

*BOROUGH OF BUTLER*  
*COUNTY OF MORRIS*  
*REPORT OF AUDIT*  
*2023*

*NISIVOCCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF BUTLER

COUNTY OF MORRIS

REPORT OF AUDIT

2023

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BOROUGH OF BUTLER

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

## Independent Auditors' Report

The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
Butler, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Butler, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2023 and 2022, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying 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 and account group of the Borough as of December 31, 2023 and 2022, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
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The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division 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 GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough'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.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
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### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024 on our consideration of the Borough'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 solely 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 effectiveness of the Borough's 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's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
June 18, 2024

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Certified Public Accountant  
Registered Municipal Accountant No. 548

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
CURRENT FUND

BOROUGH OF BUTLER  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 6,080,186.80	\$ 5,324,947.31
Change Funds		375.00	375.00
Petty Cash Fund		200.00	200.00
		<u>6,080,761.80</u>	<u>5,325,522.31</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	162,777.48	352,336.80
Tax Title Liens Receivable	A-8	82,840.29	72,688.74
Property Acquired for Taxes at Assessed Valuation		496,800.00	496,800.00
Revenue Accounts Receivable	A-9	5,095.96	5,208.83
Sewer Accounts Receivable	A-10	19,417.42	24,139.76
Due from:			
Other Trust Fund	B	5,819.40	19,884.22
Water Utility Operating Fund	D		164,052.27
Butler Library		27,760.39	36,092.54
Gas Reimbursement			776.04
Total Receivables and Other Assets With Full Reserves		<u>800,510.94</u>	<u>1,171,979.20</u>
Total Regular Fund		<u>6,881,272.74</u>	<u>6,497,501.51</u>
Federal and State Grant Fund:			
Due to Current Fund	A	681,793.26	952,928.24
Federal and State Grants Receivable	A-13	31,612.82	156,731.47
Total Federal and State Grant Fund		<u>713,406.08</u>	<u>1,109,659.71</u>
<u>TOTAL ASSETS</u>		<u>\$ 7,594,678.82</u>	<u>\$ 7,607,161.22</u>

BOROUGH OF BUTLER  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 35,038.84	\$ 110,332.73
Unencumbered	A-3;A-11	402,340.82	410,604.64
		<u>437,379.66</u>	<u>520,937.37</u>
Accounts Payable - Vendors		1,000.00	
County Taxes Payable		6,881.24	32,205.82
School Taxes Payable	A-12	624,740.00	306,237.52
Prepaid Taxes		437,530.14	158,412.50
Tax Overpayments		59,372.00	55,141.57
Sewer Rent Overpayments		1,182.30	1,837.52
Due to State of N.J. for Veterans' and Senior Citizens' Deductions		11,679.93	10,745.31
Due to State of New Jersey:			
Construction Code Fees		2,563.00	1,971.00
Marriage License Fees		250.00	
Due to Borough of Bloomingdale		780.50	
Due to:			
Federal and State Grant Fund	A	681,793.26	952,928.24
Assessment Trust Fund	B	645,998.25	632,598.84
Animal Control Fund	B	3.60	
Reserve for:			
Municipal Relief Fund Aid		100,435.43	50,228.72
Garden State Preservation Trust		872.00	
Third Party Liens		14,083.35	
Developer's Contribution		13,692.95	13,692.95
Sale of Municipal Assets		370,006.58	384,209.55
		<u>3,410,244.19</u>	<u>3,121,146.91</u>
Reserve for Receivables and Other Assets	A	800,510.94	1,171,979.20
Fund Balance	A-1	2,670,517.61	2,204,375.40
		<u>6,881,272.74</u>	<u>6,497,501.51</u>
Federal and State Grant Fund:			
Due to Water Utility Capital Fund	D		100,000.00
Unappropriated Reserves	A-14	461,241.25	719,046.84
Appropriated Reserves	A-15	252,164.83	290,612.87
		<u>713,406.08</u>	<u>1,109,659.71</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,594,678.82</u>	<u>\$ 7,607,161.22</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



BOROUGH OF BUTLER  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 1,080,000.00	\$ 1,331,000.00
Miscellaneous Revenue Anticipated		4,422,949.46	4,512,290.22
Receipts from:			
Delinquent Taxes		353,309.33	202,470.92
Current Taxes		31,241,630.34	30,151,145.50
Nonbudget Revenue		123,773.95	257,675.79
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		231,102.96	180,128.91
Interfunds Returned		187,225.28	3.06
		<u>37,639,991.32</u>	<u>36,634,714.40</u>
<u>Expenditures</u>			
Budget Appropriations:			
Municipal Purposes		13,298,587.72	13,307,549.31
County Taxes		3,109,350.97	2,891,615.53
Local School District Taxes		19,644,861.00	19,007,856.00
Prior Year Senior Citizens Deductions Disallowed		972.53	250.00
Interfunds and Other Receivables Advanced			195,868.92
Refund of Prior Year Revenue		40,076.89	
		<u>36,093,849.11</u>	<u>35,403,139.76</u>
Excess in Revenue		1,546,142.21	1,231,574.64
Balance January 1		2,204,375.40	2,303,800.76
		<u>3,750,517.61</u>	<u>3,535,375.40</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>1,080,000.00</u>	<u>1,331,000.00</u>
Balance December 31	A	<u>\$ 2,670,517.61</u>	<u>\$ 2,204,375.40</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 1,080,000.00		\$ 1,080,000.00	
Miscellaneous Revenue:				
Alcoholic Beverages Licenses	15,500.00		17,375.78	\$ 1,875.78
Other Licenses	8,500.00		14,970.00	6,470.00
Fees and Permits	4,500.00		11,032.00	6,532.00
Municipal Court - Fines and Costs	48,600.00		77,128.14	28,528.14
Interest and Costs on Taxes	65,000.00		90,348.17	25,348.17
Energy Receipts Tax	969,558.00		969,558.00	
Garden State Preservation Fund	3,766.00		3,766.00	
Payments in Lieu of Taxes on State Exempt Property	68,500.00		80,193.96	11,693.96
Interest on Investments and Deposits	45,000.00		240,813.87	195,813.87
Uniform Construction Code Fees	85,000.00		186,097.00	101,097.00
Uniform Fire Safety Act	22,500.00		23,842.48	1,342.48
Capital Fund Balance	20,000.00		20,000.00	
Sewer Rents	1,107,500.00		1,125,080.23	17,580.23
Butler Library	47,500.00		47,500.00	
Zoning Rent Registration	18,500.00		20,600.00	2,100.00
Shared Service Agreement - Pequannock River				
Basin Regional Sewerage Authority	33,500.00		36,980.25	3,480.25
Anticipated Electric Utility Operating Fund Balance of Prior Year	200,000.00		200,000.00	
Reserve for Sale of Municipal Assets	15,000.00		15,000.00	
Cell Tower Rental	107,500.00		136,988.21	29,488.21
Municipal Relief Fund Aid	50,229.00		50,229.00	
Shared Service Agreements:				
Billing Services - Bloomingdale	47,500.00		58,888.09	11,388.09
Dispatching Services - Kinnelon	30,000.00		32,300.00	2,300.00
Dispatching Services - Riverdale	8,000.00		8,000.00	
Tax Collection Services - Riverdale	30,000.00		30,000.00	
Water Utility Services - Riverdale	32,500.00		35,150.00	2,650.00
NJ Public Power Authority	225,673.00		258,839.30	33,166.30
Pequannock River Basin Regional Sewerage Authority	96,820.00		143,865.08	47,045.08
General Capital Fund - Reserve for Debt Service	15,463.00		15,463.00	
Body Armor Replacement Fund	1,359.48	\$ 2,625.00	3,984.48	
Safe and Secure Communities Program	32,400.00		32,400.00	
Recycling Tonnage Grant	10,002.18		10,002.18	
Clean Communities Program	16,554.24		16,554.24	
American Rescue Plan - Local Fiscal Recovery	260,000.00		260,000.00	
NJ Department of Environmental Protection Stormwater Assistance Grant		25,000.00	25,000.00	
Community Development Block Grant - Bellevue Avenue Water Main		125,000.00	125,000.00	
Total Miscellaneous Revenue	3,742,424.90	152,625.00	4,422,949.46	527,899.56
Receipts from Delinquent Taxes	250,000.00		353,309.33	103,309.33

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 8,208,003.69		\$ 8,619,633.37	\$ 411,629.68
Minimum Library Tax	397,785.00		397,785.00	
	<u>8,605,788.69</u>		<u>9,017,418.37</u>	<u>411,629.68</u>
Budget Totals	13,678,213.59	\$ 152,625.00	14,873,677.16	<u>\$ 1,042,838.57</u>
Nonbudget Revenue			123,773.95	
	<u>\$ 13,678,213.59</u>	<u>\$ 152,625.00</u>	<u>\$ 14,997,451.11</u>	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Allocation of Current Tax Collections:	
Collection of Current Taxes	\$ 31,241,630.34
Allocated to:	
School, Library and County Taxes	22,754,211.97
	8,487,418.37
Add: Appropriation "Reserve for Uncollected Taxes"	530,000.00
Realized for Support of Municipal Budget	\$ 9,017,418.37
 <u>Receipts from Delinquent Taxes:</u>	
Delinquent Tax Collections	\$ 353,309.33
 <u>Analysis of Fees and Permits:</u>	
Clerk	\$ 3,485.00
Police	7,537.00
Tax Searches	10.00
	\$ 11,032.00
 <u>Analysis of Interest on Investments and Deposits:</u>	
Deposited into Current Fund	\$ 216,537.02
Deposited into Animal Control Fund	213.62
Deposited into Other Trust Fund	14,691.73
Deposited into General Capital Fund	9,371.50
	\$ 240,813.87

