appointed leaders will have to deal with the need to minimize tax rate impact 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 2022 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 2,455 local residents.

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

In accordance with accounting principles generally accepted in the USA, 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 exploring all resources to provide services to the Borough residents for the best possible cost. All revenue sources are maximized where possible and all budget appropriations and purchases are carefully reviewed by the Borough officials. The Governing Body is striving to keep municipal taxes at reasonable rate while providing for the safety, health and welfare of the residents. Permanently financed the former Animal Shelter and entered into agreement to lease the building.

ACCOUNTABILITY ON 2022 INITIATIVES

- Improvements at Residents Park
- Completed Helmetta Boulevard Project substantially funded by NJDOT Funds.
- Awarded Contract and completed. Road and Sidewalk Improvements substantially funded by NJDOT Funds.

PROSPECTS FOR THE FUTURE

- The Borough continues to seek and obtain grants from the County of Middlesex to use for public area improvements including improvements to Helm Park.
- Building a reserve for Repair and Improvements to Municipal Building Parking Lot.
- Continuation of GIS Long term Utility Mapping Project.
- Authorized Design and Improvement to Locust Street which will be substantially funded by NJDOT Funds.
- Authorized Application for Improvements to Lake Avenue substantially funded by NJDOT.
- Entered into Agreement with Jamesburg Police Department for Police Protection Service. The Borough is in the 2nd year of a five (5) year contract which expires on June 30, 2026.

LOCAL ECONOMIC EVENTS

For 2022, the Borough continued to demonstrate important indicators of continued financial strength as follows:

During 2022, total real estate tax revenues increased by \$6,510.96 or .0449% to \$1,457,694.97. The current collection rate (cash basis) of real estate tax revenue (an important indicator of fiscal health) was 99.08% in 2022. 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 2022. Assessed values increased to \$186,722,106.00.

CASH MANAGEMENT

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories. At December 31, 2022, all cash funds on deposit were in registered depositories and were covered by these insurers.

During 2022, 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 0.421% of its equalized value. Debt Service averaged \$100,715.00 for the last three years.

RISK MANAGEMENT

The Borough banded together with other municipalities to form the Mid-Jersey 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 ACFR.

Respectfully submitted,



Salvatore Masucci
Business Administrator



Denise Marabello
Chief Financial Officer

BOROUGH OF HELMETTA

ROSTER OF OFFICIALS

DECEMBER 31, 2022

Governing Body

Christopher Slavicek, Mayor
Joseph Reid, Council President
Michael Duffy, Councilman
Ronald Dzingleski, Councilman
Peter Karczewski, Councilman
Samuel Mena, Councilman [*through August 17, 2022*]
Nicholas Stasi, Councilman

Other Officials

Salvatore Masucci, Business Administrator
Sandra Bohinski, Borough Clerk, Registrar of Vital Statistics [*through June 30, 2022*]
Melissa Hallerman, Borough Clerk [*effective August 1, 2022*]
Tina McDermott, Tax Collector
Denise Marabello, Chief Financial Officer
Samantha Rampacek, Assistant Chief Financial Officer
Joseph Katora, Fire Official
Edward Herman, Magistrate
Dana Mahan, Court Administrator
Joseph Katora, Fire Marshal, Code Enforcement
Christine Hughes, Violations Clerk
Jennifer Burgess, Prosecutor
Thomas Roselli, Public Defender
Carol Feig, Water Revenue Collector and Sewer Revenue Collector

BOROUGH OF HELMETTA
CONSULTANTS AND ADVISORS
DECEMBER 31, 2022

AUDIT FIRM

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BOROUGH ENGINEER

Terence Vogt
Remington & Vernick Engineers
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OFFICIAL DEPOSITORIES

TD Bank

BCB Community Bank

Wells Fargo

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

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INDEPENDENT AUDITORS' REPORT

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

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

Opinions

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Helmetta, County of Middlesex, State of New Jersey as of December 31, 2022, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Helmetta, County of Middlesex, State of New Jersey as of December 31, 2022, and change in financial position thereof for the year then ended.

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

The effects on the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements – regulatory basis been audited, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of Helmetta, County of Middlesex, State of New Jersey, as of December 31, 2022, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues, regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2022 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund and represent 42.05% of the assets and liabilities of the Borough's Trust Funds as of December 31, 2022.

Management's Responsibility for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements – regulatory basis as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards* and auditing standards prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements – regulatory basis, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Helmetta, State of New Jersey's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements – regulatory basis.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Helmetta, State of New Jersey's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Other Matters

Accounting principles generally accepted in the United States of America require that pension plan information, including the Notes thereto, (Required Supplementary Information – RSI Schedules), as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements of the Borough of Helmetta, County of Middlesex, New Jersey. The information included Combining and Individual Funds and Account Statements as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Helmetta, County of Middlesex, New Jersey. The information included in the Combining and Individual Funds and Account Statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements – regulatory basis taken as a whole.

The information contained in the Statistical Section have not been subjected to auditing procedures applied in the audit of the financial statements – regulatory basis and, accordingly, we do not express an opinion, or provide any assurance on them.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the Borough of Helmetta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Helmetta's internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
June 29, 2023

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

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

To the Honorable Mayor and Members of the Borough Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Helmetta (herein referred to as “the Borough”), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements, and have issued our report thereon dated June 29, 2023.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, that are reported material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying General Comment and Recommendation section of this report related to cash reconciliations, receivables and the general ledger and that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
June 29, 2023

GENERAL-PURPOSE FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Governmental Funds			Utilities		Capital Asset Account	Totals (Memorandum Only)	
	Current	General Capital	Trust Funds	Operating	Capital		2022	2021
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 2,436,727.55	\$ 385,983.37	\$ 204,160.21	\$ 542,788.29	\$ 760,893.72		\$ 4,330,553.14	\$ 3,634,183.63
Amounts Held by								
Plan Administrator (Unaudited)			117,346.29				117,346.29	128,249.92
Intergovernmental Accounts Receivable		491,467.03					491,467.03	667,176.24
Receivables and Other Assets:	52,035.15						52,035.15	
Delinquent Property Taxes								69,304.58
Tax Title Liens	19,867.86						19,867.86	17,268.53
Consumer Accounts Receivable				66,032.96			66,032.96	65,973.95
Property Acquired for Taxes -								
Assessed Valuation	8,800.00						8,800.00	8,800.00
Other Accounts Receivable	59,911.07						59,911.07	58,143.05
Interfunds Receivable	153,518.73		500.00	52,813.77			206,832.50	206,866.00
Due from Employee			2,411.08				2,411.08	2,392.67
Deferred Charges Funded		1,028,983.97					1,028,983.97	1,125,483.97
Fixed Capital					5,277,957.83		5,277,957.83	5,267,857.83
Capital Assets						4,787,395.40	4,787,395.40	4,802,395.40
Obligation Under Capital Lease		24,076.15					24,076.15	35,424.25
Grant Fund:								
Grants Receivable	22,621.24						22,621.24	58,471.24
Interfund Receivable	148,001.32						148,001.32	120,143.03
Total Assets and Other Debits	\$ 2,901,482.92	\$ 1,930,510.52	\$ 324,417.58	\$ 661,635.02	\$ 6,038,851.55	4,787,395.40	\$ 16,644,292.99	\$ 16,268,134.29

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
ALL FUND TYPES AND ACCOUNTS - REGULATORY BASIS
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	Governmental Funds			Utilities		Capital Asset Account	Totals (Memorandum Only)	
	Current	General Capital	Trust Funds	Operating	Capital		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>								
Liabilities and Reserves:								
Appropriation Reserves	\$ 125,704.49			\$ 106,366.27			\$ 232,070.76	\$ 182,891.15
Other Liabilities and Reserves	1,552,991.98	\$ 432,889.46	\$ 194,249.59	139,125.11	\$ 691,666.53		3,010,922.67	2,494,366.70
Reserve for LOSAP (Unaudited)			117,346.29				117,346.29	128,249.92
Capital Lease Obligation Payable		24,076.15					24,076.15	35,424.25
Improvement Authorizations		318,583.00			11,275.00		329,858.00	416,514.32
Interfunds Payable	163,992.57	120,697.03	12,821.70	28,219.35	29,103.17		354,833.82	327,009.03
Loans Payable		1,028,983.97					1,028,983.97	1,125,483.97
USDA Loan					1,035,876.71		1,035,876.71	1,064,172.58
Reserve for Receivables and Other Assets	294,132.81			66,032.96			360,165.77	377,153.80
Reserve for Amortization					2,853,901.82		2,853,901.82	
Deferred Reserve for Amortization					1,388,179.30		1,388,179.30	4,203,685.25
Grant Fund:								
Unappropriated/Appropriated Reserves	170,622.56						170,622.56	178,614.27
Total Liabilities and Reserves	\$ 2,307,444.41	\$ 1,925,229.61	\$ 324,417.58	\$ 339,743.69	\$ 6,010,002.53		\$ 10,906,837.82	\$ 10,533,565.24
Equity and Other Credits:								
Fund Balance	\$ 594,038.51	\$ 5,280.91		\$ 321,891.33	\$ 28,849.02		\$ 950,059.77	\$ 932,173.65
Investment in Capital Assets						4,787,395.40	4,787,395.40	4,802,395.40
Total Equity and Other Credits	\$ 594,038.51	\$ 5,280.91		\$ 321,891.33	\$ 28,849.02	4,787,395.40	\$ 5,737,455.17	\$ 5,734,569.05
Total Liabilities, Reserves and Fund Balance	\$ 2,901,482.92	\$ 1,930,510.52	\$ 324,417.58	\$ 661,635.02	\$ 6,038,851.55	4,787,395.40	\$ 16,644,292.99	\$ 16,268,134.29

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 417,036.00	\$ 417,036.00		\$ 107,106.13	\$ 107,106.13	
Rents				946,000.00	987,457.23	\$ 41,457.23
Miscellaneous Revenues	363,442.69	441,551.94	\$ 78,109.25	116,295.87	123,588.06	7,292.19
State Aid	149,692.00	142,358.88	(7,333.12)			
Grants	23,028.03	23,028.03				
	953,198.72	1,023,974.85	70,776.13	1,169,402.00	1,218,151.42	48,749.42
Receipts from Delinquent Taxes	40,000.00	69,304.58	29,304.58			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,341,941.19	1,457,694.97	115,753.78			
Budget Totals	2,335,139.91	2,550,974.40	215,834.49	1,169,402.00	1,218,151.42	48,749.42
Nonbudget Revenues		128,712.93	128,712.93		6,677.31	6,677.31
Unexpended Balance of Appropriation Reserves		64,550.01	64,550.01		104,608.98	104,608.98
Interfund Liquidated		32,291.75	32,291.75			
Current Appropriations Canceled		0.78	0.78			
Taxes Allocated to School and County		4,695,150.80	4,695,150.80			
Total Revenues	\$ 2,335,139.91	\$ 7,471,680.67	\$ 5,136,540.76	\$ 1,169,402.00	\$ 1,329,437.71	\$ 160,035.71

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 263,120.00	\$ 263,120.00				
Land Use	18,250.00	18,250.00				
Insurance	216,500.00	216,500.00				
Public Safety	108,250.00	108,250.00				
Public Works	330,900.00	330,900.00				
Health and Human Services	7,500.00	7,500.00				
Park and Recreation	27,150.00	27,150.00				
Utilities and Bulk Purchases	102,500.00	102,500.00				
Accumulated Sick Leave	15,000.00	15,000.00				
Deferred Charges and Statutory Expenditures	52,665.00	52,665.00				
Excluded from "CAPS":						
Public Safety	8,000.00	8,000.00				
Public Works	95,581.00	95,581.00				
Interlocal Agreement-Police Protection	661,000.00	661,000.00				
Health and Human Services	19,855.00	19,855.00				
Animal Control Service	3,800.00	3,800.00				
Grants	23,028.03	23,028.03				
Operating				\$ 1,018,200.00	\$ 1,018,200.00	
Capital Improvements	85,000.00	85,000.00		35,000.00	35,000.00	
Debt Service	132,950.00	132,950.00		87,092.00	87,092.00	
Deferred Charges and Statutory Expenditures				29,110.00	29,110.00	
Reserve for Uncollected Taxes	164,090.88	164,090.88				
Total Budget Expenditures	\$ 2,335,139.91	\$ 2,335,139.91		\$ 1,169,402.00	\$ 1,169,402.00	

See Notes to Financial Statements.

BOROUGH OF HELMETTA
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
CURRENT, SEWER UTILITY AND WATER UTILITY OPERATING FUNDS - REGULATORY BASIS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Current Fund			Utility Operating Funds (1)		
	Final Budget	Actual	Variance Favorable/ (Unfavorable)	Final Budget	Actual	Variance Favorable/ (Unfavorable)
Expenditures (Continued):						
County and School Taxes		\$ 4,695,150.80	\$ 4,695,150.80			
Other Expenses		40,518.04	40,518.04			
Total Expenditures	\$ 2,335,139.91	\$ 7,070,808.75	4,735,668.84	\$ 1,169,402.00	\$ 1,169,402.00	
Excess in Revenues over Expenditures		\$ 400,871.92	\$ 400,871.92		\$ 160,035.71	\$ 160,035.71
Fund Balance, January 1, 2022		610,202.59	\$ 610,202.59		\$ 288,961.75	\$ 288,961.75
		\$ 1,011,074.51	\$ 1,011,074.51		\$ 448,997.46	\$ 448,997.46
Decreased by:						
Utilization as Anticipated Revenue		417,036.00	417,036.00		107,106.13	107,106.13
Transferred to Current Fund as Anticipated Revenue					20,000.00	20,000.00
Fund Balance, December 31, 2022		\$ 594,038.51	\$ 594,038.51		\$ 321,891.33	\$ 321,891.33

(1) Water Utility Fund and Sewer Utility Fund

See Notes to Financial Statements.

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

BALANCE, DECEMBER 31, 2021

AND

BALANCE, DECEMBER 31, 2022

\$ 4,160.29

(There was no change during the year.)

See Notes to Financial Statements.

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

	<u>Sewer Utility</u>	<u>Water Utility</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2021</u>			
AND			
<u>BALANCE, DECEMBER 31, 2022</u>	\$ <u>15,158.08</u>	\$ <u>13,690.94</u>	\$ <u>28,849.02</u>

(There was no change during the year)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Reporting Entity - The Borough of Helmetta is located in Middlesex County, approximately 10 miles east of the City of New Brunswick and approximately 37 miles south of New York City. The population, according to the 2020 census, is 2,455.

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 two-thirds (2/3) vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

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

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of federal, state, county and local grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursement and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, Trust Other Fund and Length of Service Awards Programs (LOSAP). The Payroll Trust Fund – Accounts for the net salaries, payroll deductions and social security contribution of municipal and utility operations.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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.

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.

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

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

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

Grant Revenue - Federal, state, county and local 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, 2022

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 Noncurrent 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, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

An annual inventory of materials and supplies for the Water and Sewer utilities is required, by regulation, 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 (Capital) Assets

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

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

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

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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 historical cost. 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 Capital 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, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Volunteer Length of Service Award Plan (LOSAP)

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

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

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

E. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022 and all PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated). Implementation has been postponed to June 15, 2021. The Borough does not expect this Statement to impact its financial statement.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

- *GASB Statement 97. Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 97. (Continued)*

Effective Date: The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:
 - Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
 - Clarification of provisions in Statement No. 87, *Leases*.
 - Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*.
 - *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for accounting for the distribution benefits (SNAP).*

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 99. (Continued)*
- Disclosures related to nonmonetary transactions.
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position.
- Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
 - The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Other Accounting Standards (Continued)

- *GASB Statement 101*. Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

F. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2022 through June 29, 2023 for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

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, 2022

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, 2022

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

C. Risk Category

As of December 31, 2022, 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, 2022 was \$4,544,469.65. 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, 2022

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 3.233	\$ 3.157	\$ 3.062	\$ 3.089	3.049
Apportionment of Tax Rate:					
Municipal	0.719	0.719	0.722	0.725	0.749
County:					
Regular	0.468	0.448	0.422	0.420	0.413
Open Space	0.040	0.037	0.036	0.036	0.034
Consolidated School	2.006	1.953	1.882	1.908	1.853

Assessed Valuation (Net Taxable Value)

<u>Year</u>	<u>Amount</u>
2022	\$ 186,722,106.00
2021	186,269,518.00
2020	185,586,558.00
2019	185,605,278.00
2018	185,098,378.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$ 6,044,598.77	\$ 5,988,754.59	99.08%
2021	5,888,322.38	5,811,497.76	98.70%
2020	5,685,916.06	5,617,544.90	98.80%
2019	5,736,247.83	5,676,299.60	98.95%
2018	5,651,923.90	5,548,808.76	98.18%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

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>
2022	\$ 19,867.86	\$ 52,035.15	\$ 71,903.01	1.42%
2021	17,268.53	69,304.58	86,573.11	1.47%
2020	14,730.30	65,909.28	80,639.58	1.42%
2019	12,268.45	57,464.67	69,733.12	1.22%
2018	9,784.89	100,663.74	110,448.63	1.95%

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>
2022	\$ 8,800.00
2021	8,800.00
2020	8,800.00
2019	8,800.00
2018	8,800.00

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 per unit fee basis.