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Miscellaneous Revenue Not Anticipated:

Cable Television Franchise Fees	\$ 36,138.00
Interest on Sewer Rents	2,817.76
Prior Year Refunds and Reimbursements	16,277.58
Administrative Fee - Senior Citizens and Veterans Deductions	760.53
Interest on Assessments	2,171.13
Copies	92.00
Zoning Codes	45,874.87
Sale of Leaf Bags	1,099.00
Miscellaneous Receipts	6,178.08
DMV Inspection Fines	1,065.00
Registrar and Health	<u>11,300.00</u>

\$ 123,773.95

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Administrative and Executive:					
Salary and Wages	\$ 96,800.00	\$ 96,800.00	\$ 96,794.20	\$ 5.80	
Other Expenses	18,000.00	18,000.00	14,999.28	3,000.72	
Mayor and Council:					
Salary and Wages	14,800.00	14,800.00	12,347.27	2,452.73	
Other Expenses	2,600.00	2,650.00	2,647.23	2.77	
Municipal Clerk:					
Salary and Wages	42,250.00	42,250.00	31,830.33	10,419.67	
Other Expenses	12,500.00	12,500.00	11,713.96	786.04	
Other Expenses - Codification	500.00	500.00		500.00	
Assessment of Taxes:					
Salary and Wages	49,500.00	49,500.00	49,476.70	23.30	
Other Expenses	57,175.00	57,175.00	41,029.80	16,145.20	
Collection of Taxes:					
Salary and Wages	59,725.00	59,725.00	59,648.49	76.51	
Other Expenses	9,000.00	9,000.00	5,413.23	3,586.77	
Financial Administration:					
Salary and Wages	57,745.00	57,745.00	57,729.82	15.18	
Other Expenses	19,000.00	26,000.00	25,999.84	0.16	
Annual Audit	51,000.00	57,500.00	57,500.00		
Legal Services and Costs:					
Other Expenses	34,000.00	36,500.00	36,352.57	147.43	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (continued):					
Engineering Services and Costs:					
Other Expenses	\$ 44,000.00	\$ 31,500.00	\$ 26,775.00	\$ 4,725.00	
Public Buildings and Grounds:					
Salary and Wages	1,500.00	1,500.00		1,500.00	
Other Expenses	82,800.00	82,800.00	82,195.94	604.06	
LAND USE ADMINISTRATION:					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salary and Wages	7,500.00	7,500.00	7,482.57	17.43	
Other Expenses	17,500.00	20,750.00	20,637.06	112.94	
Zoning Officer:					
Salary and Wages	52,410.00	52,410.00	52,279.31	130.69	
Other Expenses	500.00	500.00	245.00	255.00	
Insurance:					
General Liability	100,190.00	100,190.00	100,188.90	1.10	
Workers Compensation	82,600.00	82,600.00	82,529.65	70.35	
Fireman's	42,500.00	42,500.00	33,979.28	8,520.72	
Employee Group Health	932,500.00	932,500.00	929,161.21	3,338.79	
Employee Group Health Waiver	7,500.00	7,500.00	7,500.00		
Unemployment	500.00	500.00		500.00	
Disability Insurance	1,000.00	1,000.00		1,000.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY:					
Police:					
Salary and Wages	\$ 2,183,700.00	\$ 2,183,700.00	\$ 2,118,517.61	\$ 65,182.39	
Salaries & Wages - ARP - Local Fiscal Recovery	260,000.00	260,000.00	260,000.00		
Other Expenses	153,775.00	162,475.00	162,437.43	37.57	
Fire:					
Salary and Wages	7,500.00	7,500.00	4,240.08	3,259.92	
Other Expenses	61,450.00	61,450.00	48,462.16	12,987.84	
First Aid Organization Contribution	33,076.00	33,076.00	33,075.86	0.14	
Emergency Management Services:					
Salary and Wages	2,379.00	2,379.00		2,379.00	
Other Expenses	2,000.00	2,000.00		2,000.00	
Public Defender:					
Other Expenses	875.00	875.00		875.00	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salary and Wages	582,000.00	544,100.00	495,259.25	48,840.75	
Other Expenses	125,500.00	125,500.00	104,635.36	20,864.64	
Sanitation:					
Sewer System:					
Salary and Wages	142,480.00	142,480.00	138,276.77	4,203.23	
Other Expenses	25,725.00	25,725.00	16,315.32	9,409.68	
Garbage and Trash Removal:					
Salary and Wages	500.00	500.00		500.00	
Other Expenses	1,400,000.00	1,395,550.00	1,325,844.06	69,705.94	



BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
STREETS AND ROADS (Cont'd):					
Vehicle Maintenance:					
Salary and Wages	\$ 10,000.00				
Other Expenses	48,450.00	\$ 45,900.00	\$ 41,808.59	\$ 4,091.41	
HEALTH AND WELFARE:					
Board of Health:					
Salary and Wages	39,136.00	39,136.00	38,131.62	1,004.38	
Other Expenses	88,772.00	90,472.00	90,395.06	76.94	
Dog Regulation:					
Other Expenses	15,000.00	21,500.00	21,500.00		
RECREATION AND EDUCATION:					
Recreation Program:					
Salary and Wages	53,500.00	53,500.00	52,783.03	716.97	
Other Expenses	16,850.00	16,850.00	10,750.80	6,099.20	
Senior Citizens' Advisory Committee:					
Other Expenses	7,000.00	7,000.00	5,934.05	1,065.95	
Museum:					
Other Expenses	10,165.00	10,165.00	7,984.84	2,180.16	
Dial-A-Ride:					
Salary and Wages	25,375.00	27,375.00	26,703.42	671.58	
Other Expenses	79,825.00	79,825.00	78,871.00	954.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UTILITY AND BULK PURCHASES:					
Electricity	\$ 42,000.00	\$ 42,000.00	\$ 37,652.25	\$ 4,347.75	
Street Lighting	36,100.00	36,100.00	36,100.00		
Telephone	17,000.00	25,000.00	24,887.27	112.73	
Water	32,000.00	32,000.00	24,664.99	7,335.01	
Fuel Oil	70,000.00	70,000.00	63,281.96	6,718.04	
Gasoline	100,000.00	100,000.00	62,728.11	37,271.89	
UNCLASSIFIED EXPENDITURES:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	15,000.00	16,600.00	16,572.83	27.17	
Total Operations Within "CAPS"	7,584,728.00	7,565,128.00	7,194,270.36	370,857.64	
Detail:					
Salaries and Wages	3,696,300.00	3,650,400.00	3,509,000.47	141,399.53	
Other Expenses	3,888,428.00	3,914,728.00	3,685,269.89	229,458.11	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS":					
Statutory Expenditures					
Contributions to:					
Public Employees' Retirement System	\$ 207,452.00	\$ 207,452.00	\$ 207,451.92	\$ 0.08	
Social Security System (O.A.S.I.)	274,248.00	274,248.00	268,599.50	5,648.50	
Police and Firemen's Retirement System of N.J.	681,537.00	681,537.00	681,536.00	1.00	
Defined Contribution Retirement Program	2,800.00	2,800.00	2,173.56	626.44	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,166,037.00	1,166,037.00	1,159,760.98	6,276.02	
Total General Appropriations for Municipal Purposes Within "CAPS"	8,750,765.00	8,731,165.00	8,354,031.34	377,133.66	
Operations Excluded from "CAPS":					
Contribution to Pequannock River Basin				771.00	
Regional Sewerage Authority	2,236,000.00	2,236,000.00	2,235,229.00		
Aid to Free Public Library (N.J.S.A. 40:54-35)	397,785.00	397,785.00	397,785.00		
Shared Service Agreements:					
Billing Services - Bloomingdale:					
Salaries and Wages	21,500.00	21,500.00	21,493.23	6.77	
Other Expenses	11,000.00	11,000.00	10,993.10	6.90	
Construction Code Official - Bloomingdale:					
Other Expenses	110,725.00	130,325.00	128,276.00	2,049.00	
Dispatching Services - Kinnelon:					
Salaries and Wages	8,900.00	8,900.00	8,900.00		
Other Expenses	19,600.00	19,600.00		19,600.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Shared Service Agreements (Continued):					
Water Utility Services - Riverdale:					
Salaries and Wages	\$ 17,500.00	\$ 17,500.00	\$ 17,496.07	\$ 3.93	
Other Expenses	12,500.00	12,500.00	12,483.10	16.90	
Dispatching Services - Riverdale:					
Salaries and Wages	8,000.00	8,000.00	8,000.00		
Tax Collection Services - Riverdale:					
Salaries and Wages	17,500.00	17,500.00	17,363.82	136.18	
Other Expenses	12,500.00	12,500.00	11,800.00	700.00	
New Jersey Public Power Authority:					
Salaries and Wages	225,673.00	225,673.00	225,657.45	15.55	
Pequanock River Basin Regional Sewerage Authority:					
Salaries and Wages	96,820.00	96,820.00	96,803.56	16.44	
Bloomington Fire Inspection Services:					
Other Expenses	17,574.89	17,574.89	17,404.00	170.89	
Riverdale Court Services:					
Other Expenses	176,500.80	176,500.80	174,787.20	1,713.60	
Public and Private Programs Offset by Revenues:					
Reserve for Clean Communities Grant	16,554.24	16,554.24	16,554.24		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 + \$2,625.00)	1,359.48	3,984.48	3,984.48		
Safe and Secure Communities Grant	32,400.00	32,400.00	32,400.00		
NJ Department of Environmental Protection Stormwater Assistance Grant (N.J.S.A. 40A:4-87 + \$25,000.00)		25,000.00	25,000.00		
Community Development Block Grant - Bellevue Avenue Water Main (N.J.S.A. 40A:4-87 + \$125,000.00)		125,000.00	125,000.00		

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Public and Private Programs Offset by Revenues:					
Reserve for Recycling Tonnage Grant	\$ 10,002.18	\$ 10,002.18	\$ 10,002.18		
Total Operations Excluded from "CAPS"	3,450,394.59	3,622,619.59	3,597,412.43	\$ 25,207.16	
Detail:					
Salary and Wages	395,893.00	395,893.00	395,714.13	178.87	
Other Expenses	3,054,501.59	3,226,726.59	3,201,698.30	25,028.29	
Capital Improvements Excluded from "CAPS":					
Capital Outlay	62,500.00	62,500.00	62,500.00		
Capital Improvement Fund	157,500.00	157,500.00	157,500.00		
Total Capital Improvements Excluded from "CAPS"	220,000.00	220,000.00	220,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	465,000.00	465,000.00	465,000.00		
Payment of Bond Anticipation Notes	185,000.00	185,000.00	182,750.00		\$ 2,250.00
Interest on Bonds	4,650.00	4,650.00	4,650.00		
Interest on Notes	72,404.00	72,404.00	72,403.13		0.87
Total Municipal Debt Service Excluded from "CAPS"	727,054.00	727,054.00	724,803.13		2,250.87

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 4,397,448.59	\$ 4,569,673.59	\$ 4,542,215.56	\$ 25,207.16	\$ 2,250.87
Subtotal General Appropriations	13,148,213.59	13,300,838.59	12,896,246.90	402,340.82	2,250.87
Reserve for Uncollected Taxes	530,000.00	530,000.00	530,000.00		
Total General Appropriations	\$ 13,678,213.59	\$ 13,830,838.59	\$ 13,426,246.90	\$ 402,340.82	\$ 2,250.87

A

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 13,678,213.59	
Added by N.J.S.A. 40A:4-87		152,625.00	
		\$ 13,830,838.59	
Cash Disbursed			\$ 12,955,735.16
Due to Federal and State Grant Fund			212,940.90
Encumbrances	A		35,038.84
Reserve for Uncollected Taxes			530,000.00
			13,733,714.90
Less: Appropriation Refunds			307,468.00
			\$ 13,426,246.90

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
TRUST FUNDS



BOROUGH OF BUTLER  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 168.01	\$ 154.39
Change Fund		50.00	50.00
Due from Current Fund	A	3.60	
		<u>221.61</u>	<u>204.39</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,178,112.59	1,251,619.09
		<u>1,178,112.59</u>	<u>1,251,619.09</u>
Assessment Trust Fund:			
Assessment Receivable	B-6	40,537.56	53,936.97
Due from Current Fund	A	645,998.25	632,598.84
Amount to be Raised by Taxation- Funded by Assessment Bonds	B-7	13,982.00	13,982.00
		<u>700,517.81</u>	<u>700,517.81</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,878,852.01</u>	<u>\$ 1,952,341.29</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due to State of NJ		\$ 58.40	\$ 62.00
Reserve for Animal Control Expenditures	B-11	163.21	142.39
		<u>221.61</u>	<u>204.39</u>
Other Trust Funds:			
Due to Current Fund	A	5,819.40	19,884.22
Reserve for:			
Special Deposits		738,914.90	625,021.98
Recreation		18,233.04	18,954.90
Parking Offense Adjudication Fees		233.37	171.37
Tax Sale Premiums		348,200.00	529,600.00
State Unemployment Insurance Fund		63,394.38	54,669.12
Public Defender		3,317.50	3,317.50
		<u>1,178,112.59</u>	<u>1,251,619.09</u>
Assessment Trust Fund:			
Due to General Capital Fund	C	680,533.81	680,533.81
Fund Balance	B-1	19,984.00	19,984.00
		<u>700,517.81</u>	<u>700,517.81</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,878,852.01</u>	<u>\$ 1,952,341.29</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 19,984.00
Balance December 31, 2023	B	\$ 19,984.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
GENERAL CAPITAL FUND

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 85,047.88	\$ 507,946.75
Due From Assessment Trust Fund	B	680,533.81	680,533.81
NJ Department of Transportation Grant Receivable		74,930.00	272,632.61
NJ Department of Community Affairs Grant Receivable			75,000.00
Developer Contribution Receivable		27,227.00	27,227.00
Deferred Charges to Future Taxation:			
Funded		1,635,000.00	465,000.00
Unfunded	C-4	419,287.36	1,930,750.00
<u>TOTAL ASSETS</u>		<u>\$ 2,922,026.05</u>	<u>\$ 3,959,090.17</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-9	\$ 1,635,000.00	\$ 465,000.00
Bond Anticipation Notes Payable	C-8	303,000.00	1,930,750.00
Improvement Authorizations:			
Funded	C-6	468,138.58	513,037.21
Unfunded	C-6	11,411.26	424,456.18
Capital Improvement Fund	C-7	25,117.91	115,671.21
Reserve for:			
Sewer Improvements		305,000.00	305,000.00
Payment of Debt Service		143,787.87	159,250.87
Fund Balance	C-1	30,570.43	45,924.70
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 2,922,026.05</u>	<u>\$ 3,959,090.17</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 45,924.70
Increased by:		
Premium on Bond Sale		\$ 1,727.03
Improvement Authorizations Canceled		<u>2,918.70</u>
		<u>4,645.73</u>
		<u>50,570.43</u>
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		<u>20,000.00</u>
Balance December 31, 2023	C	<u><u>\$ 30,570.43</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
WATER UTILITY FUND

BOROUGH OF BUTLER  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 347,576.89	\$ 304,978.12
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	27,499.94	88,084.56
Inventory	D-6b	157,517.74	183,270.40
Total Receivables and Inventory with Full Reserves		<u>185,017.68</u>	<u>271,354.96</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves			2,628.39
Total Deferred Charges			<u>2,628.39</u>
Total Operating Fund		<u>532,594.57</u>	<u>578,961.47</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	241,848.93	319,955.75
Due from Federal and State Grant Fund	A		100,000.00
Community Development Block Grant Receivable		2,990.17	2,990.17
Fixed Capital	D-7	16,142,016.45	15,942,016.45
Fixed Capital Authorized and Uncompleted	D-8	2,762,200.00	2,662,200.00
Total Capital Fund		<u>19,149,055.55</u>	<u>19,027,162.37</u>
<u>TOTAL ASSETS</u>		<u>\$ 19,681,650.12</u>	<u>\$ 19,606,123.84</u>



BOROUGH OF BUTLER  
WATER UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31,	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-3;D-9	\$ 2,646.67	\$ 341.02
Unencumbered	D-3;D-9	16,541.76	4,873.49
		<u>19,188.43</u>	<u>5,214.51</u>
Accrued Interest on Bonds and Notes		41,738.54	36,672.63
Water Rent Overpayments		18,558.40	10,139.34
Due to Current Fund	A		164,052.27
Reserve for Meter Deposits		105,184.94	86,140.13
		<u>184,670.31</u>	<u>302,218.88</u>
Reserve for Receivables and Inventory	D	185,017.68	271,354.96
Fund Balance	D-1	162,906.58	5,387.63
		<u>162,906.58</u>	<u>5,387.63</u>
Total Operating Fund		<u>532,594.57</u>	<u>578,961.47</u>
Capital Fund:			
Bond Anticipation Notes Payable	D-13	400,000.00	2,948,475.00
Serial Bonds Payable	D-14	3,333,000.00	683,000.00
Improvement Authorizations:			
Funded	D-10	51,605.91	111,727.24
Unfunded	D-10	175,665.35	282,835.49
Capital Improvement Fund	D-11	14,332.51	4,332.51
Reserve for:			
Amortization		14,798,179.45	14,599,704.45
Deferred Amortization	D-12	373,037.00	373,037.00
Fund Balance	D-1a	3,235.33	24,050.68
		<u>3,235.33</u>	<u>24,050.68</u>
Total Capital Fund		<u>19,149,055.55</u>	<u>19,027,162.37</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 19,681,650.12</u>	<u>\$ 19,606,123.84</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

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

	Ref.	Year Ended December 31,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	4,392.27	
Rents		2,052,462.73	\$ 2,094,489.53
Miscellaneous Revenue		37,850.78	19,439.70
Fire Hydrant Service		21,000.00	21,000.00
Capital Fund Balance		23,615.00	24,000.00
Bloomingtondale Water Supply Agreement		332,708.48	
Deficit (General Budget)			36,947.73
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		1,389.23	122.06
Total Income		<u>2,473,418.49</u>	<u>2,195,999.02</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,859,868.88	1,669,032.00
Capital Improvements		10,000.00	10,000.00
Debt Service		247,840.00	202,458.75
Deferred Charges and Statutory Expenditures		193,798.39	314,508.27
Overexpenditure of Appropriation Reserves			2,628.39
Total Expenditures		<u>2,311,507.27</u>	<u>2,198,627.41</u>
Excess/(Deficit) in Revenue		<u>161,911.22</u>	<u>(2,628.39)</u>
Operating Deficit to be Raised in Budget in Succeeding Year			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			2,628.39
Statutory Excess to Fund Balance		161,911.22	
<u>Fund Balance</u>			
Balance January 1		<u>5,387.63</u>	<u>5,387.63</u>
		167,298.85	5,387.63
Decreased by:			
Utilized as Anticipated Revenue		<u>4,392.27</u>	
Balance December 31	D	<u>\$ 162,906.58</u>	<u>\$ 5,387.63</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 24,050.68
Increased by:		
Premium on Bond Sale		2,799.65
		26,850.33
Decreased by:		
Utilized as Anticipated Revenue in the Water Utility Operating Fund		23,615.00
		23,615.00
Balance December 31, 2023	D	\$ 3,235.33