<u>Year</u>	<u>Levy</u>	<u>Cash Collections *</u>
2022	\$ 496,651.60	\$ 494,582.96
2021	493,727.37	492,809.26
2020	494,995.85	498,206.16
2019	491,449.00	495,258.77
2018	493,766.92	493,600.87

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

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 5. UTILITY RECEIVABLES AND COLLECTIONS (CONTINUED)

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>
2022	\$ 490,864.64	\$ 492,874.27
2021	464,457.09	456,262.51
2020	465,506.28	469,739.01
2019	464,857.90	471,311.90
2018	464,445.70	461,005.41

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

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

NOTE 6 CAPITAL (GENERAL FIXED) ASSETS

During 2022 the following changes occurred in the capital assets of the Borough:

<u>Capital Assets</u>	<u>December 31,</u> <u>2021</u>	<u>Increased</u> <u>by</u>	<u>Decreased</u> <u>by</u>	<u>December 31,</u> <u>2022</u>
Land	\$ 198,531.00			\$ 198,531.00
Buildings	2,474,861.81			2,474,861.81
Vehicles	1,157,431.08		\$ 15,000.00	1,142,431.08
Equipment	971,571.51			971,571.51
	<u>\$ 4,802,395.40</u>	<u>\$ -</u>	<u>\$ 15,000.00</u>	<u>\$ 4,787,395.40</u>

NOTE 7. TAXES AND WATER-SEWER CHARGES COLLECTED IN ADVANCE

Taxes and water-sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance, December 31</u>	
	<u>2022</u>	<u>2021</u>
Prepaid Taxes	<u>\$ 56,533.73</u>	<u>\$ 57,690.14</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 8. **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>				
2022	\$ 594,038.51	\$ 448,850.00	N/A	75.56%
2021	610,202.59	417,036.00	N/A	68.34%
2020	626,045.53	417,036.00	N/A	66.61%
2019	733,280.38	462,000.00	N/A	63.00%
2018	536,184.23	236,000.00	N/A	44.01%
<u>Sewer Utility Operating Fund</u>				
2022	\$ 184,584.42	\$ 81,805.00	\$ 20,000.00	65.92%
2021	200,913.11	70,990.00	20,000.00	45.06%
2020	209,359.57	67,056.00	None	32.03%
2019	205,520.52	44,055.00	None	21.44%
2018	160,775.74	45,500.00	None	28.30%
<u>Water Utility Operating Fund</u>				
2022	\$ 137,306.91	\$ 80,661.11	\$ None	58.75%
2021	88,048.64	36,116.13	None	41.02%
2020	62,006.48	28,379.67	None	45.77%
2019	45,689.87	27,607.00	None	60.42%
2018	20,493.02	14,234.00	None	69.46%

Note 9. **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.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. MUNICIPAL DEBT (CONTINUED)

During 2022 the following changes occurred in the debt of the Borough:

	Balance <u>Dec 31, 2021</u>	Increased <u>by</u>	Decreased <u>by</u>	Balance <u>Dec 31, 2022</u>
General Capital Fund:				
Lease	\$ 35,424.25		\$ 11,348.10	\$ 24,076.15
Private Placement Loan	1,000,000.00	\$	80,000.00	920,000.00
MXCIA Loan	<u>125,483.97</u>		<u>16,500.00</u>	<u>108,983.97</u>
	<u>1,160,908.22</u>	\$ -	<u>107,848.10</u>	<u>1,053,060.12</u>
Water Utility Capital Fund:				
USDA Loan	<u>1,064,172.58</u>		<u>28,295.87</u>	<u>1,035,876.71</u>
	<u>\$ 2,225,080.80</u>	\$ -	<u>\$ 136,143.97</u>	<u>\$ 2,088,936.83</u>

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
Issued:			
General:			
Bonds and Notes	\$ 1,028,983.97	\$ 1,125,483.97	\$ 1,200,000.00
Water Utility:			
Notes and Loans	1,035,876.71	1,064,172.58	1,091,170.81
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Issued	<u>\$ 2,064,860.68</u>	<u>\$ 2,189,656.55</u>	<u>\$ 2,291,170.81</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ None	\$ None	\$ None
Water Utility:			
Bonds and Notes	None	None	None
Sewer Utility:			
Bonds and Notes	<u>None</u>	<u>None</u>	<u>None</u>
Total Authorized But Not Issued	<u>\$ None</u>	<u>\$ None</u>	<u>\$ None</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,064,860.68</u>	<u>\$ 2,189,656.55</u>	<u>\$ 2,291,170.81</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. 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 0.421%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Consolidated School District	\$ 1,402,036.13	\$ 1,402,036.13	None
Sewer Utility	None	None	None
Water Utility	1,035,876.71	1,035,876.71	None
General	<u>\$ 1,028,983.97</u>	<u>None</u>	<u>\$ 1,028,983.97</u>
	<u>\$ 3,466,896.81</u>	<u>\$ 2,437,912.84</u>	<u>\$ 1,028,983.97</u>

Net Debt \$1,028,983.97 divided by Equalized Valuation basis per N.J.S. 40A:2-2 As Amended, \$244,544,349.67 equals 0.421%. The Annual Debt Statement has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 8,559,052.24
Net Debt	<u>1,028,983.97</u>
Remaining Borrowing Power	<u>\$ 7,530,068.27</u>

School Debt Deduction

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. 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		\$	562,780.58
Deduction:			
Operating and Maintenance Costs	\$	537,800.00	
Debt Service		<u>4,256.00</u>	
			<u>542,056.00</u>
Excess in Revenue		\$	<u>20,724.58</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		\$	601,941.61
Deductions:			
Operating and Maintenance Costs	\$	499,600.00	
Debt Service		<u>82,768.00</u>	
			<u>582,368.00</u>
Excess in Revenue		\$	<u>19,573.61</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.

Noncurrent (Long-Term) Debt

As of December 31, 2022, the Borough has no serial bonds outstanding.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. MUNICIPAL DEBT (CONTINUED)

Loans Payable

The former animal shelter building was permanently financed in 2022 as follows:

A. A private placement loan in the amount of \$1,000,000.00 with repayment commencing April 1, 2022 at an interest rate of 1.90%. The loan is callable by the Borough after April 1, 2024 and the detail of repayments is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 85,000.00	\$ 16,672.50	\$ 101,672.50
2024	85,000.00	15,057.50	100,057.50
2025	90,000.00	13,395.00	103,395.00
2026	100,000.00	11,590.00	111,590.00
2027	140,000.00	9,310.00	149,310.00
2028	140,000.00	6,650.00	146,650.00
2029	140,000.00	3,990.00	143,990.00
2030	140,000.00	1,330.00	141,330.00
	-	-	-
	<u>\$ 920,000.00</u>	<u>\$ 77,995.00</u>	<u>\$ 997,995.00</u>

B. A loan in the amount of approximately \$125,473.97 from the Middlesex County Improvement Authority 2021 Loan Program at interest rates ranging from .82% to 1.15% with repayments commencing on July 15, 2022 as follows:

<u>Date</u>	<u>Principal</u>	<u>(Estimated) Interest</u>	<u>Total</u>
2023	\$ 21,024.25	\$ 5,739.06	\$ 26,763.31
2024	25,368.65	4,611.15	29,979.80
2025	30,527.35	3,305.52	29,980.14
2026	32,053.72	1,602.68	33,656.40
	-	-	-
	<u>\$ 108,973.97</u>	<u>\$ 15,258.41</u>	<u>\$ 120,379.65</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. MUNICIPAL DEBT (CONTINUED)

Capital Lease

The Borough participated in the 2019 Middlesex County Improvement Authority Lease Purchase program for the acquisition of a dump truck in the amount of \$57,102.38 at interest rate of 4.00% and the detail is as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 11,802.04	\$ 1,039.74	\$ 12,841.78
2024	12,274.11	490.96	12,765.07
	<u>\$ 24,076.15</u>	<u>\$ 1,530.70</u>	<u>\$ 25,606.85</u>

The funds are being raised in the annual budget equally (1/3) in the Current Fund, Water Utility Fund and Sewer Utility Fund.

Copy Machine Lease

GASB Statement #87 *Accounting for Leases* requires entities to disclose information about all leases whether they be operating or capital. The Borough has entered into a lease for the "Right to Use" a copy machine. The lease is dated February 21, 2021. The payments commenced April 28, 2021 and extend through March 28, 2026. The repayments are as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,489.83	\$ 478.37	\$ 2,968.20
2024	2,651.74	316.46	2,968.20
2025	2,822.24	145.96	2,968.20
2026	734.30	7.45	741.75
	<u>\$ 8,698.11</u>	<u>\$ 948.24</u>	<u>\$ 9,646.35</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. 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 principal and interest 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:

Date	Principal	Interest	Total
Next five (5) years:			
4/1/2023	\$ 14,653.93	\$ 24,602.07	\$ 39,256.00
10/1/2023	15,001.96	24,254.04	39,256.00
4/1/2024	15,358.26	23,897.74	39,256.00
10/1/2024	15,723.02	23,532.98	39,256.00
4/1/2025	16,096.44	23,159.56	39,256.00
10/1/2025	16,478.73	22,777.27	39,256.00
4/1/2026	16,870.10	22,385.90	39,256.00
10/1/2026	17,270.76	21,985.24	39,256.00
4/1/2027	17,680.94	21,575.06	39,256.00
10/1/2027	18,100.86	21,155.14	39,256.00
	<u>163,235.00</u>	<u>229,325.00</u>	<u>392,560.00</u>
Thereafter:			
4/1/2028	18,530.76	20,725.24	39,256.00
10/1/2028	18,970.87	20,285.13	39,256.00
4/1/2029	19,421.42	19,834.58	39,256.00
10/1/2029	19,882.68	19,373.32	39,256.00
4/1/2030	20,354.90	18,901.10	39,256.00
10/1/2030	20,838.33	18,417.67	39,256.00
4/1/2031	21,333.24	17,922.76	39,256.00
10/1/2031	21,839.90	17,416.10	39,256.00
4/1/2032	22,358.60	16,897.40	39,256.00
10/1/2032	22,889.61	16,366.39	39,256.00
	<u>206,420.31</u>	<u>186,139.69</u>	<u>392,560.00</u>
4/1/2033	23,433.24	15,822.76	39,256.00
10/1/2033	23,989.78	15,266.22	39,256.00
4/1/2034	24,559.54	14,696.46	39,256.00
10/1/2034	25,142.83	14,113.17	39,256.00
4/1/2035	25,739.97	13,516.03	39,256.00
10/1/2035	26,351.29	12,904.71	39,256.00
4/1/2036	26,977.14	12,278.86	39,256.00
10/1/2036	27,617.84	11,638.16	39,256.00
4/1/2037	28,273.77	10,982.23	39,256.00
10/1/2037	28,945.27	10,310.73	39,256.00
	<u>261,030.67</u>	<u>131,529.33</u>	<u>392,560.00</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 9. MUNICIPAL DEBT (CONTINUED)

USDA Loan – Water Utility Capital Fund (Continued)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2038	\$ 29,632.72	\$ 9,623.28	\$ 39,256.00
10/1/2038	30,336.50	8,919.50	39,256.00
4/1/2039	31,056.99	8,199.01	39,256.00
10/1/2039	31,794.59	7,461.41	39,256.00
4/1/2040	32,549.72	6,706.28	39,256.00
10/1/2040	33,322.77	5,933.23	39,256.00
4/1/2041	34,114.19	5,141.81	39,256.00
10/1/2041	34,924.40	4,331.60	39,256.00
4/1/2042	35,753.85	3,502.15	39,256.00
10/1/2042	36,603.01	2,652.99	39,256.00
	<u>330,088.74</u>	<u>62,471.26</u>	<u>392,560.00</u>
4/1/2043	37,472.33	1,783.67	39,256.00
10/1/2043	37,629.66	893.70	38,523.36
	<u>75,101.99</u>	<u>2,677.37</u>	<u>77,779.36</u>
Total	<u>\$ 1,035,876.71</u>	<u>\$ 612,142.65</u>	<u>\$ 1,648,019.36</u>

Bonds and Notes Authorized But Not Issued

At December 31, 2022 there are no bonds and notes authorized but not issued for the General Capital Fund, Sewer Utility Capital Fund and Water Utility Capital Fund for the Borough of Helmetta.

Subsequent Event

Subsequent to December 31, 2022 the Borough adopted capital ordinances (2) for Improvements to Lake Avenue and Improvements to Signage at the Borough Limits. The improvement authorizations totalled \$748,000.00 and are funded by NJDOT grants of \$664,818.00 and the Capital Improvement Fund \$83,182.00.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 10. CONSOLIDATED SCHOOL DISTRICT TAXES

The Consolidated 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.

	Consolidated School District Taxes Balance, December 31		Increase/ (Decrease)
	<u>2022</u>	<u>2021</u>	
Balance of Tax	\$ 1,871,279.98	\$ 1,816,673.89	\$ 54,606.09
Deferred	<u>945,000.00</u>	<u>945,000.00</u>	<u>-</u>
Payable	<u>\$ 926,279.98</u>	<u>\$ 871,673.89</u>	<u>\$ 54,606.09</u>

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

Note 11. PENSION PLANS

Description of Systems

Substantially all of the Borough's full-time 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).

Public Employees' Retirement System

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reach the service retirement age for the respective tier.

Contributions Required to be Made

The contribution policy for PERS is set by N.J.S.A. 43:15A and for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Employee contributions for 2022 were seven and 50/100th percent (7.50%) for PERS employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Contributions Required to be Made (Continued)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The Borough's contributions to the plan for the past three (3) years are as follows:

	PERS		
	2022	2021	2020
Covered Payroll	\$ 265,153	\$ 266,609	\$ 280,605
Actuarial Employer Contribution	47,498	44,155	36,212
Percent of Covered Payroll	17.91 %	16.56 %	12.91 %
Employee's Share	19,770	19,996	21,047
Percent of Covered Payroll	7.50 %	7.50 %	7.50 %

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2023 would be needed in the amount of \$43,498 since the obligation relates to the period December 31, 2021 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2022 and June 30, 2021 Independent Auditor's Report dated May 18, 2023 and July 21, 2022, respectively.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The Borough's reported liability of \$568,424.00 and \$447,765.00 for its proportionate share of the net pension liability at December 31, 2022 and December 31, 2021 respectively. The net pension liability was measured as of June 30, 2022 and June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022 and July 1, 2021, which were roll forward. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (Measurement Date)	
	<u>2022</u>	<u>2021</u>
Local Group Share	\$ 15,219,184,920	\$ 11,972,782,878
Borough Proportionate Percentage	0.0037665497 %	0.0037620564 %
Difference - Increase	0.0000044933 %	

For the year ended December 31, 2022, the Borough's recognizable pension benefit was \$70,490.00. At December 31, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 1,761	\$ 85,116
Net difference between expected and actual experience	4,103	3,618
Net difference between projected and actual investment earnings on pension plan investment	23,527	
Changes in proportion	6,052	44,114
Borough contributions subsequent to yearend	47,498	
Total	<u>\$ 82,941</u>	<u>\$ 132,848</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The \$35,443.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2022, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ (48,759)
2024	(24,841)
2025	(12,115)
2026	(58)
2027	26,429

Additional Information

Collective local Group employers balances are as follows:

	<u>[Measurement Date]</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Collective net pension expense/(benefit)	(1,032,778,934)	(1,599,674,464)
Borough's proportion (of Local Group)	0.0037665497 %	0.0037797273 %

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55% [Based on year of services]
Investment Rate of Return	7.00%

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2019 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	27.00 %	8.12 %
Non-U.S. Developed Markets Equity	13.50	8.38
Emerging Market Equities	5.50	10.33
Private Equity	13.00	11.80
Real Assets	3.00	7.60
Real Estate	8.00	11.19
High Yield	4.00	4.95
Private Credit	8.00	8.10
Investment Grade Credit	7.00	3.38
Cash Equivalents	4.00	1.75
U.S. Treasuries	4.00	1.75
Risk Mitigation Strategies	3.00	4.91
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State of employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 11. PENSION PLANS (CONTINUED)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2022 and June 30, 2021, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

<u>June 30, 2022 [<i>Measurement Date</i>]</u>			
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 730,258	\$ 568,424	\$ 430,696
<u>June 30, 2021 [<i>Measurement Date</i>]</u>			
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 609,733	\$ 447,765	\$ 310,269

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at:
www.state.nj.us/treasury/pensions.

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS

Borough Retiree Health Benefits

As of the date of this report the State of New Jersey Department of Treasury, Division of Pension and Benefits has not yet released the GASB#75 Other Post-Employment Benefits Allocation by Employer Report, which would have been as of June 30, 2022. The State of New Jersey Local Finance Board has ruled that the data need not be included for those local government entities that do not report the financial statements under the GASB/GAAP method. In the past the data was included merely for disclosure (*informational purposes*) in the Notes to Financial Statements. The lack of data does not distort the fund balances of the various funds as presented in the report under the regulation (OCBOA) basis. Data from the two (2) prior years which was included in December 31, 2021 Notes to Financial Statements is reflected.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS

Borough Retiree Health Benefits (Continued)

Plan Description – NJSHBP

The NJSHBP as of July 1, 2020 had statewide for the local employee groups of 64,243 active and 32,621 retired for a total of 96,867 members. The Borough at December 31, 2022 had three (3) active and four (4) retired employees for a total participation of seven (7).

Funding Policy – The contribution requirements of plan members are established and may be amended by the state legislature. Participating local government units are contractually required to contribute at a rate assessed each year by the NJSHBP. The NJSHB Commission sets the employer contribution rate based on the annual required contribution of the employers (ARC) as established in an annual rate recommendation report.

The NJSHBP issues a publicly available financial report that includes financial statements and required supplementary information for the NJSHBP and the actuarial valuation. Those reports may be obtained by writing to the State of New Jersey Department of Treasury, Division of Pension and Benefits, 50 West State Street, Trenton, NJ 08625-0299 or on the State of New Jersey website.

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.

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>
2022	5	\$ 125,000.00
2021	4	85,000.00
2020	4	76,970.40

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Borough Retiree Health Benefits (Continued)

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, refer to the State of New Jersey, Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The information presented was abstracted from the State of New Jersey State Health Benefits Local Government Retired Employees Plan for June 30, 2021 and June 30, 2020 measurement date from the Independent Auditor's Reports dated June 28, 2022 and December 5, 2022. The June 30, 2022 measurement date report is not available at this time.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission, Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: (1) retired on a disability pension; or (2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or (4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Borough Retiree Health Benefits (Continued)

GASB Statement No. 75 requires participating employers in the plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

The portion of the OPEB Liability that was associated with the Borough recognized is as follows:

<u>June 30, [Measurement Date]</u>	
<u>2021</u>	<u>2020</u>
\$ 1,875,937.00	\$ 1,894,624.00

The proportion of the PERS Net OPEB Liability associated with the Borough's liability is as follows:

<u>June 30, [Measurement Date]</u>	
<u>2021</u>	<u>2020</u>
0.010422 %	0.010557 %

Total Nonemployer OPEB Liability

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Total Nonemployer OPEB Liability (Continued)

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases *:	
Public Employees' Retirement System (PERS)	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Mortality:	Pub-2010 General classification headcount weighted mortality with fully
PERS	generational mortality improvement projections from the central year
	using Scale MP-2020

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PERS experience studies prepared July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven (7) years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after eleven (11) years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after eleven (11) years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven (7) years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2021 and June 30, 2020 was 2.16% and 2.21%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2021 <i>[Measurement Date]</i>		
At 1% Decrease -1.21%	At Discount Rate -2.21%	At 1% Increase -3.21%
\$ 2,207,618	\$ 1,875,937	\$ 1,613,073

June 30, 2020 <i>[Measurement Date]</i>		
At 1% Decrease -1.21%	At Discount Rate -2.21%	At 1% Increase -3.21%
\$ 2,239,845	\$ 1,894,624	\$ 1,621,349

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Healthcare Cost June 30, 2021 <i>[Measurement Date]</i>		
1% Decrease	Trend Rate	1% Increase
\$ 1,547,754	\$ 1,875,937	\$ 2,292,899

June 30, 2020 <i>[Measurement Date]</i>		
1% Decrease	Trend Rate	1% Increase
\$ 1,567,803	\$ 1,894,624	\$ 2,322,601

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the Borough recognized OPEB benefit of \$186,392 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2021 under GASB 75 prior to any reduction due to the fiscal year 2022 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Net Difference between Expected and Actual Earnings on OPEB Plan Investments	\$ 897	\$
Difference between Expected and Actual Expenses	42,094	392,474
Changes in Assumptions	269,859	331,594
Changes in Proportion	<u>119,905</u>	<u>939,186</u>
Sub-total	<u>\$ 432,755</u>	<u>\$ 1,663,254</u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Measurement Period Ending June 30,

2022	(130,807)
2023	(130,807)
2024	(130,807)
2025	(116,567)
2026	(75,100)
Total Thereafter	(10,583)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Additional Information

Collective balances of the Local Retirement Group are as follows:

	<u>June 30, [Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
Deferred outflows of resources	\$ 7,646,071,806	\$ 6,253,995,892
Deferred inflows of resources	7,199,097,118	7,022,252,533
Net OPEB liability	14,138,423,345	12,484,309,814
Total OPEB Expense / (Benefit)	723,912,293	413,903,722
Borough proportionate percentage	0.010422 %	0.010557 %

Shown below are details regarding the Total OPEB Liability for the measurement period:

	<u>[Measurement Date]</u>	
	<u>2021</u>	<u>2020</u>
	<u>Total OPEB Liability</u>	
Balance as of June 30,	\$ 18,111,475,228	\$ 13,819,244,582
Changes Recognized for the Fiscal Year:		
Service Cost	846,075,674	\$ 605,949,339
Interest on the Total OPEB Liability	413,837,061	497,444,533
Changes of Assumptions	339,165,715	3,074,968,821
Change in Benefit Terms	2,029,119	1,034,142
Difference between Expected and Actual Experience	(1,196,197,410)	541,506,395
Gross Benefit Payments	(509,642,373)	(466,218,997)
Contributions from the Member	43,309,873	37,546,413
Net Changes	(61,422,341)	\$ 4,292,230,646
Balance as of June 30	\$ <u>18,050,052,887</u>	\$ <u>18,111,475,228</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 12. POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Additional Information (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 3.50% in 2021. The component of the Net OPEB Liability is as follows:

	<i>Measurement Date</i>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Total OPEB Liability	\$ 18,050,052,887	\$ 18,111,475,228
Plan Fiduciary Net Position	<u>50,271,652</u>	<u>164,862,282</u>
Net OPEB Liability	\$ <u>17,999,781,235</u>	\$ <u>17,946,612,946</u>
Net Position		
as a Percentage of OPEB Liability	0.28%	0.91%
Special Funding Situation	3,861,357,890	5,462,303,132
Nonspecial Funding Situation	<u>14,138,423,345</u>	<u>12,484,309,814</u>
	<u>17,999,781,235</u>	\$ <u>17,946,612,946</u>

Other

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the Borough. The reporting of these benefits are the responsibility of the individual local Borough. The Borough provides Chapter 88 Reimbursement to certain retirees for the share of Medicare premiums that are withheld from the social security benefits. Detail for the prior three years is as follow:

<u>Year</u>	<u>Number of Employees</u>	<u>Amount</u>
2022	2	\$ 2,444.00
2021	1	1,222.00
2020	1	1,222.00

Employees of which there are three (3) other that will become eligible when they attain Social Security retirement age will also receive the benefits.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 13. RISK MANAGEMENT

Property and Liability Insurance

The Borough together with other governmental units is a member of the Mid Jersey 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, 2022, 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.

The Mid Jersey Municipal Joint Insurance Fund received an unmodified opinion on the December 31, 2022 Annual Independent Audit Report. The total Assets for the year were \$23,373,392.00. Total liabilities and Fund Surplus for Mid Jersey are \$12,097,221.00 and \$10,276,171.00, respectively.

The Borough was a member of the Middlesex County Joint Insurance Fund until December 31, 2018. The Borough was billed \$129,648.61 for what is their supposed pro-rata share of an accumulated deficit of the JIF. This matter is still under review and anticipated the repayment of bill in the next seven (7) years and will need to be raised in the annual budget.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 13. RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance

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

<u>Year Ended December 31,</u>	<u>Employer Contributions</u>	<u>Budget Appropriations</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ None	\$ 500.00	\$ None	\$ 3,154.27
2021	None	None	None	2,654.27
2020	None	None	None	2,654.27

Note 14. INTERFUNDS RECEIVABLE AND PAYABLE

Interfunds receivable and payable balances at December 31, 2022 were as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 150,807.76	\$ 163,992.57
Grant	148,001.32	
Water Utility Operating	52,695.89	
Sewer Utility Operating	117.88	28,219.35
Trust Other	500.00	142.37
Animal Control Trust		3,646.65
Payroll Fund		6,321.71
General Capital		120,697.03
Water Utility Capital		28,985.29
Sewer Utility Capital		117.88
	<u>\$ 352,122.85</u>	<u>\$ 352,122.85</u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 15. **SEGMENT INFORMATION FOR UTILITY OPERATING ENTERPRISE FUNDS**

The Borough of Helmetta maintains two (2) enterprise funds that provide water and sewer to the residents and businesses of the Borough. Segment information for the year ended December 31, 2022 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 \$	36,116.13	\$ 70,990.00	\$ 107,106.13
Rents	492,874.27	494,582.96	987,457.23
Fair Share Water Tower	28,295.87		28,295.87
Cell tower Revenue	<u>95,292.19</u>		<u>95,292.19</u>
Budget Revenue Totals	652,578.46	565,572.96	1,218,151.42
Other Credits to Income:			
Nonbudget Revenue	4,279.05	2,398.26	6,677.31
Unexpended Balance of Appropriation Reserves	<u>36,928.89</u>	<u>67,680.09</u>	<u>104,608.98</u>
Total Revenues	<u>\$ 693,786.40</u>	<u>\$ 635,651.31</u>	<u>\$ 1,329,437.71</u>
Expenditures:			
Operating	\$ 491,000.00	\$ 527,200.00	\$ 1,018,200.00
Capital Improvements	20,000.00	15,000.00	35,000.00
Debt Service	82,802.00	4,290.00	87,092.00
Deferred Charges and Statutory Expenditures	<u>14,610.00</u>	<u>14,500.00</u>	<u>29,110.00</u>
Total Expenditures	<u>\$ 608,412.00</u>	<u>\$ 560,990.00</u>	<u>\$ 1,169,402.00</u>
Excess in Revenue	<u>\$ 85,374.40</u>	<u>\$ 74,661.31</u>	<u>\$ 160,035.71</u>
Statutory Excess in Revenue	\$ 85,374.40	\$ 74,661.31	\$ 160,035.71
Fund Balance, January 1, 2022	<u>88,048.64</u>	<u>200,913.11</u>	<u>288,961.75</u>
	<u>\$ 173,423.04</u>	<u>\$ 275,574.42</u>	<u>\$ 448,997.46</u>
Decreased by:			
Utilization as Anticipated Revenue	\$ 36,116.13	\$ 70,990.00	\$ 107,106.13
Transferred to Current Fund Budget as Anticipated Revenue	<u></u>	<u>20,000.00</u>	<u>20,000.00</u>
	<u>\$ 36,116.13</u>	<u>\$ 90,990.00</u>	<u>\$ 127,106.13</u>
Fund Balance, December 31, 2022	<u><u>\$ 137,306.91</u></u>	<u><u>\$ 184,584.42</u></u>	<u><u>\$ 321,891.33</u></u>

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 16. DEFERRED COMPENSATION PLAN

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

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

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund. The Deferred Compensation Plan is administered by the Public Employees Benefits Service Company (PEBSCO).

Note 17. CONTINGENT LIABILITIES

A. 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.

B. Compensated Absences

Non-Union and Public Works Union Employees

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

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 17. CONTINGENT LIABILITIES (CONTINUED)

B. Compensated Absences (Continued)

Non-Union and Public Works Union Employees (Continued)

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

- C. Liability - The Borough's liabilities for the various compensated absence as of December 31, 2022 is as follows:

	<u>Total</u>
Unused Sick Time	\$ 9,275.24
Vacation	<u>12,800.29</u>
	<u><u>\$ 22,075.53</u></u>

These amounts are not an immediate liability of the Borough and the likelihood of this amount becoming due and payable at any one time in the near future is remote. The Borough has developed a reserve in the Trust Other Fund of \$47,517.64.

D. Grants

The Borough of Helmetta participates in federally, state and county 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.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 18. LENGTH OF SERVICE AWARDS PROGRAM (UNAUDITED)

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

The LOSAP funds are administered independently and distinct from the Borough and are subject to a review in accordance with the American Institute of Certified Public Accounts Standards for Accounting and Review Services. Participants are responsible for the direction of their investments within their individual accounts. A separate report as of December 31, 2022 revealed net position available for benefits of \$117,346.29. Contributions for the past three (3) years were paid into the fund; but nothing was budgeted or reserved for the current year.

	<u>Total</u>	<u>Per Member</u>
2022	Not Determined	\$ 400.00
2021	\$ 5,200.00	400.00
2020	6,800.00	400.00

Note 19. TAX ABATEMENT

The former Helmetta Snuff Mill Redevelopment (the "Project") area is subject to an agreement for tax abatement for residential rental housing. The agreement provides for the developer to make payments to the Borough in lieu of taxes ("PILOT") based on the annual gross revenue; however, it is subject to the following provisions:

<u>Year</u>	<u>The Greater of</u>	
	<u>Percent of Annual Gross Revenue ⁽¹⁾</u>	<u>Percent of Taxes ⁽²⁾</u>
1-15	10%	10%
16-18	20%	10%
19-20	40%	10%
21	60%	10%
22	80%	10%

(1) Annual Gross Revenue of the modified project.

(2) Otherwise due on the value of land and improvements.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 19. TAX ABATEMENT (CONTINUED)

Once the Certificate of Completion on the Project has been issued, the minimum annual service charge will be \$275,000.00. The annual service will be allocated first to the County of Middlesex five percent (5%) and the balance divided evenly between the Borough of Helmetta and the Spotswood-Helmetta Consolidated School District. In 2022 the following activity occurred:

	Balance Due to 12/31/2021	Received 2022	Realized/ Disbursed in 2022	Balance Due to 12/31/2022
Borough of Helmetta *		\$ 234,111.64	\$ 234,111.64 *	
Borough of Spotswood BOE	\$ 56,915.50	234,111.64		\$ 291,027.14
County of Middlesex	<u>5,991.10</u>	<u>24,643.32</u>		<u>30,634.42</u>
	<u>\$ 62,906.60</u>	<u>\$ 492,866.60</u>	<u>\$ 234,111.64</u>	<u>\$ 321,661.56</u>

Note 20. LEASE OF A MUNICIPAL BUILDING

In 2020 the Borough entered into a lease for the property formerly used as the Borough's Animal Shelter. The lease period runs from November 1, 2020 to October 31, 2030. The lease is a triple net lease and the monthly payments are \$3,575.28. The lease allows for the tenant at a certain point in time to purchase the property subject to certain conditions. The sales price would be determined based on the lease/addendum.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 21. INTERLOCAL AGREEMENTS

The Borough entered into the Interlocal Agreements in which the obligation for these agreements must be disclosed.

A. Police Protection Services – Borough of Jamesburg
Commencing July 1, 2022 through June 30, 2027

2023	\$	722,000.00
2024		750,500.00
2025		788,500.00
2026		826,500.00
2027		864,500.00
2028		441,750.00
		<u>441,750.00</u>
	\$	<u>4,393,750.00</u>

B. Garbage and Trash Removal – Borough of Spotswood
Commencing July 1, 2021 through June 30, 2026

2023	\$	57,978.00
2024		59,198.00
2025		60,432.00
2026		61,681.00
		<u>61,681.00</u>
	\$	<u>239,289.00</u>

C. Emergency Medical Services (EMS) – Borough of Spotswood
Commencing May 1, 2018 through June 30, 2024

2023	\$	15,000.00
2024		15,000.00
2025		15,000.00
2026		5,000.00
		<u>5,000.00</u>
	\$	<u>50,000.00</u>

D. Animal Control Services – Township of Woodbridge
Annual contract with the Township for the fee for 2023 is \$5,000.00.

BOROUGH OF HELMETTA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2022

Note 23. **SUBSEQUENT EVENT – COVID-19 CORONAVIRUS PANDEMIC**

The COVID-19 Coronavirus outbreak in the United States has caused the Governor of the State of New Jersey to mandate closures and a curfew for all nonessential citizens and businesses. The management of the Borough (which is essential) has evaluated the impact of the situation and has determined that there is no adverse impact on its December 31, 2022 financial statements. Management does not believe that there will be an adverse impact for the year ending December 31, 2023. A significant portion of the revenue to support Borough operations is tax levy and utility rents; however, certain other miscellaneous revenues most especially municipal court revenue may be impacted due to the economic effect of the closures and curfew.

REQUIRED SUPPLEMENTARY INFORMATION

BOROUGH OF HELMETTA
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST EIGHT (8) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2022	0.0037665497 %	\$ 568,424	\$ 265,153	214.38 %	62.91 %
2021	0.0037797273	447,765	266,609	167.94	70.31
2020	0.0037620564	613,493	280,605	218.63	58.32
2019	0.0037228125	670,794	266,657	251.56	64.99
2018	0.0044881900	883,702	263,762	335.04	53.60
2017	0.0045611302	1,061,758	318,484	400.26	48.09
2016	0.0043042150	1,274,784	287,420	433.73	47.92
2015	0.0055533598	1,246,618	289,644	430.46	47.92

Note: Only the last eight (8) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate remained at 7.00% as of June 30, 2020 and June 30, 2021.

BOROUGH OF HELMETTA
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST EIGHT (8) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2022	\$ 47,498	\$ 47,498	None	\$ 265,153	17.91 %
2021	44,155	44,155	None	266,609	16.56
2020	36,212	36,212	None	280,605	12.90
2019	44,643	44,643	None	266,653	16.74
2018	43,342	43,342	None	263,762	16.43
2017	38,238	38,238	None	318,484	12.02
2016	47,744	47,744	None	287,420	16.67
2015	37,299	37,229	None	289644	12.88

Note: Only the last eight (8) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - there were none.

Changes of Assumptions - the discount rate remained at 7.00% as of June 30, 2020 and June 30, 2021.

BOROUGH OF HELMETTA
SCHEDULE OF THE BOROUGH PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST EIGHT (8) FISCAL YEARS

<u>Year</u>	<u>Borough's Proportion of Net Pension Liability</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset)</u>	<u>Borough's Covered Payroll</u>	<u>Borough's Proportionate Share of Net Pension Liability (asset) as Percentage of Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as Percentage of Total Pension Liability</u>
2022			NOT APPLICABLE		
2021			NOT APPLICABLE		
2020			NOT APPLICABLE		
2019	0.0053993038	660,758	None	-	56.27 %
2018	0.0083897329	1,135,269	61,000	1,861.33	62.48
2017	0.0113248485	1,748,338	302,833	577.33	58.61
2016	0.0091424370	1,746,439	366,696	476.26	47.99
2015	0.0086074832	1,433,707	278,179	515.39	52.01

Note: Only the last eight (8) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

The Borough no longer has a police department. It receives coverage from a neighboring municipality.

BOROUGH OF HELMETTA
SCHEDULE OF THE BOROUGH'S CONTRIBUTIONS
POLICE & FIREMEN'S RETIREMENT SYSTEM (PFRS)
LAST EIGHT (8) FISCAL YEARS

<u>Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contributions</u>	<u>Contribution Deficiency (excess)</u>	<u>Borough's Covered Payroll</u>	<u>Contributions as Percentage of Covered-Payroll</u>
2022			NOT APPLICABLE		
2021			NOT APPLICABLE		
2020			NOT APPLICABLE		
2019	82,022	82,022	None	None	N/A
2018	100,227	100,227	None	61,000	60.56 %
2017	74,542	74,542	None	302,833	24.61
2016	69,966	69,966	None	360,396	19.41
2015	54,108	54,108	None	278,179	19.45

Note: Only the last eight (8) years of information are presented as GASB 68 was implemented during the year ended December 31, 2015. Eventually a full ten (10) year schedule will be compiled.

The Borough no longer has a police department. It receives coverage from a neighboring municipality.