D-2

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 4,392.27	\$ 4,392.27	
Water Rents	1,950,000.00	2,052,462.73	\$ 102,462.73
Miscellaneous Revenue	12,500.00	37,850.78	25,350.78
Fire Hydrant Service	21,000.00	21,000.00	
Capital Fund Balance	23,615.00	23,615.00	
Bloomington Water Supply Agreement	300,000.00	332,708.48	32,708.48
	\$ 2,311,507.27	\$ 2,472,029.26	\$ 160,521.99

Analysis of Water Rents

Collections - Rents	\$ 2,042,323.39
Overpayments Applied	10,139.34
	\$ 2,052,462.73

Analysis of Miscellaneous Revenue

Interest on Investments:	
Water Utility Operating Fund	\$ 4,794.80
Water Utility Capital Fund	9,253.56
Interest on Water Rents	4,713.81
Other Miscellaneous Revenue	19,088.61
	\$ 37,850.78

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended by			Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved		
Operating:						
Administration:						
Salaries and Wages	\$ 232,725.00	\$ 235,650.00	\$ 235,636.66	\$ 13.34		
Other Expenses	272,871.61	300,371.61	296,768.50	3,603.11		
Operations:						
Salaries and Wages	501,647.27	440,347.27	436,763.03	3,584.24		
Other Expenses	393,500.00	428,500.00	428,072.66	427.34		
Dispatching:						
Salaries and Wages	135,325.00	146,825.00	143,612.80	3,212.20		
Other Expenses	500.00	500.00	500.00			
Buildings and Grounds:						
Salaries and Wages	1,000.00					
Other Expenses	1,500.00	625.00	602.02	22.98		
Group Health Insurance	190,000.00	178,975.00	177,445.67	1,529.33		
MELJIF Liability	77,500.00	76,175.00	76,163.50	11.50		
MELJIF Worker's Compensation	52,500.00	51,900.00	51,875.78	24.22		
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
Debt Service:						
Payment of Bond Principal	115,000.00	115,000.00	115,000.00			
Interest on Bonds	17,840.00	17,840.00	17,840.00			
Interest on Notes	115,000.00	115,000.00	115,000.00			
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Over Expenditure of Appropriation Reserve	2,628.39	2,628.39	2,628.39			
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	127,670.00	127,670.00	127,662.72	7.28		
Social Security System (O.A.S.I.)	63,500.00	63,500.00	59,893.78	3,606.22		
Unemployment Compensation Insurance	300.00					
Disability Insurance	500.00					
	<u>\$ 2,311,507.27</u>	<u>\$ 2,311,507.27</u>	<u>\$ 2,294,965.51</u>	<u>\$ 16,541.76</u>	<u>\$ -0-</u>	

Ref.

D

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 2,311,507.27	
Cash Disbursed			\$ 2,214,850.45
Encumbrances Payable	D		2,646.67
Accrued Interest on Bonds and Notes			132,840.00
Deferred Charges			2,628.39
			2,352,965.51
Less: Appropriation Refunds			58,000.00
			\$ 2,294,965.51

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
ELECTRIC UTILITY FUND

BOROUGH OF BUTLER  
ELECTRIC UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 5,546,292.94	\$ 5,243,006.96
Petty Cash Fund		50.00	50.00
		<u>5,546,342.94</u>	<u>5,243,056.96</u>
Prepaid Sales Tax Payable		5,641.00	88,384.00
		<u>5,551,983.94</u>	<u>5,331,440.96</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-8	838,885.29	925,316.53
Public Power Association Receivable		42,067.76	42,067.76
Inventory	E-8a	1,502,310.54	1,536,833.66
Total Receivables and Inventory with Full Reserves		<u>2,383,263.59</u>	<u>2,504,217.95</u>
Total Operating Fund		<u>7,935,247.53</u>	<u>7,835,658.91</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	785,849.02	462,836.70
Fixed Capital	E-9	24,866,131.42	24,036,541.30
Fixed Capital Authorized and Uncompleted	E-10	1,558,000.00	2,023,500.00
Total Capital Fund		<u>27,209,980.44</u>	<u>26,522,878.00</u>
TOTAL ASSETS		<u>\$ 35,145,227.97</u>	<u>\$ 34,358,536.91</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
(Continued)

	Ref.	December 31	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 179,789.56	\$ 63,644.07
Unencumbered	E-4;E-11	180,628.77	504,631.92
		<u>360,418.33</u>	<u>568,275.99</u>
Accounts Payable - Vendors		531,951.95	327,094.64
Accrued Interest on Bonds and Notes		26,290.89	24,066.25
Zero Emission Credit Program Payable		180,455.14	202,952.47
Electric Rent Overpayments		137,334.35	130,903.45
Reserve for Meter Deposits		651,214.98	608,259.38
		<u>1,887,665.64</u>	<u>1,861,552.18</u>
Reserve for Receivables and Inventory	E	2,383,263.59	2,504,217.95
Fund Balance	E-1	3,664,318.30	3,469,888.78
		<u>7,935,247.53</u>	<u>7,835,658.91</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-16		1,762,500.00
Serial Bonds Payable	E-17	2,501,000.00	1,201,000.00
Improvement Authorizations:			
Funded	E-12	570,321.02	212,590.35
Unfunded	E-12	200,000.00	272,179.06
Capital Improvement Fund	E-13	146,972.71	106,482.71
Reserve for:			
Debt Service		8,538.77	8,538.77
Amortization		23,122,311.42	22,230,221.30
Deferred Amortization	E-14	570,000.00	635,500.00
Fund Balance	E-2	90,836.52	93,865.81
		<u>27,209,980.44</u>	<u>26,522,878.00</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 35,145,227.97</u>	<u>\$ 34,358,536.91</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT



BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
OPERATING FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 2,826,921.00	\$ 2,885,321.00
LEAC Revenue		8,965,884.96	9,840,998.69
Base Rate Revenue		6,366,911.21	6,620,563.92
Miscellaneous Revenue		376,841.39	316,578.01
Electric Utility Capital Fund Balance		15,250.00	15,250.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		433,240.35	955,250.60
Total Income		<u>18,985,048.91</u>	<u>20,633,962.22</u>
<u>Expenditures</u>			
Operating		14,202,575.00	15,334,040.00
Capital Improvements		150,000.00	150,000.00
Debt Service		693,848.39	1,030,588.33
Deferred Charges and Statutory Expenditures		717,275.00	675,941.00
Total Expenditures		<u>15,763,698.39</u>	<u>17,190,569.33</u>
Excess in Revenue		3,221,350.52	3,443,392.89
<u>Fund Balance</u>			
Balance January 1		3,469,888.78	3,036,816.89
		<u>6,691,239.30</u>	<u>6,480,209.78</u>
Decreased by:			
Utilization as Anticipated Revenue		2,826,921.00	2,885,321.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		200,000.00	125,000.00
Balance December 31	E	<u>\$ 3,664,318.30</u>	<u>\$ 3,469,888.78</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 93,865.81
Increased by:		
Premium on Bond Sale		\$ 1,800.83
Improvement Authorizations Cancelled		10,419.88
		12,220.71
		106,086.52
Decreased by:		
Utilized as Anticipated Revenue in Electric Utility Operating Fund		15,250.00
Balance December 31, 2023	E	\$ 90,836.52

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 2,826,921.00	\$ 2,826,921.00	
LEAC Revenues	9,600,000.00	8,965,884.96	\$ 634,115.04 *
Base Rate Revenues	6,450,000.00	6,366,911.21	83,088.79 *
Miscellaneous Revenue	200,000.00	376,841.39	176,841.39
Electric Utility Capital Fund Balance	15,250.00	15,250.00	
	<u>\$ 19,092,171.00</u>	<u>\$ 18,551,808.56</u>	<u>\$ 540,362.44 *</u>

Analysis of Realized Miscellaneous Revenue

Miscellaneous Revenue:

Interest on Electric Rents	\$ 24,186.86	
Meter/Pole Installation	897.09	
Electric Search Fees	2,925.00	
Underground Service	21,573.17	
Temporary Service	240.00	
Reimbursements	42,948.74	
Payment Fees	35,679.30	
Door Charge	14,904.02	
Disconnect/Reconnect Fees	14,368.66	
Miscellaneous Reimbursements	<u>28,120.52</u>	
		\$ 185,843.36
Interest Earned		<u>114,231.50</u>
		300,074.86
Interest Earned - Electric Utility Capital Fund		20,386.53
Flood Lighting		36,467.50
State Aid "Lifeline"		<u>19,912.50</u>
		<u>\$ 376,841.39</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	Appropriations	Budget After Modification	Expended by		Unexpended Balance Cancelled
	Budget		Paid or Charged	Reserved	
Operating:					
Administration:					
Salaries and Wages	\$ 495,000.00	\$ 508,750.00	\$ 508,627.41	\$ 122.59	
Other Expenses	672,100.00	634,425.00	608,845.21	25,579.79	
Operations:					
Salaries and Wages	2,630,000.00	2,618,500.00	2,566,121.75	52,378.25	
Other Expenses	623,000.00	623,000.00	570,291.87	27,708.13	\$ 25,000.00
Other Expenses - Purchase Power	11,450,000.00	11,450,000.00	8,098,187.32	51,812.68	3,300,000.00
Dispatching:					
Salaries and Wages	317,500.00	341,400.00	337,745.04	3,654.96	
Other Expenses	1,000.00	1,000.00		1,000.00	
Night Out:					
Other Expenses	7,500.00	7,500.00	5,316.70	2,183.30	
Buildings and Grounds:					
Salaries and Wages	112,700.00	112,700.00	112,686.15	13.85	
Other Expenses	7,000.00	7,000.00	1,705.17	5,294.83	
Group Insurance for Employees	995,000.00	995,000.00	989,338.39	5,661.61	
MELJIF Liability	121,900.00	121,900.00	121,861.60	38.40	
MELJIF Worker's Compensation	101,400.00	101,400.00	101,393.57	6.43	
Employee Group Health Waiver	5,000.00	5,000.00	5,000.00		
Capital Improvements:					
Capital Improvement Fund	140,000.00	140,000.00	140,000.00		
Capital Outlay	10,000.00	10,000.00	10,000.00		
Debt Service:					
Payment of Bond Principal	400,000.00	400,000.00	400,000.00		2,500.00
Payment of Bond Anticipation Notes	200,000.00	200,000.00	197,500.00		
Interest on Bonds	26,771.00	26,771.00	26,771.00		
Interest on Notes	70,550.00	70,550.00	69,577.39		972.61
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	463,000.00	463,000.00	462,777.36	222.64	
Social Security System (O.A.S.I.)	242,000.00	253,500.00	248,555.40	4,944.60	
Unemployment Compensation Insurance	750.00	775.00	768.29	6.71	
	<u>\$ 19,092,171.00</u>	<u>\$ 19,092,171.00</u>	<u>\$ 15,583,069.62</u>	<u>\$ 180,628.77</u>	<u>\$ 3,328,472.61</u>

Ref.