COMBINED AND INDIVIDUAL FUND AND
ACCOUNT STATEMENTS

CURRENT FUND

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>ASSETS</u>		
Current Fund:		
Cash and Cash Equivalents	\$ 2,436,727.55	\$ 1,977,291.22
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	52,035.15	69,304.58
Tax Title Liens	19,867.86	17,268.53
Property Acquired for Taxes - Assessed Valuation	8,800.00	8,800.00
Other Accounts Receivable:		
Revenue Accounts Receivable:		
Due from Municipal Court	1,624.73	1,441.26
PILOT	58,286.34	56,701.79
Interfunds Receivable:		
Due from Water Utility Capital Fund		30,760.00
Due from Sewer Utility Operating Fund	20,000.00	
Due from Other Trust Fund	142.37	1,481.68
Due from Animal Control Trust Fund	6,357.62	3,839.09
Due from Payroll Fund	6,321.71	6,313.67
Due from General Capital Fund	<u>120,697.03</u>	<u>115,269.25</u>
Total Current Fund	\$ <u>2,730,860.36</u>	\$ <u>2,288,471.07</u>
Grant Fund:		
Grants Receivable	\$ 22,621.24	\$ 58,471.24
Due from Current Fund	<u>148,001.32</u>	<u>120,143.03</u>
Total Grant Fund	\$ <u>170,622.56</u>	\$ <u>178,614.27</u>
Total Assets	\$ <u><u>2,901,482.92</u></u>	\$ <u><u>2,467,085.34</u></u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 125,704.49	\$ 57,222.59
Reserve for Encumbrances	174,083.12	116,249.97
Accounts Payable	10,256.29	18,084.54
Prepaid Taxes	56,533.73	57,690.14
Tax Overpayments	38,011.10	45,497.78
Consolidated District School Tax Payable	926,279.98	871,673.98
Due to State of New Jersey:		
Marriage Licenses	699.00	899.00
Senior and Vets Deduction	2,000.00	2,000.00
Various Reserves	23,467.20	6,266.96
Interfunds Payable:		
Due to Grant Fund	148,001.32	120,143.03
Due to Water Utility Operating Fund	15,491.25	7,454.04
Due to Trust Other Fund - UCC	500.00	1,000.00
Due to County of Middlesex:		
PILOT	30,634.42	5,991.10
Due to Spotswood-Helmetta BOE (PILOT)	<u>291,027.14</u>	<u>56,915.50</u>
	\$ 1,842,689.04	\$ 1,367,088.63
Reserve for Receivables and Other Assets	294,132.81	311,179.85
Fund Balance	<u>594,038.51</u>	<u>610,202.59</u>
Total Current Fund	\$ <u>2,730,860.36</u>	\$ <u>2,288,471.07</u>
Grant Fund:		
Reserve for Grants:		
Appropriated	\$ 54,915.74	\$ 52,892.97
Unappropriated	<u>115,706.82</u>	<u>125,721.30</u>
Total Grant Fund	\$ <u>170,622.56</u>	\$ <u>178,614.27</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 2,901,482.92</u>	<u>\$ 2,467,085.34</u>

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 417,036.00	\$ 417,036.00
Miscellaneous Revenues Anticipated	441,551.94	409,276.47
State Aid	142,358.88	143,271.00
Grants	23,028.03	36,204.92
Receipts from Delinquent Taxes	69,304.58	65,909.28
Amount to be Raised by Taxation for Support of Municipal Budget	1,457,694.97	1,451,184.01
Nonbudget Revenue	128,712.93	93,506.69
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves		
Lapsed and Encumbrances Canceled	64,550.01	96,089.05
Interfunds Liquidated	32,291.75	
Current Appropriations - Canceled	0.78	1,834.32
Taxes Allocated to School and County Taxes	<u>4,695,150.80</u>	<u>4,540,614.06</u>
Total Income	\$ <u>7,471,680.67</u>	\$ <u>7,254,925.80</u>
Expenditures:		
Budget and Emergency Appropriations:		
Within "CAPS":		
General Government	\$ 263,120.00	\$ 265,120.00
Land Use	18,250.00	9,450.00
Insurance	216,500.00	203,500.00
Public Safety	60,620.00	65,100.00
Municipal Court & Prosecutor	40,600.00	42,700.00
Code Enforcement	7,030.00	6,700.00
Public Works	330,900.00	323,300.00
Health and Human Services	7,500.00	6,150.00
Park and Recreation	27,150.00	24,000.00
Utilities and Bulk Purchases	102,500.00	94,500.00
Accumulated Sick Leave Reserve	15,000.00	15,000.00
Deferred Charges and Statutory Expenditures	52,665.00	53,876.00
Excluded from "CAPS":		
Public Safety	8,000.00	8,000.00
Public Works	95,581.00	95,581.00
Interlocal Agreement-Police Protection	661,000.00	613,336.00

BOROUGH OF HELMETTA
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Expenditures (Continued):		
Budget and Emergency Appropriations (Continued):		
Excluded from "CAPS" (Continued):		
Health and Human Services	\$ 19,855.00	\$ 19,464.91
Animal Control Service	3,800.00	3,600.00
Grants	23,028.03	36,204.92
Capital Improvements	85,000.00	150,000.00
Municipal Debt Service	132,950.00	87,946.00
Reserve for Uncollected Taxes	164,090.88	180,300.31
County Taxes	947,352.78	902,070.57
County Added and Omitted Taxes	1,233.02	1,189.49
Consolidated District School Taxes	3,746,565.00	3,637,354.00
Interfunds Advanced	40,518.04	1,029.21
Refund of Prior Year Revenue	<u>8,260.33</u>	<u>8,260.33</u>
Total Expenditures	\$ <u>7,070,808.75</u>	\$ <u>6,853,732.74</u>
Excess in Revenue over Expenditures	\$ 400,871.92	\$ 401,193.06
Fund Balance, January 1	<u>610,202.59</u>	<u>626,045.53</u>
	\$ 1,011,074.51	\$ 1,027,238.59
Decreased by:		
Utilized as Anticipated Revenue	<u>417,036.00</u>	<u>417,036.00</u>
Fund Balance, December 31	<u>\$ 594,038.51</u>	<u>\$ 610,202.59</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget as</u> <u>Modified</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Surplus Anticipated	\$ 417,036.00	\$ 417,036.00	-
Miscellaneous Revenues:			
Local Revenue:			
Fines and Costs:			
Municipal Court	\$ 20,000.00	\$ 22,096.62	\$ 2,096.62
Interest and Costs on Taxes	10,000.00	14,511.18	4,511.18
	<u>\$ 30,000.00</u>	<u>\$ 36,607.80</u>	<u>\$ 6,607.80</u>
State Aid Without Offsetting Appropriations:			
Energy Receipts Tax	\$ 142,271.00	\$ 135,308.55	\$ (6,962.45)
Municipal Relief Fund Aid	7,421.00	7,050.33	(370.67)
	<u>\$ 149,692.00</u>	<u>\$ 142,358.88</u>	<u>(7,333.12)</u>
Special Items of Revenue Offset with Appropriations:			
Community Development Block Grant:			
Alcohol Education and Rehabilitation	\$ 454.50	\$ 454.50	
Clean Communities Program	7,608.53	7,608.53	
Recycling Tonnage Grant	4,965.00	4,965.00	
OEM Grant	10,000.00	10,000.00	
	<u>\$ 23,028.03</u>	<u>\$ 23,028.03</u>	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services -			
Other Special Items:			
Cable Television Fees	\$ 16,211.69	\$ 16,212.18	0.49
Cell Tower Fees	88,000.00	95,292.24	\$ 7,292.24
Utility Operating Surplus of Prior Year	20,000.00	20,000.00	
Lease on Municipal Building	39,231.00	39,328.08	97.08
Payment in Lieu of Taxes (PILOT)	170,000.00	234,111.64	64,111.64
	<u>\$ 333,442.69</u>	<u>\$ 404,944.14</u>	<u>\$ 71,501.45</u>
Miscellaneous Revenues Totals	<u>\$ 536,162.72</u>	<u>\$ 606,938.85</u>	<u>\$ 70,776.13</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget as</u> <u>Modified</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Receipts from Delinquent Taxes	\$ <u>40,000.00</u>	\$ <u>69,304.58</u>	\$ <u>29,304.58</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ <u>1,341,941.19</u>	\$ <u>1,457,694.97</u>	\$ <u>115,753.78</u>
Budget Totals	\$ 2,335,139.91	\$ 2,550,974.40	\$ 215,834.49
Nonbudget Revenue	<u> </u>	<u>128,712.93</u>	<u>128,712.93</u>
	\$ <u><u>2,335,139.91</u></u>	\$ <u><u>2,679,687.33</u></u>	\$ <u><u>344,547.42</u></u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00		-	
Other Expenses	2,100.00	2,600.00	2,561.91		\$ 38.09	
Mayor and Council:						
Other Expenses	4,000.00	4,000.00	3,999.58		0.42	
Other Expenses - Website Creating	1,650.00	1,650.00	1,500.00		150.00	
Municipal Clerk:						
Salaries and Wages	48,500.00	48,500.00	48,447.99		52.01	
Other Expenses	7,300.00	8,500.00	7,467.53	\$ 987.48	44.99	
Elections:						
Other Expenses	1,000.00	1,650.00	-	1,645.64	4.36	
Financial Administration:						
Salaries and Wages	28,500.00	25,500.00	24,288.11		1,211.89	
Other Expenses	15,000.00	15,000.00	13,771.36		1,228.64	
Bank Service Charges	500.00	500.00	20.00		480.00	
Audit Services:						
Other Expenses	11,575.00	11,575.00	11,412.50		162.50	
Revenue Administration (Collection of Taxes):						
Salaries and Wages	11,975.00	11,975.00	11,852.33		122.67	
Other Expenses	6,500.00	6,500.00	4,667.87		1,832.13	
Tax Assessment Administration:						
Salaries and Wages	13,550.00	13,550.00	13,505.27		44.73	
Other Expenses	5,120.00	5,120.00	3,665.81		1,454.19	
Legal Services and Costs:						
Other Expenses	65,000.00	55,000.00	34,844.82	445.00	19,710.18	
Engineering Services and Costs:						
Other Expenses	3,500.00	3,500.00	-		3,500.00	
	<u>273,770.00</u>	<u>263,120.00</u>	<u>230,005.08</u>	<u>3,078.12</u>	<u>30,036.80</u>	<u>-</u>
<u>LAND USE ADMINISTRATION</u>						
Municipal Land Use Law (N.J.S.A. 44D-1):						
Planning Board:						
Salaries and Wages	6,500.00	6,500.00	5,179.66		1,320.34	
Other Expenses	8,000.00	8,000.00	7,990.06		9.94	
	<u>14,500.00</u>	<u>14,500.00</u>	<u>13,169.72</u>	<u>-</u>	<u>1,330.28</u>	<u>-</u>
Zoning:						
Salaries and Wages	3,750.00	3,750.00	720.00		3,030.00	
	<u>3,750.00</u>	<u>3,750.00</u>	<u>720.00</u>	<u>-</u>	<u>3,030.00</u>	<u>-</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>INSURANCE</u>						
Liability Insurance	\$ 24,000.00	\$ 24,000.00	\$ 23,875.00		\$ 125.00	
Worker's Compensation	24,000.00	24,000.00	23,875.00		125.00	
Employee Group Insurance (Active)	43,000.00	43,000.00	33,090.28		9,909.72	
Employee Group Insurance (Retired)	125,000.00	125,000.00	125,000.00		-	
Unemployment Insurance	500.00	500.00	-		500.00	
	<u>216,500.00</u>	<u>216,500.00</u>	<u>205,840.28</u>	<u>-</u>	<u>10,659.72</u>	<u>-</u>
<u>PUBLIC SAFETY FUNCTIONS</u>						
Office of Emergency Management:						
Other Expenses	1,500.00	1,500.00	-		1,500.00	
Fire:						
Other Expenses	45,000.00	45,000.00	32,251.80	\$ 12,661.70	86.50	
Communications Equipment	8,000.00	8,000.00	-	6,638.80	1,361.20	
Fire Prevention Bureau:						
Salaries and Wages	4,220.00	4,520.00	4,520.00		-	
Other Expenses	1,600.00	1,600.00	-	1,128.75	471.25	
	<u>60,320.00</u>	<u>60,620.00</u>	<u>36,771.80</u>	<u>20,429.25</u>	<u>3,418.95</u>	<u>-</u>
<u>MUNICIPAL COURT & PROSECUTOR</u>						
Municipal Prosecutor:						
Other Expenses	7,200.00	7,200.00	7,200.00		-	
Municipal Court:						
Salaries and Wages	32,500.00	29,500.00	26,760.25		2,739.75	
Other Expenses	3,900.00	3,900.00	2,092.89		1,807.11	
	<u>43,600.00</u>	<u>40,600.00</u>	<u>36,053.14</u>	<u>-</u>	<u>4,546.86</u>	<u>-</u>
<u>CODE ENFORCEMENT</u>						
Code Enforcement:						
Salaries and Wages	6,330.00	6,030.00	5,894.77		135.23	
Other Expenses	1,000.00	1,000.00	414.79	525.00	60.21	
	<u>7,330.00</u>	<u>7,030.00</u>	<u>6,309.56</u>	<u>525.00</u>	<u>195.44</u>	<u>-</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>PUBLIC WORKS FUNCTIONS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 103,000.00	\$ 103,000.00	\$ 95,635.71		\$ 7,364.29	
Other Expenses	22,000.00	22,000.00	11,770.06	\$ 744.58	9,485.36	
Solid Waste Collection:						
Other Expenses	62,800.00	62,800.00	53,422.60		9,377.40	
Recycling (Chap. 74 P.L. 1987):						
Salaries and Wages	3,300.00	3,300.00	2,589.87		710.13	
Other Expenses	500.00	500.00	-		500.00	
Public Buildings and Grounds:						
Other Expenses	46,500.00	46,500.00	41,608.99	2,097.06	2,793.95	
Vehicle Maintenance:						
Other Expenses - Public Works	18,500.00	18,500.00	5,630.56	3,003.46	9,865.98	
Reimbursement to Qualified Communities:						
Condominium Act:						
Trash Removal	60,000.00	60,000.00	-	60,000.00	-	
Street Lighting	7,900.00	7,900.00	-	7,900.00	-	
Snow and Leaf Removal	6,400.00	6,400.00	-	6,400.00	-	
	<u>330,900.00</u>	<u>330,900.00</u>	<u>210,657.79</u>	<u>80,145.10</u>	<u>40,097.11</u>	<u>-</u>
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Animal Control Services (Dog Regulation):						
Salaries and Wages	6,500.00	6,500.00	5,179.66		1,320.34	
Other Expenses	1,000.00	1,000.00	160.00		840.00	
	<u>7,500.00</u>	<u>7,500.00</u>	<u>5,339.66</u>	<u>-</u>	<u>2,160.34</u>	<u>-</u>
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation:						
Other Expenses	14,000.00	17,150.00	16,472.30	181.90	495.80	
Senior Citizens:						
Other Expenses	2,000.00	2,000.00	2,000.00		-	
Parks:						
Other Expenses	8,000.00	8,000.00	5,720.68		2,279.32	
	<u>24,000.00</u>	<u>27,150.00</u>	<u>24,192.98</u>	<u>181.90</u>	<u>2,775.12</u>	<u>-</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
UTILITY EXPENSES AND BULK PURCHASES						
Electricity	\$ 17,500.00	\$ 22,000.00	\$ 20,084.50	\$ 752.63	\$ 1,162.87	
Street Lighting	16,000.00	20,500.00	18,652.67		1,847.33	
Telephone	13,500.00	13,500.00	12,748.77		751.23	
Natural Gas	18,000.00	20,500.00	20,314.30		185.70	
Diesel Fuel	3,000.00	3,000.00	1,698.64		1,301.36	
Gasoline	9,500.00	9,500.00	9,078.65		421.35	
Postage	7,000.00	6,500.00	4,036.39	210.58	2,253.03	
Copier Expense	5,000.00	4,500.00	2,795.79		1,704.21	
Office Supplies	2,500.00	2,500.00	611.46	48.68	1,839.86	
	<u>92,000.00</u>	<u>102,500.00</u>	<u>90,021.17</u>	<u>1,011.89</u>	<u>11,466.94</u>	<u>-</u>
UNCLASSIFIED						
Accumulated Sick Leave Reserve					-	
Salaries and Wages	15,000.00	15,000.00	15,000.00		-	
	<u>15,000.00</u>	<u>15,000.00</u>	<u>15,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations within "CAPS"	<u>1,089,170.00</u>	<u>1,089,170.00</u>	<u>874,081.18</u>	<u>105,371.26</u>	<u>109,717.56</u>	<u>-</u>
Total Operations Including Contingent - within "CAPS"	\$ <u>1,089,170.00</u>	\$ <u>1,089,170.00</u>	\$ <u>874,081.18</u>	\$ <u>105,371.26</u>	\$ <u>109,717.56</u>	<u>-</u>
Detail:						
Salaries and Wages	\$ 331,625.00	\$ 325,625.00	\$ 307,573.62	-	\$ 18,051.38	-
Other Expenses (Including Contingent)	757,545.00	763,545.00	566,507.56	\$ 105,371.26	91,666.18	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 26,465.00	\$ 26,465.00	\$ 26,465.00		-	
Social Security System (O.A.S.I.)	26,200.00	26,200.00	24,826.30		\$ 1,373.70	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>52,665.00</u>	<u>52,665.00</u>	<u>51,291.30</u>	<u>-</u>	<u>1,373.70</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	\$ <u>1,141,835.00</u>	\$ <u>1,141,835.00</u>	\$ <u>925,372.48</u>	\$ <u>105,371.26</u>	\$ <u>111,091.26</u>	<u>-</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
PUBLIC SAFETY:						
Length of Service Awards Program	\$ 8,000.00	\$ 8,000.00	-	\$ 8,000.00	-	
PUBLIC WORKS						
Sanitation:						
Garbage and Trash Removal	55,581.00	55,581.00	-	55,581.00	-	
County of Middlesex - Curbside Recycling Program	40,000.00	40,000.00	\$ 30,053.49	3,230.86	\$ 6,715.65	
Shared:						
Police Protection Interlocal - Spotswood	289,750.00	289,750.00	289,631.00		119.00	
Police Protection Interlocal - Jamesburg	356,250.00	356,250.00	356,250.00		-	
Emergency Medical Services	15,000.00	15,000.00	7,222.22		7,777.78	
Animal Control Services	3,800.00	3,800.00	1,900.00	1,900.00	-	
Middlesex County Board of Health	19,855.00	19,855.00	19,854.20		0.80	
	<u>788,236.00</u>	<u>788,236.00</u>	<u>704,910.91</u>	<u>68,711.86</u>	<u>14,613.23</u>	<u>-</u>
<u>Private and Public Programs Offset Appropriations</u>						
Alcohol Education and Rehabilitation	454.50	454.50	454.50		-	
Clean Communities Program	7,608.53	7,608.53	7,608.53		-	
Recycling Enhancement Grant	4,965.00	4,965.00	4,965.00			
OEM Grant	10,000.00	10,000.00	10,000.00		-	
	<u>23,028.03</u>	<u>23,028.03</u>	<u>23,028.03</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues						
	<u>23,028.03</u>	<u>23,028.03</u>	<u>23,028.03</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"	\$ <u>811,264.03</u>	\$ <u>811,264.03</u>	\$ <u>727,938.94</u>	\$ <u>68,711.86</u>	\$ <u>14,613.23</u>	<u>-</u>
Detail:						
Salaries and Wages	\$ 15,000.00	\$ 15,000.00	\$ 7,222.22	-	\$ 7,777.78	-
Other Expenses	796,264.03	796,264.03	727,938.94	\$ 68,711.86	14,613.23	