E

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 19,092,171.00	
Cash Disbursed			\$ 14,989,753.72
Encumbered	E		179,789.56
Accounts Payable			515,277.95
Accrued Interest on Bonds and Notes			96,348.39
			15,781,169.62
Less: Refunds			198,100.00
			\$ 15,583,069.62

THE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
PUBLIC ASSISTANCE FUND

BOROUGH OF BUTLER  
PUBLIC ASSISTANCE FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 8,559.09	\$ 8,257.62
<u>TOTAL ASSETS</u>		<u>\$ 8,559.09</u>	<u>\$ 8,257.62</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		\$ 8,559.09	\$ 8,257.62
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 8,559.09</u>	<u>\$ 8,257.62</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
GENERAL FIXED ASSETS ACCOUNT GROUP



BOROUGH OF BUTLER  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	December 31,	
	2023	2022
<u>ASSETS</u>		
Land	\$ 5,171,063.00	\$ 5,171,063.00
Building and Building Improvements	34,021,585.00	33,460,525.00
Furniture, Equipment and Vehicles	8,394,486.00	9,511,668.00
Construction in Progress		224,000.00
	<u>\$ 47,587,134.00</u>	<u>\$ 48,367,256.00</u>
<u>TOTAL ASSETS</u>		
 <u>RESERVE</u>		
Reserve for Fixed Assets	<u>\$ 47,587,134.00</u>	<u>\$ 48,367,256.00</u>
	<u>\$ 47,587,134.00</u>	<u>\$ 48,367,256.00</u>
<u>TOTAL RESERVE</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Butler include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Butler, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Butler do not include the operations of the Municipal Library or Volunteer Fire and First Aid Organizations.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Butler conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 of Butler accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Assessment Trust Fund- Resources and expenditures for the payment of Assessment Trust Fund Debt.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Electric Utility Operating and Capital Funds – Account for the operations and acquisition of capital facilities of the municipally owned Electric Utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes. The operations of the State funded General Assistance Program were transferred to the County of Morris in a prior year.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Other amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase, fixed assets purchased by the water and electric utility capital funds would be depreciated, investments would generally be stated at fair value, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, and the Borough's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or by financed purchases agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds, except the Electric and Water Utilities, is recorded as an expenditure at the time individual items are purchased. The cost of the Electric Utility Operating and Water Utility Funds inventory is included on these Funds balance sheets and are offset by a reserve.

General Fixed Assets Account Group – In accordance with N.J.A.C. accounting requirements, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost except for land, which is recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, the General Capital Fund and the Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital and Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water and Electric Utility Funds are recorded in their respective capital accounts at cost. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current and Water and Electric Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2023	2022	2021
<u>Issued</u>			
General:			
Bonds and Notes	\$ 1,938,000	\$ 2,395,750	\$ 3,155,750
Water Utility:			
Bonds and Notes	3,733,000	3,631,475	3,579,500
Electric Utility:			
Bonds and Notes	2,501,000	2,963,500	3,923,500
Total Issued	8,172,000	8,990,725	10,658,750
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	143,788	159,251	694,251
Electric Utility	8,539	8,539	8,539
Total Deductions	152,327	167,790	702,790
Net Debt Issued	8,019,673	8,822,935	9,955,960

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt (Cont'd)

	December 31,		
	2023	2022	2021
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	\$ 116,287		
Electric Utility:			
Bonds and Notes	230,820	\$ 230,820	\$ 30,820
Total Authorized but not Issued	347,107	230,820	30,820
Net Bonds and Notes Issued and Authorized but not Issued	\$ 8,366,780	\$ 9,053,755	\$ 9,986,780

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	\$ 1,050,000		\$ 585,000	\$ 465,000
Water Utility Capital Fund	793,000		110,000	683,000
Electric Utility Capital Fund	1,961,000		760,000	1,201,000
Bond Anticipation Notes:				
General Capital Fund	2,105,750	\$ 1,930,750	2,105,750	1,930,750
Water Utility Capital Fund	2,786,500	2,948,475	2,786,500	2,948,475
Electric Utility Capital Fund	1,962,500	1,762,500	1,962,500	1,762,500
Total	\$ 10,658,750	\$ 6,641,725	\$ 8,309,750	\$ 8,990,725

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Serial Bonds:				
General Capital Fund	\$ 465,000	\$ 1,635,000	\$ 465,000	\$ 1,635,000
Water Utility Capital Fund	683,000	2,765,000	115,000	3,333,000
Electric Utility Capital Fund	1,201,000	1,700,000	400,000	2,501,000
Bond Anticipation Notes:				
General Capital Fund	1,930,750	303,000	1,930,750	303,000
Water Utility Capital Fund	2,948,475	400,000	2,948,475	400,000
Electric Utility Capital Fund	1,762,500		1,762,500	
<b>Total</b>	<b>\$ 8,990,725</b>	<b>\$ 6,803,000</b>	<b>\$ 7,621,725</b>	<b>\$ 8,172,000</b>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .160%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 14,808,000	\$ 14,808,000	
Water Utility Debt	3,733,000	3,733,000	
Electric Utility Debt	2,731,820	2,731,820	
General Debt	2,054,287	143,788	\$ 1,910,499
	<u>\$ 23,327,107</u>	<u>\$ 21,416,608</u>	<u>\$ 1,910,499</u>

Net Debt: \$1,910,499 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$1,196,811,247 = .160%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 41,888,394
Net Debt	<u>1,910,499</u>
Remaining Borrowing Power	<u>\$ 39,977,894</u>



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	2,472,029
Deductions:		
Operating and Maintenance Cost	\$	2,051,039
Debt Service		247,840
		2,298,879
Excess in Revenue	\$	173,150

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	18,551,809
Deductions:		
Operating and Maintenance Cost	\$	14,919,850
Debt Service		693,848
		15,613,698
Excess in Revenue	\$	2,938,110

Note: If there is a deficit in revenue, then the utility debt is not deductible to the extent of 20 times such deficit amount.

Schedule of Annual Debt Service for the Next Five Years and Thereafter for  
Bonded Debt Issued and Outstanding

Year Ended December 31,	General		Water Utility		Electric Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 145,000	\$ 75,078	\$ 210,000	\$ 127,128	\$ 550,000	\$ 95,884	\$ 905,000	\$ 298,090
2025	150,000	69,100	220,000	120,646	546,000	77,940	916,000	267,686
2026	150,000	61,600	230,000	111,871	155,000	64,500	535,000	237,971
2027	155,000	54,100	235,000	102,771	160,000	56,750	550,000	213,621
2028	160,000	46,350	218,000	93,676	165,000	48,750	543,000	188,776
2029-2033	875,000	112,050	635,000	373,956	925,000	119,100	2,435,000	605,106
2034-2038			720,000	246,644			720,000	246,644
2039-2043			865,000	106,400			865,000	106,400
	\$ 1,635,000	\$ 418,278	\$ 3,333,000	\$ 1,283,092	\$ 2,501,000	\$ 462,924	\$ 7,469,000	\$ 2,164,294

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2023

General Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
General Bonds	9/1/2024	\$145,000	5.00%	
	9/1/2025	150,000	5.00%	
	9/1/2026	150,000	5.00%	
	9/1/2027	155,000	5.00%	
	9/1/2028	160,000	5.00%	
	9/1/2029	165,000	5.00%	
	9/1/2030	170,000	5.00%	
	9/1/2031	175,000	4.00%	
	9/1/2032	180,000	4.00%	
	9/1/2033	185,000	4.00%	<u>\$ 1,635,000</u>

Bond Anticipation Notes

<u>Purpose</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
Gifford Street Sidewalk Assessment	9/6/2024	\$ 10,000	4.25%	\$ 10,000
Morse Avenue Sidewalk Assessment	9/6/2024	74,000	4.25%	74,000
Manning Avenue Sidewalk Assessment	9/6/2024	99,000	4.25%	99,000
South Gifford Avenue Sidewalk Constructi	9/6/2024	120,000	4.25%	120,000
				<u>\$ 303,000</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2023

Water Utility Capital Fund

<u>Serial Bonds</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
General Bonds	11/15/2024	\$ 110,000	3.00%	
	11/15/2025	115,000	3.00%	
	11/15/2026	120,000	3.00%	
	11/15/2027	120,000	3.00%	
	11/15/2028	103,000	3.00%	\$ 568,000
General Bonds	9/1/2024	100,000	5.000%	
	9/1/2025	105,000	5.000%	
	9/1/2026	110,000	5.000%	
	9/1/2027	115,000	5.000%	
	9/1/2028	115,000	5.000%	
	9/1/2029	120,000	5.000%	
	9/1/2030	125,000	5.000%	
	9/1/2031	125,000	4.000%	
	9/1/2032	130,000	4.000%	
	9/1/2033	135,000	4.000%	
	9/1/2034	140,000	3.125%	
	9/1/2035	140,000	3.250%	
	9/1/2036	145,000	3.375%	
	9/1/2037	145,000	3.500%	
	9/1/2038	150,000	3.625%	
	9/1/2039	160,000	3.750%	
	9/1/2040	165,000	4.000%	
	9/1/2041	170,000	4.000%	
9/1/2042	180,000	4.000%		
9/1/2043	190,000	4.000%		
				<u>2,765,000</u>
				<u>\$ 3,333,000</u>
<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2023</u>
Water System Improvements	9/6/2024	\$ 200,000	4.25%	\$ 200,000
Water System Improvements	9/6/2024	200,000	4.25%	200,000
				<u>\$ 400,000</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Analysis of Debt Issued and Outstanding at December 31, 2023

Electric Utility Capital Fund

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2023</u>			
	<u>Date</u>	<u>Amount</u>		
General Bonds	11/15/2024	\$ 405,000	3.00%	
	11/15/2025	396,000	3.00%	\$ 801,000
General Bonds	9/1/2024	145,000	5.00%	
	9/1/2025	150,000	5.00%	
	9/1/2026	155,000	5.00%	
	9/1/2027	160,000	5.00%	
	9/1/2028	165,000	5.00%	
	9/1/2029	170,000	5.00%	
	9/1/2030	180,000	5.00%	
	9/1/2031	185,000	4.00%	
	9/1/2032	190,000	4.00%	
	9/1/2033	200,000	4.00%	
				<u>1,700,000</u>
				<u>\$ 2,501,000</u>
Total Debt Issued and Outstanding				<u>\$ 8,172,000</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2023, which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2024 are as follows:

Current Fund	\$ 1,250,000
Water Utility Operating Fund	153,896
Electric Utility Operating Fund	3,610,407

Note 4: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee’s Retirement System (PERS) or the State of New Jersey Police and Firemen’s Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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 the PERS, please refer to the Division’s annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

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.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members 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 reached the service retirement age for the respective tier.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. 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 provided 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 are adjusted by the rate of return on the actuarial value of assets.

Borough contributions to PERS amounted to \$797,892 for 2023. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$28,220 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability was \$9,048,924 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0625%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2023, the Borough recognized actual pension expense in the amount of \$797,892.

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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 a 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) 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' target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	\$ 11,779,774	\$ 9,048,924	\$ 6,724,610

Pension Plan Fiduciary Net Position

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

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), 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 the PFRS, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount.

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 provided an option for local employers of PFRS 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 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 amounts 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 the assets.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Borough contributions to PFRS amounted to \$681,536 for the year ended December 31, 2023. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$116,344 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of \$115,720.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability for its proportionate share of the net pension liability was \$5,521,142. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. 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 members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.05%, which was a decrease of 0.0024% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability to December 31, 2023 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,017,335 as of June 30, 2023. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Borough 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 members, actuarially determined. At June 30, 2023, the State's proportion was 0.05%, which was a decrease of 0.0024% from its proportion measured as of June 30, 2022 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 5,521,142
State's Proportionate Share of the Net Pension Liability Associated with the Borough	1,017,335
Total Net Pension Liability	\$ 6,538,477

For the year ended December 31, 2023 the Borough recognized total pension expense of \$681,536.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions (Cont'd)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) 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 PFRS' target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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 and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 9,110,222	\$ 6,538,477	\$ 4,396,827

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 4: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of \$2,174 for the year ended December 31, 2023. Employee contributions to DCRP amounted to \$10,770 for the year ended December 31, 2023.

Note 5: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Butler has elected not to defer school taxes.

Note 6: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$873,311 at December 31, 2023. This amount is not reported either as expenditure or a liability. It is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used.

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 7: Selected Tax Information (Cont'd)

A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid Taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	2023	2022 *	2021
<u>Tax Rate</u>	\$ 2.654	\$ 2.767	\$ 3.834
<u>Apportionment of Tax Rate</u>			
Municipal	0.727	0.760	1.035
County	0.264	0.263	0.354
Local School	1.663	1.744	2.445
<u>Assessed Valuations</u>			
2023	\$ 1,181,716,005		
2022		\$ 1,090,302,950	
2021			\$ 765,850,350

\* Revaluation of Property Taxes

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 31,431,995	\$ 31,241,630	99.39%
2022	30,507,520	30,151,146	98.83%
2021	29,744,380	29,234,754	98.28%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the investment section of this footnote.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of collected public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit, and

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L.1983 c.313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

As of December 31, 2023, cash and cash equivalents of the Borough of Butler consisted of the following:

<u>Fund</u>	Cash on Hand	Checking Accounts	NJ Cash Management Fund	Total
Current Fund	\$ 575	\$ 5,024,115	\$ 1,056,072	\$ 6,080,762
Animal Control Trust Fund	50	168		218
Other Trust Fund		1,166,108	12,005	1,178,113
General Capital Fund		83,374	1,674	85,048
Water Utility Operating Fund		331,233	16,344	347,577
Water Utility Capital Fund		238,769	3,080	241,849
Electric Utility Operating Fund	50	4,490,353	1,055,939	5,546,343
Electric Utility Capital Fund		780,474	5,375	785,849
Public Assistance Fund		8,559		8,559
	<u>\$ 675</u>	<u>\$ 12,123,153</u>	<u>\$ 2,150,489</u>	<u>\$ 14,274,317</u>

During the period ended December 31, 2023, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2023, was \$14,274,317 and the bank balance was \$14,394,292. The \$2,150,489 invested with the State of New Jersey Cash Management Fund is uninsured and unregistered.

Note 9: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey health benefits plan.

The Borough of Butler is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

The following coverages are offered by the fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Public Officials' Liability/Employment Practices Coverage
- f.) Environmental Coverage

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 9: Risk Management (Cont'd)

The fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

Selected summarized financial information as of December 31, 2023 is as follows:

Total Assets	<u>\$ 38,605,475</u>
Net Position	<u>\$ 14,033,264</u>
Total Revenue	<u>\$ 23,257,278</u>
Total Expenses	<u>\$ 19,399,812</u>
Change in Net Position	<u>\$ 3,533,220</u>
Members Dividends	<u>\$ 324,246</u>

Financial statements for the fund are available at the Office of the Executive Director:

Morris County Municipal Joint Insurance Fund  
PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, New Jersey 07054  
(201) 881-7632

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 and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough/ Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 8,347	\$ 92	\$ 3,232	\$ 48,283
2022	9,326	654	3,594	54,669
2023	10,001	2,075	3,351	63,394

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 10: Deferred Compensation Plan

The Borough of Butler offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by AXA Equitable, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheets at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 5,819	\$ 1,327,795
Federal and State Grand Fund	681,793	
Animal Control Fund	4	
Other Trust Funds		5,819
Assessment Trust Fund	645,998	680,534
General Capital Fund	680,534	
	<u>\$ 2,014,149</u>	<u>\$ 2,014,148</u>

The Borough utilizes the Current Fund as a clearing account for receipts and disbursements of the other funds. The Chief Financial Officer monitors all interfunds for these accounts and liquidates them on a monthly basis. The balances remaining at December 31, 2023, represent activity not liquidated by year end which will be subsequently liquidated in 2024.

Note 12: Commitments and Contingencies

The Borough is periodically involved in various lawsuits arising in the normal course of the Borough's operations including claims for property damage, personal injury and various contract disputes. The Borough vigorously contest these lawsuits and believes the ultimate resolution will not have a material adverse effect on the Borough's financial position and operations as of December 31, 2023.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 13: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 14: Fixed Assets

The following is a summarization of the activity of the Borough of Butler's fixed assets for the years ended December 31, 2023 and 2022:

	Balance Dec. 31, 2022	Additions	Adjustments/ Deletions	Balance Dec. 31, 2023
Land	\$ 5,171,063			\$ 5,171,063
Building and Building Improvements	33,460,525	\$ 143,389	\$ 417,671	34,021,585
Furniture, Equipment and Vehicles	9,511,668	202,203	(1,319,385)	8,394,486
Construction in Progress	224,000	193,671	(417,671)	
	<u>\$ 48,367,256</u>	<u>\$ 539,263</u>	<u>\$ (1,319,385)</u>	<u>\$ 47,587,134</u>
	Balance Dec. 31, 2021	Additions	Deletions	Balance Dec. 31, 2022
Land	\$ 5,171,063			\$ 5,171,063
Building and Building Improvements	33,008,787	\$ 451,738		33,460,525
Furniture, Equipment and Vehicles	9,367,742	152,148	\$ (8,222)	9,511,668
Construction in Progress		224,000		224,000
	<u>\$ 47,547,592</u>	<u>\$ 827,886</u>	<u>\$ (8,222)</u>	<u>\$ 48,367,256</u>

Note 15: Tax Abatements

Governmental Accounting Standards Board requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2023, the Borough provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Borough pursuant to the authority contained in Section 5 of the Senior Citizens Nonprofit Rental Housing Tax Law (N.J.S.A. 55:14I-5) (the "Law") and a resolution of the governing body dated December 18, 1990 and an agreement dated December 18, 1990. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Borough an annual service charge. The annual service charge made by the nonprofit corporation will be equal to 15% of the annual gross rents derived from such housing project as detailed in the tax abatement agreement. The tax abatement provided under the agreement shall be terminated when the nonprofit corporation or its successors and the development cease to remain subject to the provisions of the Law or a period of not more than 50 years from the effective date of the tax exemption, whichever event occurs first.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 15: Tax Abatements (Cont'd)

The Borough recognized revenue in the amount of \$80,194 from this annual service charge or payment in lieu of taxes which is recorded as a miscellaneous revenue anticipated in the Current Fund. The taxes which would have been paid on this property for 2023 without the abatement would have been \$286,306 of which \$78,427 would have been for the local municipal tax and minimum library tax.