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ -	-	
Reserve for Municipal Parking Lot	10,000.00	10,000.00	10,000.00		-	
Total Capital Improvements Excluded from "CAPS"	85,000.00	85,000.00	85,000.00	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Private Placement Loan:						
Principal	80,000.00	80,000.00	80,000.00		-	
Interest	26,263.00	26,263.00	26,262.22		-	\$ 0.78
MCIA Loan:						
Principal	16,500.00	16,500.00	16,500.00		-	
Interest	5,898.00	5,898.00	5,898.00		-	
MCIA Capital Leases	4,289.00	4,289.00	4,289.00		-	
Total Municipal Debt Service - Excluded from "CAPS"	132,950.00	132,950.00	132,949.22	-	-	0.78
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 1,029,214.03	\$ 1,029,214.03	\$ 945,888.16	\$ 68,711.86	\$ 14,613.23	\$ 0.78
Total General Appropriations - Excluded from "CAPS"	\$ 1,029,214.03	\$ 1,029,214.03	\$ 945,888.16	\$ 68,711.86	\$ 14,613.23	\$ 0.78
Subtotal General Appropriations	2,171,049.03	2,171,049.03	1,871,260.64	174,083.12	125,704.49	0.78
<u>RESERVE FOR UNCOLLECTED TAXES</u>	164,090.88	164,090.88	164,090.88	-	-	
Total General Appropriations	\$ 2,335,139.91	\$ 2,335,139.91	\$ 2,035,351.52	\$ 174,083.12	\$ 125,704.49	\$ 0.78

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

<u>Year</u>	<u>Balance December 31, 2021</u>	<u>2022 Levy</u>	<u>Collection</u>		<u>Due From State of New Jersey Chap. 20, P.L. 1971</u>	<u>Cancelled</u>	<u>Transferred to Tax Title Liens Receivable</u>	<u>Balance December 31, 2022</u>
			<u>2021</u>	<u>2022</u>				
2021	\$ 69,304.58			\$ 69,304.58				
2022		\$ 6,044,598.77	\$ 57,690.94	5,920,813.95	\$ 10,250.00	\$ 1,209.40	\$ 2,599.33	\$ 52,035.15
	<u>\$ 69,304.58</u>	<u>\$ 6,044,598.77</u>	<u>\$ 57,690.94</u>	<u>\$ 5,990,118.53</u>	<u>\$ 10,250.00</u>	<u>\$ 1,209.40</u>	<u>\$ 2,599.33</u>	<u>\$ 52,035.15</u>

Proof of Amount to be Raised to Municipal Purposes (B-1 Revenue)

Add: Collections 2022	\$ 5,920,813.95
Prepaid from Prior Year (2021)	57,690.94
Chapter 20 P.L. 1971	10,250.00
Reserve for Uncollected Taxes	<u>164,090.88</u>
	6,152,845.77
Less: Allocated to County & School	<u>4,695,150.80</u>
	<u>\$ 1,457,694.97</u>

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

ANALYSIS OF PROPERTY TAX LEVY

Tax Yield:	
General Purpose Tax	\$ 6,035,858.97
Added and Omitted Taxes (54:63.1 et. seq.)	<u>8,739.80</u>
	<u>\$ 6,044,598.77</u>

TAX LEVY

Consolidated School District Tax Levy:	
School Year July 1, 2022 to June 30, 2023	\$ 3,746,565.00
County Taxes:	
County Tax	\$ 873,564.88
County Open Space Preservation Tax	73,787.90
County Added and Omitted Taxes (54:4-63.1 & 12 et seq.)	<u>1,233.02</u>
Total County Taxes	<u>948,585.80</u>
	\$ 4,695,150.80
Local Tax for Municipal Purpose	\$ 1,341,941.19
Add: Additional Tax Levied	<u>7,506.78</u>
Total Local Tax for Municipal Purpose	<u>1,349,447.97</u>
	<u>\$ 6,044,598.77</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 17,268.53
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	<u>2,599.33</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 19,867.86</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After	Paid or	Accounts	Balance
	<u>Appropriation</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Payable</u>	<u>Lapsed</u>
	<u>Reserves</u>					
Salaries and Wages:						
Operations - Within "CAPS":						
General Administration	\$ 567.66		\$ 567.66			\$ 567.66
Municipal Clerk	175.89		175.89			175.89
Financial Administration	457.58		457.58			457.58
Revenue Administration (Collection of Taxes)	80.12		80.12			80.12
Tax Assessment Administration	59.62		59.62			59.62
Fire Prevention	221.46		221.46			221.46
Municipal Court	1,884.19		1,884.19			1,884.19
Road Repairs and Maintenance	4,431.69		4,431.69	\$ 4,420.71		10.98
Recycling	6.83		6.83			6.83
Construction Officials (Chief Admin of Enforcement Agency)	106.73		106.73			106.73
Total Salaries and Wages	7,991.77		7,991.77	4,420.71		3,571.06
Other Expenses:						
Operations - Within "CAPS":						
General Administration	63.24		63.24			63.24
Mayor and Council	159.57		159.57			159.57
Municipal Clerk	648.27	292.10	940.37	295.73	10.29	654.93
Financial Administration						
Other Expenses	2,075.31		2,075.31	52.19		2,023.12
Bank Service Charges	500.00		500.00			500.00
Revenue Administration (Collection of Taxes)	449.75		449.75			449.75
Tax Assessment Administration	180.36	196.00	476.36	392.00		84.36
Legal Services and Costs	12,820.56	5,532.50	18,353.06	13,469.76		4,883.30
Engineering Services and Costs	360.00		360.00	360.00		
Municipal Land Use Law (N.J.S.A. 44D-1):						
Planning Board	23.00		23.00	23.00		
Employee Group Insurance (Health)	3,419.44		3,419.44	534.60		2,884.84
Unemployment Insurance	500.00		500.00	500.00		
Office of Emergency Management	1,500.00		1,500.00			1,500.00
Fire	14,812.32	23,917.05	38,729.37	37,687.19		1,042.18
Fire Communications Equipment		7,500.00	7,500.00	7,500.00		
Fire Prevention Bureau	146.01	1,075.00	1,221.01	1,075.00		146.01
Municipal Court	170.05		170.05	61.10		108.95
Road Repairs and Maintenance:	1,190.74	658.18	1,748.92	1,439.79		309.13
Solid Waste Collection:						
Garbage and Trash Removal	2,476.26	4,092.01	6,568.27	6,568.01		0.26
Recycling (Chap. 74 P.L. 1987)	320.00		320.00	300.00		20.00
Public Buildings and Grounds	487.32	7,329.04	7,816.36	5,690.36	501.00	1,625.00

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After	Paid or	Accounts	Balance
	<u>Appropriation</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Payable</u>	<u>Lapsed</u>
	<u>Reserves</u>					
Other Expenses: (Continued)						
Operations - Within "CAPS" (Continued):						
Vehicle Maintenance :						
Public Works	\$ 965.43	\$ 7,524.03	\$ 8,489.46	\$ 7,524.03		\$ 965.43
Trash Removal		60,000.00	60,000.00	60,000.00		
Street Lighting		7,900.00	7,900.00	5,159.61		2,740.39
Snow and Leaf Removal		6,400.00	6,400.00	1,181.60		5,218.40
Animal Control Services (Dog Regulation)	813.21		813.21			813.21
Senior Citizens	78.24		78.24			78.24
Parks	470.07	477.73	947.80	32.73	\$ 445.00	470.07
Electricity	4,290.40		4,290.40			4,290.40
Street Lighting	4,466.93		4,466.93			4,466.93
Telephone	515.59		515.59	509.12		6.47
Natural Gas	6,997.60		6,997.60	1,832.38		5,165.22
Diesel Fuel	1,013.07		1,013.07			1,013.07
Gasoline	929.36		929.36	676.59		252.77
Postage	298.25		298.25			298.25
Copier Expense	826.73		826.73			826.73
Office Supplies	834.82		834.82			834.82
Construction Official (Chief Administration of Enforcement Agency)	332.82		332.82			332.82
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	7.00		7.00			7.00
Social Security System (O.A.S.I.)	743.83		743.83			743.83
Other Operations - Excluded from "CAPS":						
Length of Service Awards Program		8,000.00	8,000.00		8,000.00	16,000.00
Animal Control Services - Woodbridge		1,800.00	1,800.00	1,800.00		
County of Middlesex - Curbside Recycling Program	6,781.71		6,781.71	6,781.45		0.26
Total Other Expenses	\$ 72,667.26	\$ 142,693.64	\$ 215,360.90	\$ 161,446.24	\$ 8,956.29	\$ 60,978.95
Grand Total	\$ 80,659.03	\$ 142,693.64	\$ 223,352.67	\$ 165,866.95	\$ 8,956.29	\$ 64,550.01

Details:

Cash Disbursed	\$ 165,366.95
Due to Trust Other - UCC	500.00
Total	\$ 165,866.95

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

BALANCE, DECEMBER 31, 2021

Payable	\$	871,673.98	
Deferred		945,000.00	
			\$ 1,816,673.98

INCREASED BY

Levy - School Year July 1, 2022 to June 30, 2023			3,746,565.00
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DECREASED BY

Cash Disbursed		3,691,959.00	
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BALANCE, DECEMBER 31, 2022

Payable	\$	926,279.98	
Deferred		945,000.00	
			\$ <u>1,871,279.98</u>

ANALYSIS OF CHARGE TO OPERATIONS:

2022 Liability for Local/Consolidated District School Tax:			
2022 School Taxes Paid/Charged	\$	3,691,959.00	
Less: School Taxes Payable, December 31, 2021		871,673.98	
			2,820,285.02
Add: School Taxes Payable - December 31, 2022		926,279.98	
			\$ <u>3,746,565.00</u>

BOROUGH OF HELMETTA
CURRENT FUND
STATEMENT OF VARIOUS RESERVES

	December 31,	
	<u>2022</u>	<u>2021</u>
Municipal Building Upgrades	\$ 1,222.58	\$ 1,222.58
COAH Preparation	3,167.50	3,167.50
Community Center Refund		1,000.00
Unallocated Receipts	9,450.24	
Prepaid Community Center	8,750.00	
HFD Repairs	<u>876.88</u>	<u>876.88</u>
	<u>\$ 23,467.20</u>	<u>\$ 6,266.96</u>

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, <u>2021</u>	2022 Revenue <u>Realized</u>	<u>Decreased by</u>		Cash <u>Receipt</u>	Balance December 31, <u>2022</u>
			Transfer from Unappropriated <u>Reserves</u>	<u>Cancelled</u>		
State:						
Alcohol Education and Rehabilitation		\$ 454.50	\$ 454.50			
Clean Communities		7,608.53	7,608.52	\$ 0.01		
OEM Grant		10,000.00	10,000.00			
County - Space:						
Recycling Enhancement Grant		4,965.00	4,965.00			
Federal:						
Community Development Block Grant						
2019	\$ 2,872.24					\$ 2,872.24
2020	27,719.00				\$ 27,719.00	
2021	27,880.00				8,131.00	19,749.00
	<u>\$ 58,471.24</u>	<u>\$ 23,028.03</u>	<u>\$ 23,028.02</u>	<u>\$ 0.01</u>	<u>\$ 35,850.00</u>	<u>\$ 22,621.24</u>

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

<u>Grant</u>	Balance December 31, <u>2021</u>	<u>Budget</u>	Paid or Charged Cash <u>Disbursed</u>	Balance December 31, <u>2022</u>
Local:				
Sam's Club Foundation	\$ 1,000.00			\$ 1,000.00
State:				
Municipal Alcohol Education and Rehabilitation Program:				
2013	\$ 282.18			\$ 282.18
2014	791.62			791.62
2015	236.32			236.32
2016	471.47			471.47
2017	3,051.04			3,051.04
2018	366.16			366.16
2020	321.50			321.50
2021	333.42			333.42
2022		\$ 454.50		454.50
Clean Communities Program:				
2022		7,608.52	\$ 1,880.60	5,727.92
Forest Services Volunteer Fire Assistance:				
2019	2,858.01			2,858.01
Community Wildfire Protection Plan	4,825.00			4,825.00
Recycling Tonnage Grant:				
2021	540.47		540.47	
OEM				
2021		10,000.00		10,000.00
Stormwater Management:				
2008	2,922.00			2,922.00
Drunk Driving Enforcement Fund				
2016	85.19			85.19
	\$ 17,084.38	\$ 18,063.02	\$ 2,421.07	\$ 32,726.33
County:				
Recycling Enhancement				
2022		\$ 4,965.00	\$ 734.18	\$ 4,230.82
Federal:				
Community Development Block Grant				
2020	\$ 6,928.59		\$ 6,928.59	\$
2021	27,880.00		10,921.41	16,958.59
	\$ 34,808.59		\$ 17,850.00	\$ 21,189.41
	\$ 52,892.97	\$ 18,063.02	\$ 20,271.07	\$ 54,915.74

BOROUGH OF HELMETTA
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES

	Balance December 31, <u>2021</u>	<u>Increased by</u> Cash <u>Received</u>	<u>Decreased by</u> Anticipated as <u>Revenue</u>	Balance December 31, <u>2022</u>
State:				
Recycling Tonnage Grant		\$ 2,452.65		\$ 2,452.65
Alcohol Education and Rehabilitation	\$ 454.40	473.90	\$ 454.50	473.80
Clean Communities	2,486.53	5,121.99	7,608.52	-
OEM Grant	10,000.00		10,000.00	-
Federal:				-
American Rescue Plan	112,780.37			112,780.37
				-
County:				
Recycling Enhancement		<u>4,965.00</u>	<u>4,965.00</u>	<u>-</u>
	<u>\$ 125,721.30</u>	<u>\$ 13,013.54</u>	<u>\$ 23,028.02</u>	<u>115,706.82</u>

TRUST AND AGENCY FUNDS

**BOROUGH OF HELMETTA
TRUST AND AGENCY FUNDS
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Payroll Fund</u>		<u>Animal Control</u>		<u>Other</u>		<u>Totals (Memorandum Only)</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 3,910.63	\$ 3,922.52	\$ 11,334.02	\$ 9,596.35	\$ 188,915.56	\$ 159,799.09	\$ 204,160.21	\$ 173,317.96
Amounts Held by Plan Administrator (Unaudited)					117,346.29	128,249.92	117,346.29	128,249.92
Interfunds Receivable:								
Due from Current Fund -UCC					500.00	1,000.00	500.00	1,000.00
Due from Employee	<u>2,411.08</u>	<u>2,391.15</u>					<u>2,411.08</u>	<u>2,391.15</u>
Total Assets	<u>\$ 6,321.71</u>	<u>\$ 6,313.67</u>	<u>\$ 11,334.02</u>	<u>\$ 9,596.35</u>	<u>\$ 306,761.85</u>	<u>\$ 289,049.01</u>	<u>\$ 324,417.58</u>	<u>\$ 304,959.03</u>
<u>LIABILITIES AND RESERVES</u>								
Other Liabilities and Reserves:								
Interfunds Payable - Due to Current Fund	\$ 6,321.71	\$ 6,313.67	\$ 6,357.62	\$ 3,839.09	\$ 142.37	\$ 1,481.68	\$ 12,821.70	\$ 11,634.44
Due to State of New Jersey			15.60	9.60			15.60	9.60
Various Reserves			4,960.80	5,747.66	186,118.92	156,663.14	191,079.72	162,410.80
Unemployment Reserve					3,154.27	2,654.27	3,154.27	2,654.27
Reserve for LOSAP Funds (Unaudited)					<u>117,346.29</u>	<u>128,249.92</u>	<u>117,346.29</u>	<u>128,249.92</u>
Total Liabilities and Reserves	<u>\$ 6,321.71</u>	<u>\$ 6,313.67</u>	<u>\$ 11,334.02</u>	<u>\$ 9,596.35</u>	<u>\$ 306,761.85</u>	<u>\$ 289,049.01</u>	<u>\$ 324,417.58</u>	<u>\$ 304,959.03</u>

BOROUGH OF HELMETTA
TRUST OTHER FUND
STATEMENT OF VARIOUS RESERVES

	Balance December 31, 2021	Increase By:			Balance December 31, 2022
		Deposits	Interest	Disbursed	
Reserve for:					
Land Right of Way Acquisition - Developers -					
Heather Glen	\$ 763.00				\$ 763.00
Performance Bond	1,586.59				1,586.59
Developer Deposits and Reserves:					
Destafano Escrow	17,312.47				17,312.47
Lakeview Escrow	80.00				80.00
Krek Construction Corp	143.75				143.75
Sutton PLAZA	160.85				160.85
Scamparino	468.35				468.35
Escrow	1,000.00				1,000.00
Operation Heartbeat	414.00				414.00
Builders Escrow:					
AT&T Wireless	328.10				328.10
Kaplan at Helmetta	876.14				876.14
AGGO, LLC	721.25				721.25
Escrow - George Zielinski	151.00				151.00
T&K Home Properties	164.00				164.00
15 High Street LLC	5,661.60				5,661.60
T-Mobile Helmetta Water Tank	1,783.90				1,783.90
Rand Telecom MGMT		\$ 4,150.00			4,150.00
Off Duty Police	14,198.11				14,198.11
Bohinski Escrow	3,293.75	5,333.48		\$ 6,895.23	1,732.00
T&R Alarm	2,247.00				2,247.00
Colonial Gardens BL	1,791.17			213.98	1,577.19
Municipal Alliance Donations	240.00				240.00
Street Opening Deposits	5,787.00				5,787.00
Recreation	2,683.28	16,010.00		14,830.46	3,862.82
Accumulated Sick Leave Reserve	50,000.00	17,000.00		21,691.68	45,308.32
Parking Offense Adjudication Account	84.00				84.00
Tax Title Lien Premium	16,933.95	36,400.00	\$ 16.54	5,832.85	47,517.64
Uniform Fire Safety Penalty Act	1,859.00				1,859.00
COAH	9,385.36		9.96		9,395.32
Redevelopment	86.79				86.79
Animal Shelter Donations	7,998.32				7,998.32
Animal Control Restitution	6,029.46				6,029.46
Municipal Forfeiture	452.50				452.50
Miscellaneous	1,978.45				1,978.45
	<u>\$ 156,663.14</u>	<u>\$ 78,893.48</u>	<u>\$ 26.50</u>	<u>\$ 49,464.20</u>	<u>\$ 186,118.92</u>

BOROUGH OF HELMETTA
PAYROLL FUND
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE

	<u>Increased</u>	<u>Decreased</u>
Federal Withholding Tax	\$ 31,694.17	\$ 31,694.17
FICA and Medicare:		
Employer	32,507.92	32,507.92
Employee	32,507.92	32,507.92
NJ State Withholding	10,078.02	10,078.02
NJ Unemployment:		
Employer	2,176.56	2,176.56
Employee	1,541.80	1,541.80
NJ Disability:		
Employer	363.05	363.05
NJ Family Leave	606.72	606.72
Union Dues	432.00	432.00
Public Employees Retirement System:		
Regular	20,002.11	20,002.11
Back	1,647.48	1,647.48
Loans	5,410.46	5,410.46
Contributory Insurance	1,419.90	1,419.90
Dental	679.15	679.15
Health Insurance	10,141.23	10,141.23
Supplemental Insurance Pre-Tax	371.28	371.28
Supplemental Insurance Post-Tax	608.40	608.40
	<u>\$ 152,188.17</u>	<u>\$ 152,188.17</u>
Employee	\$ 117,140.64	
Employer	<u>35,047.53</u>	
	<u>\$ 152,188.17</u>	