Note 16: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage 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.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Benefits Provided (Cont'd)

Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

The Borough provides post-retirement benefits, as follows, to Borough employees, other than the Police, who meet the following criteria:

Upon retirement, full time employees with twenty-five (25) years in the State Pension Plan at age fifty-five (55) will receive full benefits, (i.e., Health Care, Major Medical, and Prescription plans) which will cover the retiring employee, their spouse and/or dependents.

The Police bargaining unit has negotiated the following benefits:

Police

Upon retirement, full time employees with twenty-five (25) years in the State Pension Plan will receive full benefits, (i.e., Health Care, Major Medical, prescription, dental, life insurance, vision and disability insurance plans) which will cover the retiring employee, their spouse and/or dependents.

Contributions

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.

Allocation Methodology

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 (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/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, 2021 through June 30, 2022. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

OPEB Expense

The Borough has rolled forward the net OPEB liability as of June 30, 2022 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2022 OPEB information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

At June 30, 2022, the Borough had a liability of \$19,302,642 for its proportionate share of the net OPEB liability. At June 30, 2022, the Borough's proportion was .11952% which was a decrease of .0046% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022 the Borough's OPEB benefit as determined by the State of New Jersey Division of Pensions and Benefits was \$242,807.

The Borough's actual post retirement payments in 2023 for 56 retiree employees were \$752,370.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years 2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 16.25% based on years of service

\* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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 6.25% for fiscal year 2023 and decreases to a 4.50% long term trend rate in 2030. For PPO post 65 medical benefits, the trend rate is -1.89% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For HMO Post 65 medical benefits, the trend rate is -1.99% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For prescription drug benefits, the trend rate is 8.00% for fiscal year 2023 and decreases to a 4.50% trend rate in 2030 and later.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond 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.

Sensitivity of the Net OPEB Liability Attributable to the Borough to Changes in the Discount Rate

The following presents the net OPEB Liability of the Township as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Net OPEB Liability Attributable to the Borough	\$ 22,375,648	\$ 19,302,642	\$ 16,830,121

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023  
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Sensitivity of the Net OPEB Liability Attributable to the Borough to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Borough as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Borough would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Borough	\$ 16,375,012	\$ 19,302,642	\$ 23,052,111

Note 17: Leases

The Borough entered into two lease agreements with the same entity for the lease of the Borough's cell towers. The terms of the leases are for 5 years in length with additional renewal terms of five years each. The total lease payments in 2023 were \$136,988.

BOROUGH OF BUTLER

SUPPLEMENTARY DATA

BOROUGH OF BUTLER  
ROSTER OF OFFICIALS  
YEAR ENDED DECEMBER 31, 2023

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

Name	Title	Amount of Bond
Ryan Martinez	Mayor	
Raymond Verdonik	Council President	
Alexander Calvi	Councilman	
Robert Fox	Councilman	
Robert Meier	Councilman	
Mark Piccirillo	Councilman	
Britni Morley	Councilwoman	
James Lampmann	Administrator	*
Brandi Greco	Clerk	*
James Kozimor	Chief Financial Officer	*
Cora Ashley	Tax Collector	**
	Supervisor of Utilities	
Pam Krattiger	Tax Clerk	*
John Gillooly	Tax Assessor	*
Robert H. Oostdyk, Jr.	Attorney	

\* Covered under a \$50,000.00 Public Employees Bond with the Morris County Municipal Joint Insurance Fund and \$950,000.00 Public Employees Bond with the Municipal Excess Liability Joint Insurance Fund.

\*\* \$50,000.00 Basic coverage with the Morris County Municipal Joint Insurance Fund and \$950,000.00 Excess coverage with the Municipal Excess Liability Joint Insurance Fund.

All bonds were examined and were properly executed.

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
CURRENT FUND

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 5,324,947.31
Increased by Receipts:		
Tax Collector	\$ 32,135,029.57	
Revenue Accounts Receivable	2,424,771.29	
Miscellaneous Revenue Not Anticipated	123,773.95	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	38,026.47	
Construction Code Fees Payable	12,536.00	
Marriage License Fees Payable	700.00	
Interest on Investments	216,537.02	
Gas Reimbursement Receipts	11,672.19	
Reserve for Sale of Municipal Assets	797.03	
Reserve for Garden State Preservation Trust	4,638.00	
Appropriation Refunds	307,468.00	
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable	320,145.83	
Unappropriated Reserves	20,108.13	
Animal Control Fund	217.22	
Other Trust Fund	28,756.55	
General Capital Fund	9,371.50	
Water Utility Operating Fund	164,052.27	
Trust Assessment Fund - Assessments Receivable	13,399.41	
Butler Library	392,279.76	
Due to Borough of Bloomingdale	780.50	
Sewer Charges	1,123,242.71	
Sewer Overpayments	2,027.92	
Reserve for Municipal Relief Fund aid	100,435.71	
		<u>37,450,767.03</u>
		42,775,714.34
Decreased by Disbursements:		
2023 Appropriation Expenditures	12,955,735.16	
2022 Appropriation Reserves	288,834.41	
Tax Overpayment Refunds	52,658.05	
Sewer Overpayment Refunds	845.62	
Third Party Liens	137,716.64	
Local School District Taxes	19,326,358.52	
County Taxes	3,134,675.55	
Due State of New Jersey:		
Marriage License Fees Payable	450.00	
Construction Code Fees Payable	11,944.00	
Gas Reimbursement Disbursements	10,896.15	
Refund of Prior Year Revenue - County Tax Board Appeal	40,076.89	
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserves	251,388.94	
Water Utility Operating Fund	100,000.00	
Butler Library	383,947.61	
		<u>36,695,527.54</u>
Balance December 31, 2023	A	<u>\$ 6,080,186.80</u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:			
Taxes Receivable	\$	31,398,462.79	
2024 Prepaid Taxes		437,530.14	
Interest and Costs on Taxes		90,348.17	
Third Party Liens		151,799.99	
Tax Overpayments		<u>56,888.48</u>	
			\$ 32,135,029.57
Decreased by:			
Payments to Treasurer			<u>\$ 32,135,029.57</u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE



BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec 31, 2022	2023 Levy	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec 31, 2023
			2022	2023				
2021	\$ 36,489.79		\$ 36,489.79					
2022	315,847.01		316,819.54		\$ (972.53)			
	352,336.80		353,309.33		(972.53)			
2023		\$ 31,431,995.04	\$ 158,412.50	31,045,153.46	38,064.38	\$ 17,435.67	\$ 10,151.55	\$ 162,777.48
	\$ 352,336.80	\$ 31,431,995.04	\$ 158,412.50	\$ 31,398,462.79	\$ 37,091.85	\$ 17,435.67	\$ 10,151.55	\$ 162,777.48

Ref. A

Analysis of 2023 Property Tax Levy

Tax Yield:									
General Purpose Tax		\$ 31,346,001.12							
Business Personal Property Taxes		16,741.56							
Added and Omitted Taxes		69,252.36							
				\$ 31,431,995.04					
Tax Levy:									
Local School District Taxes				\$ 19,644,861.00					
County Taxes		3,102,469.73							
Due County for Added and Omitted Taxes		6,881.24							
				3,109,350.97					
				22,754,211.97					
Minimum Library Tax				397,785.00					
Local Tax for Municipal Purposes									
Levied		8,208,003.69							
Add: Additional Tax Levied		71,994.38							
				8,279,998.07					
				\$ 31,431,995.04					

A

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 72,688.74
Increased by:		
Transfer from Taxes Receivable		<u>10,151.55</u>
Balance December 31, 2023	A	<u><u>\$ 82,840.29</u></u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec 31, 2022</u>	<u>Accrued</u> <u>in 2023</u>	<u>Received</u> <u>in 2023</u>	<u>Balance</u> <u>Dec 31, 2023</u>
Clerk:				
Alcoholic Beverages Licenses		\$ 17,375.78	\$ 17,375.78	
Other Licenses		14,970.00	14,970.00	
Fees and Permits		3,485.00	3,485.00	
Construction Code Official:				
Fees and Permits		186,097.00	186,097.00	
Municipal Court:				
Fines and Costs	\$ 5,208.83	77,015.27	77,128.14	\$ 5,095.96
Police:				
Fees and Permits		7,537.00	7,537.00	
Tax Searches:				
Fees and Permits		10.00	10.00	
Energy Receipts Taxes		969,558.00	969,558.00	
Zoning Rent Registration		20,600.00	20,600.00	
Utility Operating Surplus of Prior Year		200,000.00	200,000.00	
Payments in Lieu of Taxes on State Exempt Property		80,193.96	80,193.96	
Uniform Fire Safety Act		23,842.48	23,842.48	
Library		47,500.00	47,500.00	
Interlocal Services Agreement - Pequannock River				
Basin Regional Sewerage Authority		36,980.25	36,980.25	
Cell Tower Rental		136,988.21	136,988.21	
Shared Services Agreement:				
Billing Services - Bloomingdale		58,888.09	58,888.09	
Dispatching Services - Kinnelon		32,300.00	32,300.00	
Dispatching Services - Riverdale		8,000.00	8,000.00	
Tax Collection Services - Riverdale		30,000.00	30,000.00	
Water Utility Services - Riverdale		35,150.00	35,150.00	
Pequannock River Basin Regional Sewerage Authority		143,865.08	143,865.08	
General Capital Fund - Fund Balance		20,000.00	20,000.00	
General Capital Fund - Reserve for Debt Service		15,463.00	15,463.00	
NJ Public Power Authority		258,839.30	258,839.30	
	<u>\$ 5,208.83</u>	<u>\$ 2,424,658.42</u>	<u>\$ 2,424,771.29</u>	<u>\$ 5,095.96</u>

Ref.