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$ 5,747.66
<u>INCREASED BY</u>		
Cash Receipts:		
Dog License Fees	\$ 1,709.40	
Cat License Fees	676.00	
Other	<u>139.00</u>	<u>2,524.40</u>
		\$ 8,272.06
<u>DECREASED BY</u>		
Expenditures	\$ 559.29	
Statuters, Excess Due to Current Fund	<u>2,751.97</u>	<u>3,311.26</u>
<u>BALANCE, DECEMBER 31, 2022</u>		<u>\$ 4,960.80</u>

DOG LICENSE FEES COLLECTED

<u>Year</u>		
2021		\$ 2,546.80
2020		<u>2,414.00</u>
		<u>\$ 4,960.80</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, 2021</u>	\$ 2,654.27
<u>INCREASED:</u>	
Current Fund - 2021	
Appropriation Reserve	<u>500.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 3,154.27</u>

GENERAL CAPITAL FUND

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Balance December 31, <u>2022</u>	Balance December 31, <u>2021</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 385,983.37	\$ 284,873.56
Intergovernmental Accounts Receivable	\$ 491,467.03	\$ 667,176.24
Deferred Charges to Future Taxation - Funded	\$ 1,028,983.97	\$ 1,125,483.97
Obligation under Capital Lease	\$ 24,076.15	\$ 35,424.25
Total Assets	<u>\$ 1,930,510.52</u>	<u>\$ 2,112,958.02</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Capital Lease Obligations Payable	\$ 24,076.15	\$ 35,424.25
Loans Payable	\$ 1,028,983.97	\$ 1,125,483.97
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 47,614.08	\$ 88,403.05
Due to Current Fund	120,697.03	115,269.25
Reserve for Affordable Housing	24,000.00	24,000.00
Reserve for Detention Basin	3,082.64	3,082.64
Reserve for HFD Lower House Repairs	64,175.00	106,475.00
Reserve for Encumbrances	224,017.74	20,051.00
Reserve for Parking Lot Improvements	<u>70,000.00</u>	<u>60,000.00</u>
	<u>\$ 553,586.49</u>	<u>\$ 417,280.94</u>
Improvement Authorizations: Funded	\$ 318,583.00	\$ 530,608.57
Fund Balance	\$ 5,280.91	\$ 4,160.29
Total Liabilities, Reserves and Fund Balance	<u>\$ 1,930,510.52</u>	<u>\$ 2,112,958.02</u>

There were No Bonds and Notes Authorized but not Issued at December 31, 2022.

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

	Balance December 31, 2021	Receipts	Cash Disbursed	Transfer		Balance December 31, 2022
				From	To	
Fund Balance	\$ 4,160.29	\$ 1,120.62				\$ 5,280.91
Capital Improvement Fund	88,403.05	75,000.00		\$ 116,724.73	\$ 935.76	47,614.08
Due to/(from) State of New Jersey DOT	(667,176.24)	442,113.60		292,756.00	26,351.61	(491,467.03)
Due to/(from) Current Fund	115,269.25	120,515.64	\$ 477,269.25		362,181.39	120,697.03
Reserve for Detention Basin	3,082.64					3,082.64
Reserve for HFD Lower House Repairs	106,475.00		42,300.00			64,175.00
Reserve for Affordable Housing	24,000.00					24,000.00
Reserve for Encumbrances	20,051.00				203,966.74	224,017.74
Reserve for Parking lot improvements	60,000.00	10,000.00				70,000.00
<u>Ordinance</u>						
<u>Number</u>	<u>Improvement Authorizations</u>					
2016-2	Various Capital Improvements - Tank Repair	19,000.00				19,000.00
2018-4	GIS Mapping Phase I, II, and III (WUCF 13,300 SUCF 13,300)	1,401.00				1,401.00
2018-3/ 2019-2	Improvements to Helmetta Blvd	935.76		935.76		
2020-06 2021-06	Preliminary design of Improvements to Maple Street (NJDOT \$437,000.00)	479,019.30	22,928.88	403,568.94		52,521.48
2020-02 2021-02	Improvement to Old Forge Road (NJDOT \$373,210.00)	28,293.40	5,141.92	9,270.88		13,880.60
2021-04	Acquisition of Two (2) Lawnmowers	1,959.11				1,959.11
2022-06	GIS Mapping Phase I, II, III & IV				12,400.00	12,400.00
2022-03/ 2022-05	Improvements to Locust Drive (NJDOT \$292,756.00)			162,579.19	380,000.00	217,420.81
		<u>\$ 284,873.56</u>	<u>\$ 648,749.86</u>	<u>\$ 985,835.50</u>	<u>\$ 985,835.50</u>	<u>\$ 385,983.37</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

		New Jersey Department of Transportation -			
		Helmetta Blvd. Ordinance <u>2018-03/2019-02</u>	Old Forge Rd Ordinance <u>2020-02/2021-02</u>	Maple Street Ordinance <u>2020-06/2021-06</u>	Locust Drive Ordinance <u>2022-03/2022-05</u>
	<u>Total</u>				
<u>BALANCE, DECEMBER 31, 2021</u>	\$ 667,176.24	\$ 97,778.53	\$ 132,397.71	\$ 437,000.00	
<u>INCREASED BY</u>					
Grants Awarded	<u>292,756.00</u>				\$ <u>292,756.00</u>
	\$ 959,932.24	\$ 97,778.53	\$ 132,397.71	\$ 437,000.00	\$ 292,756.00
<u>DECREASED BY</u>					
Cash Received	\$ 203,824.61	\$ 80,697.78	\$ 123,126.83	\$ 238,288.99	
Improvement Authorization Canceled	<u>26,351.63</u>	<u>17,080.75</u>	<u>9,270.88</u>		
	\$ <u>230,176.24</u>	\$ <u>97,778.53</u>	\$ <u>132,397.71</u>	\$ <u>238,288.99</u>	
<u>BALANCE, DECEMBER 31, 2022</u>	\$ <u><u>491,467.01</u></u>	<u><u>97,778.53</u></u>	<u><u>132,397.71</u></u>	\$ <u><u>198,711.01</u></u>	\$ <u><u>292,756.00</u></u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2021</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2022</u>
2010-15/ 2010-28	Various Improvements for Animal Shelter	\$ <u>1,125,483.97</u>	\$ <u>96,500.00</u>	\$ <u>1,028,983.97</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2021</u>		\$	88,403.05
<u>INCREASED BY</u>			
2022 Budget Appropriation	\$	75,000.00	
Cancellation of Funded -			
Improvement Authorizations		<u>935.76</u>	<u>75,935.76</u>
			164,338.81
<u>DECREASED BY</u>			
Appropriated to Finance Improvement Authorizations	\$	99,644.00	
Reversal of Prior Year Cancellation		<u>17,080.73</u>	<u>116,724.73</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u>47,614.08</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Ordinance		Balance, December 31, 2021	2022 Authorizations	Paid or Charged	Cancelled	Balance, December 31, 2022
		Date	Amount	Funded		(Cancelled)		Funded
2016-2	Various Capital Improvements: Tank Repair	07/21/16	\$ 38,000.00	\$ 19,000.00				\$ 19,000.00
2018-3/ 2019-2	Improvements to Helmetta Blvd (CIF 60,000 NJ DOT 290,000)	06/20/18	350,000.00	935.76		\$ 935.76		
2018-4	GIS Mapping Phase I, II and III (CIF, SUCF 13,300 and WUCF 13,300)	06/20/18 03/20/19	39,900.00	1,401.00				1,401.00
2020-06 2021-06	Preliminary design of Improvements to Maple Street (NJDOT \$437,000.00)	11/18/20 06/15/21	508,000.00	479,019.30		\$ 426,497.82		52,521.48
2020-02 2021-02	Improvements to Old Forge Road (NJDOT \$373,210.00)	05/13/20 03/17/21	445,000.00	28,293.40		5,141.92	9,270.88	13,880.60
2021-04	Acquisition of Two (2) Lawnmowers	04/21/21	21,000.00	1,959.11				1,959.11
2022-06	GIS Utilities Systems Mapping	10/19/22	12,400.00		\$ 12,400.00			12,400.00
2022-03/ 2022-05	Improvements to Locust Drive (NJDOT \$292,756)	10/19/22	380,000.00		380,000.00	162,579.19		217,420.81
				\$ 530,608.57	\$ 392,400.00	\$ 594,218.93	\$ 10,206.64	\$ 318,583.00

Detail:

NJDOT	\$ 292,756.00
Capital Improvement Fund	87,244.00
	<u>\$ 380,000.00</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
CAPITAL LEASE OBLIGATION PAYABLE

<u>Description</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>Balance December 31, 2021</u>	<u>Decreased by</u>	<u>Balance December 31, 2022</u>
2019 MXCIA - Dump Truck	7/15/23	4.00%	\$ 11,802.04	\$ 35,424.25	\$ 11,348.10	\$ 24,076.15
\$57,102.38	7/15/24	4.00%	12,274.11			
				<u>\$ 35,424.25</u>	<u>\$ 11,348.10</u>	<u>\$ 24,076.15</u>

BOROUGH OF HELMETTA
GENERAL CAPITAL FUND
STATEMENT OF LOANS PAYABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue Loan</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased By</u>	<u>Balance December 31, 2022</u>
<u>Private Placement Loan - TD Bank</u>								
2010-15/2010-28	Various Improvements for Animal Shelter - \$1,000,000.00	4/29/2021	4/1/2023	\$ 85,000.00	1.90%	\$ 1,000,000.00	\$ 80,000.00	\$ 920,000.00
			4/1/2024	85,000.00	1.90%			
			4/1/2025	90,000.00	1.90%			
			4/1/2026	100,000.00	1.90%			
			4/1/2027	140,000.00	1.90%			
			4/1/2028	140,000.00	1.90%			
			4/1/2029	140,000.00	1.90%			
			4/1/1930	140,000.00	1.90%			
						<u>1,000,000.00</u>	<u>80,000.00</u>	<u>920,000.00</u>
<u>MXCIA Capital Loan</u>								
2010-15/2010-28	Various Improvements for Animal Shelter - \$125,483.97	10/27/2021	7/15/2023	\$ 21,024.25	5.00%	\$ 125,483.97	\$ 16,500.00	\$ 108,983.97
			7/15/2024	25,368.65	5.00%			
			7/15/2025	30,527.35	5.00%			
			7/15/2026	32,053.72	5.00%			
						<u>125,483.97</u>	<u>16,500.00</u>	<u>108,983.97</u>
Total						<u>\$ 1,125,483.97</u>	<u>\$ 96,500.00</u>	<u>\$ 1,028,983.97</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 - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Sewer Utility		Water Utility		(Memorandum Only) Totals	
	2022	2021	2022	2021	2022	2021
<u>ASSETS</u>						
Operating Fund:						
Cash and Cash Equivalents	\$ 341,315.05	\$ 302,909.88	\$ 201,473.24	\$ 99,196.32	\$ 542,788.29	\$ 402,106.20
Consumer Accounts Receivable	31,109.00	29,040.36	34,923.96	36,933.59	66,032.96	65,973.95
Due from Sewer Utility Capital Fund	117.88	2,039.24	8,219.35		8,337.23	2,039.24
Due from Current Fund			15,491.25	7,454.04	15,491.25	7,454.04
Due from Water Utility Capital Fund			28,985.29	38,709.03	28,985.29	38,709.03
Total Assets	<u>\$ 372,541.93</u>	<u>\$ 333,989.48</u>	<u>\$ 289,093.09</u>	<u>\$ 182,292.98</u>	<u>\$ 661,635.02</u>	<u>\$ 516,282.46</u>
<u>LIABILITIES, RESERVES</u>						
<u>AND FUND BALANCE</u>						
Operating Fund:						
Liabilities:						
Appropriation Reserves	\$ 103,473.90	\$ 86,678.97	\$ 2,892.37	\$ 38,989.59	\$ 106,366.27	\$ 125,668.56
Other Liabilities and Reserves:						
Reserve for Encumbrances	\$ 90.62		\$ 96,300.39		\$ 96,391.01	
Encumbrances Prior Year	20,000.00	\$ 10,000.00			20,000.00	\$ 10,000.00
Consumer Overpayments	5,064.64	7,357.04	5,368.42	\$ 5,684.11	10,433.06	13,041.15
Accrued Interest on Loans			12,301.04	12,637.05	12,301.04	12,637.05
Due to Water Utility Operating Fund	8,219.35				8,219.35	
Due to Current Fund	20,000.00				20,000.00	
	<u>\$ 53,374.61</u>	<u>\$ 17,357.04</u>	<u>\$ 113,969.85</u>	<u>\$ 18,321.16</u>	<u>\$ 167,344.46</u>	<u>\$ 35,678.20</u>
Reserve for Receivables and Other Assets	\$ 31,109.00	\$ 29,040.36	\$ 34,923.96	\$ 36,933.59	\$ 66,032.96	\$ 65,973.95
Fund Balance	\$ 184,584.42	\$ 200,913.11	\$ 137,306.91	\$ 88,048.64	\$ 321,891.33	\$ 288,961.75
Total Liabilities, Reserves and Fund Balance	<u>\$ 372,541.93</u>	<u>\$ 333,989.48</u>	<u>\$ 289,093.09</u>	<u>\$ 182,292.98</u>	<u>\$ 661,635.02</u>	<u>\$ 516,282.46</u>

SEWER UTILITY OPERATING FUND

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

	<u>Year 2022</u>	<u>Year 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 70,990.00	\$ 67,056.00
Rents	494,582.96	492,809.26
Nonbudget Revenue	2,398.26	2,915.32
Other Credits to Income -		
Unexpended Balance of Appropriation Reserves	<u>67,680.09</u>	<u>55,363.28</u>
Total Income	<u>\$ 635,651.31</u>	<u>\$ 618,143.86</u>
<u>EXPENDITURES</u>		
Operating	\$ 527,200.00	\$ 524,000.00
Capital Improvements	15,000.00	15,000.00
Deferred Charges and Statutory Expenditures	14,500.00	13,800.00
Debt Service	4,290.00	4,256.00
Refund of Prior Year Revenue Expenditure	<u></u>	<u>2,478.32</u>
Total Expenditures	<u>\$ 560,990.00</u>	<u>\$ 559,534.32</u>
Statutory Excess to Fund Balance	\$ 74,661.31	\$ 58,609.54
Fund Balance, January 1	<u>200,913.11</u>	<u>209,359.57</u>
	\$ 275,574.42	\$ 267,969.11
Decreased by -		
Utilized by Sewer Operating Budget	70,990.00	67,056.00
Transfer to Current Fund as Anticipated Revenue	<u>20,000.00</u>	<u></u>
	<u>\$ 90,990.00</u>	<u>\$ 67,056.00</u>
Fund Balance, December 31	<u><u>\$ 184,584.42</u></u>	<u><u>\$ 200,913.11</u></u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	\$ 70,990.00	\$ 70,990.00	
Rents	<u>490,000.00</u>	<u>494,582.96</u>	\$ <u>4,582.96</u>
	560,990.00	565,572.96	4,582.96
Nonbudget Revenue	<u>-</u>	<u>2,398.26</u>	<u>2,398.26</u>
	<u>\$ 560,990.00</u>	<u>\$ 567,971.22</u>	<u>\$ 6,981.22</u>

ANALYSIS OF NONBUDGET REVENUE

Interest & Costs of Rent	\$ 1,988.80
Interest Earned - Sewer Capital Fund	117.88
Interest Earned - Sewer Operating Fund	<u>291.58</u>
	<u>\$ 2,398.26</u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries and Wages	\$ 66,200.00	\$ 66,200.00	\$ 58,878.49		\$ 7,321.51
Other Expenses	105,000.00	105,000.00	53,568.02	\$ 90.62	51,341.36
Monroe Township Sewer Treatment	355,000.00	355,000.00	310,688.97		44,311.03
Accumulated Sick Leave	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>		
Total Operating	<u>\$ 527,200.00</u>	<u>\$ 527,200.00</u>	<u>\$ 424,135.48</u>	<u>\$ 90.62</u>	<u>\$ 102,973.90</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Capital Outlay - I&I	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>		
Total Capital Improvements	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>		
<u>DEBT SERVICE</u>					
MCIA Lease	<u>\$ 4,290.00</u>	<u>\$ 4,290.00</u>	<u>\$ 4,290.00</u>		<u>-</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 8,900.00	\$ 8,900.00	\$ 8,900.00		
Social Security System (O.A.S.I.)	5,100.00	5,100.00	5,100.00		
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>500.00</u>	<u>500.00</u>			\$ 500.00
Total Deferred Charges and Statutory Expenditures	<u>\$ 14,500.00</u>	<u>\$ 14,500.00</u>	<u>\$ 14,000.00</u>		<u>500.00</u>
Total Sewer Utility Appropriations	<u>\$ 560,990.00</u>	<u>\$ 560,990.00</u>	<u>\$ 457,425.48</u>	<u>\$ 90.62</u>	<u>\$ 103,473.90</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	29,040.36
<u>INCREASED BY</u>			
Sewer Rents Levied	\$	496,651.60	
Refunded		<u>250.00</u>	<u>496,901.60</u>
<u>DECREASED BY</u>			
Collections	\$	492,404.74	
Customer Overpayments Applied		<u>2,428.22</u>	<u>494,832.96</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u><u>31,109.00</u></u>

BOROUGH OF HELMETTA
SEWER UTILITY OPERATING FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After	Paid or	Balance
	<u>Appropriation</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
	<u>Reserves</u>				
OPERATING					
Salaries and Wages	\$ 7,915.22		\$ 7,915.22		\$ 7,915.22
Other Expenses	41,478.00		41,478.00	\$ 8,429.88	33,048.12
Monroe Township Sewer Treatment	36,716.75		36,716.75	10,000.00	26,716.75
	<u>\$ 86,109.97</u>		<u>\$ 86,109.97</u>	<u>\$ 18,429.88</u>	<u>\$ 67,680.09</u>

Detail:

Cash Disbursed	\$ 8,429.88
Encumbered	<u>10,000.00</u>
	<u>\$ 18,429.88</u>

WATER UTILITY OPERATING FUND

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

	<u>Year 2022</u>	<u>Year 2021</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 36,116.13	\$ 28,379.67
Rents	492,874.27	456,262.51
Cell Tower Revenue	95,292.19	93,378.84
Nonbudget Revenue	4,279.05	5,932.26
Reserve for Fair Share Water Tower	28,295.87	26,988.33
Other Credits to Income -		
Unexpended Balance of Appropriation Reserves	<u>36,928.89</u>	<u>48,548.15</u>
Total Income	<u>\$ 693,786.40</u>	<u>\$ 659,489.76</u>
<u>EXPENDITURES</u>		
Operating	\$ 491,000.00	\$ 486,000.00
Capital Improvements	20,000.00	20,000.00
Debt Service	82,802.00	82,768.00
Deferred Charges and Statutory Expenditures	14,610.00	13,600.00
Refunds of Prior Year Revenue	<u></u>	<u>2,699.93</u>
Total Expenditures	<u>\$ 608,412.00</u>	<u>\$ 605,067.93</u>
Statutory Excess to Fund Balance	\$ 85,374.40	\$ 54,421.83
Fund Balance, January 1	<u>88,048.64</u>	<u>62,006.48</u>
	\$ 173,423.04	\$ 116,428.31
Decreased By:		
Utilized by Water Operating Budget	<u>36,116.13</u>	<u>28,379.67</u>
Fund Balance, December 31	<u><u>\$ 137,306.91</u></u>	<u><u>\$ 88,048.64</u></u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Utilized	\$ 36,116.13	\$ 36,116.13	-
Rents	456,000.00	492,874.27	\$ 36,874.27
Cell Tower Revenue	88,000.00	95,292.19	7,292.19
Reserve for Fair Share Water Tower	<u>28,295.87</u>	<u>28,295.87</u>	
	\$ 608,412.00	\$ 652,578.46	\$ 44,166.46
Nonbudget Revenue	<u>-</u>	<u>4,279.05</u>	<u>4,279.05</u>
	<u>\$ 608,412.00</u>	<u>\$ 656,857.51</u>	<u>\$ 48,445.51</u>

ANALYSIS OF NONBUDGET REVENUE

Water Connection Fees	\$ 3,316.54
Interest Earned - Water Utility Operating Fund	273.09
Interest Earned - Water Utility Capital Fund	<u>689.42</u>
	<u>\$ 4,279.05</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>OPERATING</u>					
Salaries and Wages	\$ 68,000.00	\$ 61,000.00	\$ 58,878.49		\$ 2,121.51
Other Expenses	102,000.00	76,000.00	70,870.88	\$ 4,858.26	270.86
Purchase of Water - East Brunswick	320,000.00	353,000.00	261,557.87	91,442.13	
Accumulated Sick Leave	<u>1,000.00</u>	<u>1,000.00</u>	<u>1,000.00</u>		<u>-</u>
Total Operating	\$ <u>491,000.00</u>	\$ <u>491,000.00</u>	\$ <u>392,307.24</u>	\$ <u>96,300.39</u>	\$ <u>2,392.37</u>
<u>CAPITAL IMPROVEMENTS</u>					
Capital Outlay - Reserve Water Tower Repainting	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Capital Outlay	5,000.00	5,000.00	5,000.00		
Capital Improvement Fund	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>		
Total Capital Improvements	\$ <u>20,000.00</u>	\$ <u>20,000.00</u>	\$ <u>20,000.00</u>		
<u>DEBT SERVICE</u>					
USDA Loan	\$ 78,512.00	\$ 78,512.00	\$ 78,512.00		
MCIA Lease	<u>4,290.00</u>	<u>4,290.00</u>	<u>4,290.00</u>		
Total Debt Service	\$ <u>82,802.00</u>	\$ <u>82,802.00</u>	\$ <u>82,802.00</u>		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 8,900.00	\$ 8,900.00	\$ 8,900.00		
Social Security System (O.A.S.I.)	5,210.00	5,210.00	5,210.00		
Unemployment Compensation Insurance (NJSA 43:21-3 et. Seq.)	<u>500.00</u>	<u>500.00</u>			\$ <u>500.00</u>
Total Deferred Charges and Statutory Expenditures	\$ <u>14,610.00</u>	\$ <u>14,610.00</u>	\$ <u>14,110.00</u>		<u>500.00</u>
Total Water Utility Appropriations	\$ <u><u>608,412.00</u></u>	\$ <u><u>608,412.00</u></u>	\$ <u><u>509,219.24</u></u>	\$ <u><u>96,300.39</u></u>	\$ <u><u>2,892.37</u></u>

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

<u>BALANCE, DECEMBER 31, 2021</u>		\$	36,933.59
<u>INCREASED BY</u>			
Water Rents Levied	\$	490,864.64	
Refund		<u>598.28</u>	<u>491,462.92</u>
			\$ 528,396.51
<u>DECREASED BY</u>			
Collections	\$	492,421.75	
Customer Overpayments Applied		<u>1,050.80</u>	<u>493,472.55</u>
<u>BALANCE, DECEMBER 31, 2022</u>		\$	<u>34,923.96</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 12,637.05
<u>INCREASED BY</u>	
Budget Appropriation for:	
Interest on USDA Loan	<u>49,880.12</u>
	\$ 62,517.17
<u>DECREASED BY</u>	
Disbursed	<u>50,216.13</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 12,301.04</u>

ANALYSIS OF ACCRUED INTEREST, DECEMBER 31, 2022

	Principal Outstanding December 31, <u>2022</u>	Interest Rate	From	To	Period	Amount
USDA Loan	\$ 1,035,876.71	4.75%	10/1/2022	12/31/2022	3 Months	\$ <u>12,301.04</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance December 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Encumbered</u>			
<u>OPERATING</u>					
Salaries and Wages	\$ 7,915.22		\$ 7,915.22		\$ 7,915.22
Other Expenses	20,295.95		20,295.95	\$ 1,229.50	19,066.45
Purchase of Water - East Brunswick	10,209.42		10,209.42	262.20	9,947.22
	<u>\$ 38,420.59</u>		<u>\$ 38,420.59</u>	<u>\$ 1,491.70</u>	<u>\$ 36,928.89</u>

UTILITY CAPITAL FUNDS - COMBINED STATEMENTS

BOROUGH OF HELMETTA
COMBINED COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES -
SEWER UTILITY AND WATER UTILITY CAPITAL FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2022 AND 2021

	Sewer Utility		Water Utility		Total (Memorandum Only)	
	2022	2021	2022	2021	2022	2021
ASSETS						
Cash and Cash Equivalents	\$ 122,465.46	\$ 109,386.82	\$ 638,428.26	\$ 687,207.87	\$ 760,893.72	\$ 796,594.69
Fixed Capital	1,782,394.62	1,775,794.62	3,495,563.21	3,492,063.21	5,277,957.83	5,267,857.83
Total Assets	\$ 1,904,860.08	\$ 1,885,181.44	\$ 4,133,991.47	\$ 4,179,271.08	\$ 6,038,851.55	\$ 6,064,452.52
LIABILITIES AND RESERVES						
USDA Loan			\$ 1,035,876.71	\$ 1,064,172.58	\$ 1,035,876.71	\$ 1,064,172.58
Improvement Authorizations:						
Funded	\$ 6,875.00	275.00	\$ 4,400.00	900.00	\$ 11,275.00	1,175.00
Capital Improvement Fund	\$ 36,400.00	\$ 38,000.00	\$ 31,272.29	\$ 24,772.29	\$ 67,672.29	\$ 62,772.29
Due to Current Fund				30,760.00		30,760.00
Due to Water Utility Operating Fund			28,985.29	38,709.03	28,985.29	38,709.03
Due to Sewer Utility Operating Fund	117.88	2,039.24			117.88	2,039.24
Reserve for Water Tower Painting			91,000.00	86,000.00	91,000.00	86,000.00
Reserve for Future Debt Service			300,000.00	300,000.00	300,000.00	300,000.00
Reserve for Fair Share			154,079.74	182,375.61	154,079.74	182,375.61
Reserve for Encumbrances	2,914.50	2,914.50			2,914.50	2,914.50
Reserve for Capital Outlay - I & I	61,000.00	51,000.00	15,000.00	10,000.00	76,000.00	61,000.00
	\$ 100,432.38	\$ 93,953.74	\$ 620,337.32	\$ 672,616.93	\$ 720,769.70	\$ 766,570.67
Reserve for Amortization	\$ 1,682,643.70	\$ 1,682,643.70	\$ 1,171,258.12	\$ 1,142,962.25	\$ 2,853,901.82	\$ 2,825,605.95
Deferred Reserve for Amortization	\$ 99,750.92	\$ 93,150.92	\$ 1,288,428.38	\$ 1,284,928.38	\$ 1,388,179.30	\$ 1,378,079.30
Fund Balance	\$ 15,158.08	\$ 15,158.08	\$ 13,690.94	\$ 13,690.94	\$ 28,849.02	\$ 28,849.02
Total Liabilities and Reserves	\$ 1,904,860.08	\$ 1,885,181.44	\$ 4,133,991.47	\$ 4,179,271.08	\$ 6,038,851.55	\$ 6,064,452.52

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, 2022.

SEWER UTILITY CAPITAL FUND

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

		Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	<u>Transfers</u>		Balance December 31, <u>2022</u>
					<u>From</u>	<u>To</u>	
Fund Balance		\$ 15,158.08					\$ 15,158.08
Capital Improvement Fund		38,000.00	\$ 5,000.00		\$ 6,600.00		36,400.00
Reserve for Capital Outlay - I & I		51,000.00	10,000.00				61,000.00
Due to Sewer Utility Operating Fund		2,039.24	117.88	\$ 2,039.24			117.88
Reserve for Encumbrance		2,914.50					2,914.50
<u>Ordinance Number</u>	<u>Improvement Authorization</u>						
2020-3	GIS Mapping Phase IV	275.00					275.00
2022-6	GIS Mapping Phase III & IV					\$ 6,600.00	6,600.00
		<u>\$ 109,386.82</u>	<u>\$ 15,117.88</u>	<u>\$ 2,039.24</u>	<u>\$ 6,600.00</u>	<u>\$ 6,600.00</u>	<u>\$ 122,465.46</u>

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2021 \$ 1,775,794.62

INCREASED BY:

Fixed Capital Authorized 6,600.00

BALANCE, DECEMBER 31, 2022 \$ 1,782,394.62

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	32,250.00
Acquisition of DPW Truck	15,000.00
Various Capital Improvements - 2015	4,400.00
Various Capital Improvements - 2016	1,700.00
GIS Mapping Phase I, II, III, IV	19,450.00
GIS Mapping Phase V	34,000.00
GIS Mapping	<u>6,600.00</u>
	\$ <u>1,782,394.62</u>

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 38,000.00
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>5,000.00</u>
	\$ 43,000.00
<u>DECREASED BY</u>	
Appropriated to Finance Improvement Authorization	<u>6,600.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 36,400.00</u>

BOROUGH OF HELMETTA
SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number & Description	<u>Ordinance</u>		Balance December 31, <u>2021</u>	<u>2022</u> <u>Authorization</u>	Balance December 31, <u>2022</u>
	<u>Date</u>	<u>Amount</u>			
20-03 GIS Mapping - Phase IV (CIF 19,000.00)	05/20/20	\$ 34,000.00	\$ 275.00		\$ 275.00
2022-06 GIS Utilities Systems Mapping (Phase III & IV - CIF 6,600)	10/19/22	6,600.00		\$ 6,600.00	6,600.00
			<u>\$ 275.00</u>	<u>\$ 6,600.00</u>	<u>\$ 6,875.00</u>

WATER UTILITY CAPITAL FUND

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

	Balance December 31, 2021	Cash Receipts	Cash Disbursements	Transfers		Balance December 31, 2022
				From	To	
Fund Balance	\$ 13,690.94					\$ 13,690.94
Capital Improvement Fund	24,772.29	\$ 10,000.00		\$ 3,500.00		31,272.29
Reserve for Water Tower Repainting	86,000.00	5,000.00				91,000.00
Reserve for Fair Share	182,375.61			28,295.87		154,079.74
Reserve for Future Debt Service	300,000.00					300,000.00
Due to Water Utility Operating Fund	38,709.03		\$ 38,019.61		\$ 28,295.87	28,985.29
Reserve for Capital Outlay	10,000.00	5,000.00				15,000.00
Due to Current Fund	30,760.00		30,760.00			
Ordinance						
<u>Number</u>	<u>Improvement Authorization</u>					
2019-4	New Water Meters	550.00				550.00
2020-5	Acquisition of Radio Reads	350.00				350.00
2022-6	GIS Mapping (Phase III & IV)				3,500.00	3,500.00
		<u>\$ 687,207.87</u>	<u>\$ 20,000.00</u>	<u>\$ 68,779.61</u>	<u>\$ 31,795.87</u> <u>\$ 31,795.87</u>	<u>\$ 638,428.26</u>

BOROUGH OF HELMETTA
WATER UTILITY CAPITAL FUND
STATEMENT OF FIXED CAPITAL

BALANCE, DECEMBER 31, 2021 \$ 3,492,063.21

INCREASED BY

Transferred from Fixed Capital Authorized and Completed 3,500.00

BALANCE, DECEMBER 31, 2022 \$ 3,495,563.21

Detail:

Description

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	150,000.00
Acquisition of DPW Truck	15,000.00
Various Capital Improvements - 2015	4,400.00
Various Capital Improvements - 2016	20,700.00
GIS Mapping Phase I, II, III	13,300.00
GIS Mapping Phase IV	6,150.00
New Meters - 2019	5,000.00
New Meters - 2020	9,000.00
Acquisition of Radio Reads	6,500.00
Improvements to No. 13th St Water System	24,500.00
Update of GIS	<u>3,500.00</u>
	<u>\$ 3,495,563.21</u>

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

Purpose	Date of Issue	Issue	Maturity of		Interest Rate	Balance December 31, 2021	Decreased by	Balance December 31, 2022			
			Loan Outstanding								
			Year	Date/Amount							
Construction of Water Tower	10/10/03	\$ 1,400,000.00		April 1	Oct 1						
			2023	\$ 14,653.93	\$ 15,001.96	4.75%	\$ 1,064,172.58	\$ 28,295.87	\$ 1,035,876.71		
			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						
						\$ 512,222.05	\$ 523,654.66		\$ 1,064,172.58	\$ 28,295.87	\$ 1,035,876.71

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

<u>BALANCE, DECEMBER 31, 2021</u>	\$ 24,772.29
<u>INCREASED BY</u>	
2022 Budget Appropriation	<u>10,000.00</u>
	34,772.29
<u>DECREASED BY:</u>	
Appropriated to Finance Improvement Authorization	<u>3,500.00</u>
<u>BALANCE, DECEMBER 31, 2022</u>	<u>\$ 31,272.29</u>

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

<u>Ordinance Number</u>	<u>Description</u>	<u>Ordinance</u>		Funded Balance December 31, <u>2021</u>	<u>2022 Authorization</u>	Funded Balance December 31, <u>2022</u>
		<u>Date</u>	<u>Amount</u>			
2019-4	New Water Meters	04/20/19	\$ 5,000.00	\$ 550.00		\$ 550.00
2021-5	Acquisition of Radio Reads (CIF 6,500.00)	6/16/21	6,500.00	350.00		350.00
2022-6	GIS Utilities Systems Mapping (Phase III & IV)	10/19/22	3,500.00		\$ 3,500.00	3,500.00
				<u>\$ 550.00</u>	<u>\$ 3,500.00</u>	<u>\$ 4,400.00</u>

CAPITAL ASSETS

BOROUGH OF HELMETTA
COMPARATIVE STATEMENT OF CAPITAL ASSETS

	Balance December 31, 2022	Balance December 31, 2021
Capital Assets:		
Land	\$ 198,531.00	\$ 198,531.00
Buildings	2,474,861.81	2,474,861.81
Vehicles	1,142,431.08	1,157,431.08
Equipment	971,571.51	971,571.51
	<u>\$ 4,787,395.40</u>	<u>\$ 4,802,395.40</u>
Investment in Capital Assets	\$ <u>4,787,395.40</u>	\$ <u>4,802,395.40</u>
	<u>\$ 4,787,395.40</u>	<u>\$ 4,802,395.40</u>

STATISTICAL SECTION

(UNAUDITED)

BOROUGH OF HELMETTA
CURRENT FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Government	\$ 278,120.00	\$ 280,120.00	\$ 265,220.00	\$ 229,639.00	\$ 232,621.00	\$ 223,865.00	\$ 234,510.00	\$ 293,850.00	\$ 233,855.00	\$ 208,400.00
Land Use	18,250.00	9,450.00	24,300.00	9,125.00	8,982.00	7,650.00	7,500.00	7,200.00	4,200.00	7,460.00
Insurance	216,500.00	203,500.00	192,500.00	190,500.00	244,500.00	212,500.00	258,650.00	208,600.00	181,541.00	218,000.00
Public Safety	770,220.00	729,136.00	718,627.00	697,996.00	694,066.00	660,250.00	603,850.00	580,578.00	583,090.00	475,432.80
Public Works	426,481.00	418,881.00	422,959.00	365,114.00	380,396.00	385,838.00	356,565.00	369,850.00	372,710.00	310,450.00
Health and Human Services	31,155.00	29,214.91	28,584.00	27,110.00	26,025.00	24,585.00	24,030.00	24,149.00	21,700.00	13,910.00
Park and Recreation	27,150.00	24,000.00	15,500.00	19,500.00	17,300.00	12,450.00	7,300.00	7,500.00	8,000.00	16,000.00
Utilities	102,500.00	94,500.00	98,500.00	98,000.00	109,500.00	109,000.00	108,300.00	104,200.00	106,800.00	105,200.00
Interlocal Agreement-Animal Shelter								50,851.00	448,400.00	403,060.00
Code Enforcement	7,030.00	6,700.00	7,500.00	6,800.00	6,119.00	5,735.00	5,900.00	6,150.00	5,180.00	5,360.00
Accumulated Sick Leave Reserve					1,000.00					
Deferred Charges and Statutory Expenditures	52,665.00	53,876.00	106,506.00	135,890.00	167,816.00	169,037.28	201,850.00	153,177.00	130,371.00	174,807.00
Grants	23,028.03	36,204.92	37,001.69	25,812.59	27,406.15	17,064.07	61,825.41	18,240.62	13,583.02	3,794.98
Capital Improvements	85,000.00	150,000.00	130,000.00	35,000.00	47,500.00	30,000.00	30,000.00	44,500.00	70,000.00	70,000.00
Debt Service	132,950.00	87,946.00	81,250.00	82,370.00	83,750.00	78,000.00	64,500.00	64,100.00	104,946.00	109,100.00
Contingent										500.00
Reserve for Uncollected Taxes	164,090.88	180,300.31	180,300.31	175,000.41	170,677.28	164,229.23	158,933.78	155,935.36	159,235.26	158,838.26
	<u>\$ 2,335,139.91</u>	<u>\$ 2,303,829.14</u>	<u>\$ 2,308,748.00</u>	<u>\$ 2,097,857.00</u>	<u>\$ 2,217,658.43</u>	<u>\$ 2,100,203.58</u>	<u>\$ 2,123,714.19</u>	<u>\$ 2,088,880.98</u>	<u>\$ 2,443,611.28</u>	<u>\$ 2,280,313.04</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
(UNAUDITED)

Function	Fiscal Year									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating	\$ 527,200.00	\$ 524,000.00	\$ 502,000.00	\$ 466,000.00	462,000.00	468,400.00	\$ 467,200.00	\$ 467,050.00	\$ 448,150.00	\$ 419,550.00
Capital Improvements	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	20,000.00	20,000.00	19,400.00	20,000.00	20,000.00
Debt Service	4,290.00	4,256.00	4,255.00							
Deferred Charges and Statutory Expenditures	<u>14,500.00</u>	<u>13,800.00</u>	<u>12,800.00</u>	<u>14,500.00</u>	<u>15,119.00</u>	<u>14,330.00</u>	<u>16,049.00</u>	<u>15,376.00</u>	<u>15,983.00</u>	<u>11,598.00</u>
	<u>\$ 560,990.00</u>	<u>\$ 557,056.00</u>	<u>\$ 534,055.00</u>	<u>\$ 495,500.00</u>	<u>\$ 492,119.00</u>	<u>\$ 502,730.00</u>	<u>\$ 503,249.00</u>	<u>\$ 501,826.00</u>	<u>\$ 484,133.00</u>	<u>\$ 451,148.00</u>

BOROUGH OF HELMETTA
WATER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Operating	\$ 491,000.00	\$ 486,000.00	\$ 486,000.00	\$ 474,000.00	477,000.00	467,500.00	\$ 421,500.00	\$ 401,050.00	\$ 380,150.00	\$ 349,550.00
Capital Improvements	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	15,000.00	15,000.00	14,400.00	10,000.00	16,250.00
Debt Service	82,802.00	82,768.00	82,767.00	78,512.00	78,512.00	78,512.00	78,512.00	78,512.00	117,112.00	144,312.00
Deferred Charges & Statutory Expenditures	14,610.00	13,600.00	12,600.00	14,300.00	14,388.00	29,305.00	15,949.00	15,376.00	15,983.00	11,498.00
	<u>\$ 608,412.00</u>	<u>\$ 602,368.00</u>	<u>\$ 601,367.00</u>	<u>\$ 586,812.00</u>	<u>\$ 589,900.00</u>	<u>\$ 590,317.00</u>	<u>\$ 530,961.00</u>	<u>\$ 509,338.00</u>	<u>\$ 523,245.00</u>	<u>\$ 521,610.00</u>

BOROUGH OF HELMETTA
CURRENT FUND REVENUES BY SOURCE
FOR THE LAST TEN (10) FISCAL YEARS
(UNAUDITED)

Source	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Surplus Anticipated	\$ 417,036.00	\$ 417,036.00	\$ 462,000.00	\$ 236,000.00	\$ 272,000.00	\$ 175,000.00	\$ 200,000.00	\$ 234,000.00	\$ 312,400.00	\$ 246,000.00
Taxes (1)	1,457,694.97	1,451,184.01	1,456,864.77	1,465,511.93	1,463,551.29	1,453,844.93	1,388,038.17	1,304,338.61	1,293,794.23	1,269,178.79
Delinquent Taxes	69,304.58	65,909.28	57,464.67	100,663.74	111,763.63	126,201.96	121,653.73	105,034.17	105,048.35	97,133.98
Miscellaneous	441,551.94	409,276.47	354,035.74	367,523.42	301,947.79	296,858.85	217,377.96	232,340.57	222,578.76	254,658.84
Animal Control/Shelter							3,584.10	33,793.08	398,042.61	415,958.63
State Aid	142,358.88	143,271.00	142,271.02	142,271.00	142,271.00	142,271.00	142,271.00	142,271.00	142,271.00	142,271.28
Grants	23,028.03	36,204.92	37,001.69	25,812.59	27,406.15	17,064.07	61,825.41	18,240.62	13,583.02	3,794.98
Nonbudget Revenue and Other Items	225,555.47	191,430.06	167,483.98	214,612.15	148,577.75	330,328.59	176,326.41	143,097.25	178,840.36	260,423.19
	<u>\$ 2,776,529.87</u>	<u>\$ 2,714,311.74</u>	<u>\$ 2,677,121.87</u>	<u>\$ 2,552,394.83</u>	<u>\$ 2,467,517.61</u>	<u>\$ 2,541,569.40</u>	<u>\$ 2,311,076.78</u>	<u>\$ 2,213,115.30</u>	<u>\$ 2,666,558.33</u>	<u>\$ 2,689,419.69</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>
2022	\$ 0.719	\$ 0.508	\$ 2.006	\$ 3.233	99.08%	1.42%
2021	0.719	0.485	1.953	3.157	98.70%	1.47%
2020	0.722	0.458	1.882	3.062	98.79%	1.42%
2019	0.725	0.456	1.908	3.089	98.95%	1.22%
2018	0.749	0.447	1.853	3.049	98.18%	1.95%
2017	0.746	0.450	1.797	2.993	97.97%	2.12%
2016	0.727	0.428	1.719	2.874	97.49%	2.41%
2015	0.680	0.430	1.635	2.745	97.56%	2.41%
2014	0.663	0.435	1.615	2.713	97.86%	2.07%
2013	0.652	0.446	1.664	2.762	97.85%	2.03%

Source: Tax Collector.

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

<u>Year Ended December 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percentage of Collections</u>
2022	\$ 6,044,598.77	\$ 5,988,754.86	99.08%
2021	5,888,322.38	5,811,497.76	98.70%
2020	5,685,916.06	5,617,544.93	98.79%
2019	5,736,247.83	5,676,299.60	98.95%
2018	5,651,923.90	5,548,808.76	98.18%
2017	5,620,277.47	5,506,107.47	97.97%
2016	5,356,687.71	5,222,109.53	97.49%
2015	5,130,685.70	5,005,682.34	97.55%
2014	5,074,122.07	4,965,394.27	97.85%
2013	5,167,627.12	5,056,899.48	97.86%

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>
2022	\$ 19,867.86	\$ 52,035.15	\$ 71,903.01	1.19%
2021	17,268.53	69,304.58	86,573.11	1.47%
2020	14,730.30	65,909.28	80,639.58	1.42%
2019	12,268.45	57,464.87	69,733.32	1.22%
2018	9,784.89	100,663.74	110,448.63	1.95%
2017	7,333.49	111,763.63	119,097.12	2.12%
2016	4,485.94	131,690.91	131,690.91	2.41%
2015	None	123,328.98	123,328.98	2.07%
2014	None	104,976.04	104,976.04	2.03%
2013	None	105,048.35	105,048.35	1.88%

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

<u>Year Ended December 31,</u>	<u>Aggregate Assessed Valuations of Real Property</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2022	\$ 186,543,500	\$ 266,300,500	70.05%
2021	186,075,400	242,538,321	76.72%
2020	185,387,800	224,794,228	82.47%
2019	185,406,900	214,424,401	86.47%
2018	184,897,400	214,597,725	86.16%
2017	187,500,400	208,010,206	90.14%
2016	185,822,200	206,492,055	89.99%
2015	186,609,000	200,870,829	92.89%
2014	186,766,300	198,899,148	93.90%
2013	186,874,900	201,591,046	92.70%

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 - 2022</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Buchan, William & Roseann	\$ 1,233,000	0.66%
Sutton Plaza Associates	1,100,000	0.59%
Aggo LLC	817,100	0.44%
Bohinski, Loretta & Carol - Trustees	816,300	0.44%
Maglies, Robert	641,400	0.34%
C. Maria Cini	576,600	0.31%
G & G Reality Helmetta LLC	569,200	0.31%
Bohinski, Charles & Sandra	568,600	0.30%
Raczynski, Anthony & Barbara	530,600	0.28%
Desmarest-Beacher	<u>514,800</u>	<u>0.28%</u>
	<u>\$ 7,367,600</u>	<u>3.95%</u>

Source: Municipal Tax Collector's Office.

BOROUGH OF HELMETTA
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Average Equalized Valuation	\$ <u>244,544,349.67</u>
Borrowing Margin - 3½% of Average Equalized Valuation	\$ 8,559,052.24
Net Debt	<u>1,028,983.97</u>
Remaining Borrowing Power	\$ <u><u>7,530,068.27</u></u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt - Borough of Helmetta	\$ 2,064,860.68	\$ 1,035,876.71	\$ 1,028,983.97
Consolidated School District Debt allocated to Borough	1,347,211.04	1,347,211.04	None
Overlapping Debt Apportioned to the Municipality: County of Middlesex (1) \$367,816,343 x .1958%			<u>4,494,529.04</u>
			\$ <u><u>5,523,513.01</u></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>
2022	2,455	\$ 244,544,349.67	\$ 2,064,860.68	0.84%	\$ 841.08
2021	2,455	227,258,316.67	2,189,661.55	0.96%	891.92
2020	2,178	217,944,784.67	2,291,170.81	1.05%	1,051.96
2019	2,178	212,350,110.67	2,366,930.90	1.11%	1,086.75
2018	2,178	209,699,995.33	2,441,509.64	1.16%	1,120.99
2017	2,178	205,124,363.33	2,514,961.20	1.23%	1,154.71
2016	2,178	202,087,344.00	2,587,337.28	1.28%	1,187.94
2015	2,178	200,870,829.00	2,658,687.19	1.32%	1,220.70
2014	2,178	198,899,148.00	2,729,058.00	1.37%	1,253.01
2013	2,178	201,591,046.00	2,876,494.60	1.43%	1,320.70

(1) Based on the 2010 census for 2013 through 2020 and 2021 census for 2021-2022

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

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>Current Fund</u> <u>Expenditures</u>	<u>Ratio of</u> <u>Debt Service to</u> <u>Current Fund</u> <u>Expenditures</u>
2022	\$ 96,500.00	\$ 32,160.22	\$ 128,660.22	\$ 2,335,139.91	5.51%
2021	60,000.00	21,215.80	81,215.80	2,303,829.14	3.52%
2020	50,000.00	31,249.99	81,249.99	2,040,919.02	3.97%
2019	50,000.00	32,370.00	82,370.00	2,097,857.00	3.92%
2018	50,000.00	33,750.00	83,750.00	2,217,658.83	3.77%
2017	50,000.00	28,000.00	78,000.00	2,100,518.58	3.70%
2016	50,000.00	14,500.00	64,500.00	2,123,714.19	3.03%
2015	50,000.00	14,100.00	64,100.00	2,088,880.98	3.06%
2014	90,000.00	14,946.00	104,946.00	2,443,611.28	4.29%
2013	80,000.00	29,100.00	109,100.00	2,280,313.04	4.78%

(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		\$	567,971.22
Deductions:			
Operating and Maintenance Cost	\$	541,700.00	
Debt Service		<u>4,290.00</u>	
			<u>545,990.00</u>
Excess in Revenues		\$	<u><u>21,981.22</u></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		\$	656,857.51
Deductions:			
Operating and Maintenance Cost	\$	505,610.00	
Debt Service		<u>82,802.00</u>	
			<u>588,412.00</u>
Excess in Revenues		\$	<u><u>68,445.51</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> (2)
2022	2,455	2.90%	869	\$ 38,413
2021	2,455	6.00%	869	38,413
2020	2,178	9.50%	869	36,941
2019	2,178	4.00%	869	36,941
2018		3.80%	869	36,941
2017	2,178	4.70%	869	36,941
2016	2,178	4.40%	869	36,941
2015	2,178	5.50%	869	36,941
2014	2,178	5.50%	869	36,941
2013	2,178	6.50%	870	36,941

(1) 2010 Census for 2013 through 2020 and 2020 Census for 2021-2022.

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

(3) Borough Tax Collector's Office.

BOROUGH OF HELMETTA
MISCELLANEOUS STATISTICS
DECEMBER 31, 2022
(UNAUDITED)

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

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	2	7
Municipal Court		2
Public Works	3	
Volunteer Firemen		35
Other	<u> </u>	<u>5</u>
Total Employees	<u>5</u>	<u>49</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2022

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

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Improvements to Locust Street

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

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

State Contract Purchases

There were no state contract purchases during the year.

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

GENERAL COMMENTS
DECEMBER 31, 2022

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 6, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED, by the Mayor and Council of the Borough of Helmetta, County of Middlesex, State of New Jersey that in accordance with Chapter 54:4-67 of the New Jersey Statutes the interest rate on delinquent taxes shall be eight per cent (8%) annum on the first \$1,500.00 of delinquency, and 18% per annum on any amount in the excess of \$1,500.00 to be calculated from the date the tax was payable until the date of actual payment. There shall be a ten (10) day grace period for payment of taxes.

In addition, the governing body, on January 6, 2022, adopted the following resolution authorizing additional interest to be charged on delinquent taxes and assessments:

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

The governing body also adopted on January 4, 2022 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.

During 2022, a clarification of Executive Order #103 required municipalities to forgive all residential water and sewer delinquency charges for the period March 9, 2020 through March 15, 2022. An adjustment was made in 2021 on the financial statements in the two (2) Utility Funds for prior year charges in the "Refund of Prior Year Revenue" account. The Borough should contact the computer service to ascertain if and when the adjustments will be made to the detailed records.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2022

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2022 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2022 covering all unpaid charges on that date was verified with the accounting control figures shown in this report. The general ledger as presented for audit did not reflect the proper yearend balance for the taxes account receivable and as such, these amounts were corrected by audit adjustments.

There was a tax sale held on November 16, 2022 and it was complete.

As of December 31, 2022, there were tax title liens receivable on two (2) properties totaling \$19,867.86.

The detail of tax overpayments reflects a large balance that is over three (3) years old that may be due to a taxpayer. This matter should be reviewed by the appropriate officials for disposition.

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 at year-end. The general ledger as presented for audit did not reflect the proper yearend balance for the consumer account receivable and as such, these amounts were corrected by audit adjustments.

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 at year-end. The general ledger as presented for audit did not reflect the proper yearend balance for the consumer accounts receivable and as such, these amounts were corrected by audit adjustments.

Cash Balances

The cash balances in all funds were verified with the depositories as of December 31, 2022 in connection with bank reconciliations. Adjustments were made to several accounts in order to present accurate balances.

Cash counts were made on various dates in all departments of the Borough.

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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2022

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. Our examination of expenditures revealed for the most part compliance with procedures and requirements have been adhered to.

The Fire Department authorized an Emergent Condition Contract for roof repairs as a result of a lighting strike from 2021. There was no certificate of funds nor Governing Body action at the time. Subsequently the Governing Body approved the required Emergent Condition Contract award. In addition, there were several instances of purchases by the Fire Department where the invoices dated preceded the requisition. This represents the circumvention of the purchasing requirements. The Business Administrator should enforce proper purchasing procedure with all employees.

Payroll

An examination was made of the employees' compensation records for the year 2022 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.

The Borough utilizes the services of a payroll service vendor to process net pay and agency withholdings.

On file at the Borough is the required Report on Description of the Organization's System and the Suitability of the Design and Operating Effectiveness of Controls for the payroll processing system in accordance with SSAE #16.

The Payroll Fund records as presented reflect a balance for "*due from employee*" in the amount of \$2,411.08 which is greater than three (3) years old (originated in 2020). This matter should be reviewed by the appropriate official for proper disposition. It is entirely possible that this condition is a mis-posting as it is an apparent isolated case.

Miscellaneous Comments

Various

The confirmation sent to the Consolidated Board of Education verified that the school taxes payable at December 31, 2022 were in agreement with the Borough's records.

Construction Code Official

The Construction Code Official's responsibility has been transferred to another municipality under an interlocal agreement.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2022

Miscellaneous Comments (Continued)

Interfunds

The balance sheets of various funds reflect an Interfund Receivable/Payable as of December 31, 2022. We have been advised by the Chief Financial Officer that these will be liquidated subsequent to year end.

Surety Bonds

The surety bonds covering the Tax Collector, (a separate bond was issued subsequent to year end), Chief Financial Officer, and the Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient.

Animal Control Fund

The Animal Control Fund reflects a balance due to the State of New Jersey of \$15.60. This was a result of the amounts calculated on the required Animal Control yearend report to the state. This amount should be remitted as soon as possible.

Technical Directives – State of New Jersey

N.J.A.C. 5:30-5.7 – General Ledger Accounting System

The general ledger for 2022 was maintained in accordance with acceptable accounting control standards.

The general ledger presented for audit primarily the three (3) operating and capital funds reflected inaccurate amounts in several accounts. It was necessary to perform additional analysis of all underlying and supporting subsidiary ledgers mostly in tax, tax related accounts, utility receivables and appropriations/liabilities in order to present proper year end balances for financial reporting. The Chief Financial Officer needs to review the general ledger for accuracy prior to presentment for audit and make adjustments accordingly. This comment is recurring.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets

A complete encumbrance system for budgetary purposes was maintained during 2022.

N.J.A.C. 5:30-5.2 – Encumbrance Accounting

A fixed assets detail was maintained in 2022.

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, 2022.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2022

Miscellaneous Comments (Continued)

Financial Procedures Review

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

Redevelopment Agreement

The Borough has an agreement with a developer for the old Snuff Mill site for residential rental housing ("the Project") for a phased-in tax abatement. The agreement calls for the Borough to receive an independent audit from the developer on the Project annually. The audit for December 31, 2021 has been received.

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.

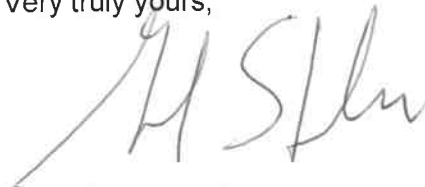
RECOMMENDATIONS
DECEMBER 31, 2022

None.

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

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

Very truly yours,

A handwritten signature in dark ink, appearing to read 'G Stankiewicz', is written over a light gray circular background.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

for The Firm
SAMUEL KLEIN AND COMPANY, LLP