A

A

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF SEWER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 24,139.76
Increased by:		
Sewer Billings		<u>1,120,357.89</u>
		1,144,497.65
Decreased by:		
Sewer Collections	\$ 1,123,242.71	
Overpayments Applied	<u>1,837.52</u>	
		<u>1,125,080.23</u>
Balance December 31, 2023	A	<u><u>\$ 19,417.42</u></u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec 31, 2022</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Government:				
Administrative and Executive:				
Salaries and Wages	\$ 3,035.76	\$ 3,035.76		\$ 3,035.76
Other Expenses	1,212.67	1,212.67	\$ 1,158.37	54.30
Mayor and Council:				
Salaries and Wages	2,586.84	2,586.84		2,586.84
Other Expenses	14.97	44.97	40.00	4.97
Municipal Clerk:				
Salaries and Wages	11,025.28	11,025.28		11,025.28
Other Expenses	378.76	378.76	376.55	2.21
Other Expenses - Codification	500.00	500.00		500.00
Assessment of Taxes:				
Salaries and Wages	29.36	29.36		29.36
Other Expenses	22,267.42	7,267.42	3,100.00	4,167.42
Collection of Taxes:				
Salaries and Wages	4,649.82	4,649.82	1,841.11	2,808.71
Other Expenses	162.97	162.97	106.30	56.67
Financial Administration:				
Salaries and Wages	478.28	478.28		478.28
Other Expenses	0.57	925.57	912.46	13.11
Legal Services and Costs:				
Other Expenses	13,615.37	6,115.37	3,345.72	2,769.65
Engineering Services and Costs:				
Other Expenses	2,084.75	2,084.75		2,084.75
Public Buildings and Grounds:				
Salaries and Wages	1,213.20	1,213.20		1,213.20
Other Expenses	13,999.59	13,999.59	3,471.01	10,528.58
Municipal Land Use Law:				
Planning Board:				
Salaries and Wages	4.04	4.04		4.04
Other Expenses	8,343.72	1,488.72	1,410.00	78.72

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec 31, 2022</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Insurance:				
General Liability	\$ 21.00	\$ 21.00		\$ 21.00
Fireman's	6,158.71	6,158.71		6,158.71
Workmen's Compensation	1,229.00	1,229.00		1,229.00
Employee Group Health	947.93	2,747.93	\$ 2,733.52	14.41
Unemployment	192.18	192.18		192.18
Disability Insurance	1,000.00	1,000.00		1,000.00
Fire:				
Salaries and Wages	1,855.00	1,855.00		1,855.00
Other Expenses	25,777.31	28,677.31	28,673.74	3.57
First Aid Organization Contribution				
Other Expenses	0.52	0.52		0.52
Zoning Officer:				
Salaries and Wages	4.62	4.62		4.62
Other Expenses	255.00	255.00		255.00
Police:				
Salaries and Wages	37,578.20	58,578.20	58,113.76	464.44
Other Expenses	66,557.42	66,557.42	53,460.92	13,096.50
Emergency Management Services:				
Salaries and Wages	2,287.00	2,287.00		2,287.00
Other Expenses	2,000.00	2,000.00		2,000.00
Public Works:				
Road Repairs and Maintenance:				
Salaries and Wages	9,696.94	9,696.94	454.23	9,242.71
Other Expenses	53,462.31	53,462.31	34,143.46	19,318.85
Sewer System:				
Salaries and Wages	7,155.36	7,155.36		7,155.36
Other Expenses	3,721.50	3,721.50		3,721.50
Garbage and Trash Removal:				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	113,896.83	113,896.83	76,036.16	37,860.67
Vehicle Maintenance:				
Salaries and Wages	2,025.00	2,025.00		2,025.00
Other Expenses	5,417.05	5,417.05	2,074.63	3,342.42

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec 31, 2022</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Recreation Program:				
Salaries and Wages	\$ 2,387.68	\$ 2,387.68		\$ 2,387.68
Other Expenses	15,291.52	15,291.52	\$ 7,131.79	8,159.73
Health Department:				
Salaries and Wages	885.46	885.46		885.46
Other Expenses	2,953.39	2,953.39	273.64	2,679.75
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	1,729.76	1,729.76	20.48	1,709.28
Museum:				
Other Expenses	3,606.52	3,606.52	670.04	2,936.48
Dial-A-Ride:				
Salaries and Wages	1,494.36	1,494.36		1,494.36
Other Expenses	1.00	1.00		1.00
Senior Advisory:				
Other Expenses	1,439.65	1,439.65		1,439.65
Unclassified Expenditures:				
Electricity	8,996.37	8,996.37		8,996.37
Telephone	1,797.00	1,797.00	122.70	1,674.30
Water	4,405.29	4,405.29	1,894.31	2,510.98
Fuel Oil	6,056.24	6,056.24	197.99	5,858.25
Gasoline	5,237.34	7,937.34	7,933.42	3.92
Contribution to :				
Public Employees' Retirement System	0.46	0.46		0.46
Social Security System (O.A.S.I)	279.35	279.35		279.35
Defined Contribution Retirement Program	1,875.72	1,875.72		1,875.72
Aid to Free Public Library (N.J.S.A. 40:54-35)	0.16	0.16		0.16
Shared Service Agreements -				
Billing Services - Bloomingdale:				
Salaries and Wages	2,008.98	2,008.98		2,008.98
Other Expenses	6,585.34	6,585.34		6,585.34
Construction Code Official- Bloomingdale:				
Other Expenses	1,024.87	1,024.87	138.10	886.77

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec 31, 2022</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Shared Service Agreements -				
Dispatching Services - Riverdale:				
Salaries and Wages	\$ 4,300.00	\$ 4,300.00		\$ 4,300.00
Water Billing Services - Riverdale:				
Salaries and Wages	11.84	11.84		11.84
Other Expenses	12,085.34	12,085.34		12,085.34
Tax Collection Services - Riverdale:				
Salaries and Wages	612.74	612.74		612.74
Other Expenses	8,500.00	8,500.00		8,500.00
Pequannock River Basin Regional Sewerage Authority:				
Other Expenses	12.29	12.29		12.29
Bloomingdale Fire Inspection Services:				
Other Expenses	0.75	0.75		0.75
New Jersey Public Power Authority				
Other Expenses	15.70	15.70		15.70
	<u>\$ 520,937.37</u>	<u>\$ 520,937.37</u>	<u>\$ 289,834.41</u>	<u>\$ 231,102.96</u>

Analysis of Balance December 31, 2022

Ref.

Encumbered	A	\$ 110,332.73
Unencumbered	A	<u>410,604.64</u>
		<u>\$ 520,937.37</u>



BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 306,237.52
Increased by:		
Levy - Calendar Year 2023		19,644,861.00
		<u>19,951,098.52</u>
Decreased by:		
Payments to Local School District		19,326,358.52
		<u>19,326,358.52</u>
Balance December 31, 2023	A	<u>\$ 624,740.00</u>

BOROUGH OF BUTLER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Grant	Balance Dec 31, 2022	2023 Realized Revenue	2023 Receipts	Transferred from Unappropriated Reserves	Balance Dec 31, 2023
Safe and Secure Communities Program		\$ 32,400.00	\$ 24,300.00		\$ 8,100.00
Municipal Alliance on Alcoholism and Drug Abuse - DEDR	\$ 7,286.51		3,784.24		3,502.27
Municipal Alliance on Alcoholism and Drug Abuse - DARE Program	2,050.00				2,050.00
Municipal Alliance on Alcoholism and Drug Abuse - Supplemental Funding	2,464.43				2,464.43
Body Armor Replacement Fund	1,596.12	3,984.48	2,625.00	\$ 1,359.48	1,596.12
Pearl, Mabey, Hasbrouck DOT Grant	106,826.41		106,826.41		
Recycling Tonnage Grant		10,002.18	10,002.18		
Body Worn Camera Grant	32,608.00		32,608.00		
Community Development Block Grant - Bellevue Avenue Water Main		125,000.00	125,000.00		
NJ Mental Health and Addiction Services	3,900.00	16,554.24			3,900.00
Clean Communities Program		25,000.00	15,000.00	16,554.24	10,000.00
NJ DEP Stormwater Assistance Grant					
	<u>\$ 156,731.47</u>	<u>\$ 212,940.90</u>	<u>\$ 320,145.83</u>	<u>\$ 17,913.72</u>	<u>\$ 31,612.82</u>

Ref.

A

A

BOROUGH OF BUTLER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES

<u>Grant</u>	<u>Balance Dec 31, 2022</u>	<u>Cash Received</u>	<u>Transferred to Grants Receivable</u>	<u>Transferred to Current Fund</u>	<u>Balance Dec 31, 2023</u>
Body Armor Replacement Fund	\$ 1,359.48	\$ 1,523.81	\$ 1,359.48		\$ 1,523.81
Clean Communities Program	16,554.24	18,584.32	16,554.24		18,584.32
American Rescue Plan	701,133.12			\$ 260,000.00	441,133.12
	<u>\$ 719,046.84</u>	<u>\$ 20,108.13</u>	<u>\$ 17,913.72</u>	<u>\$ 260,000.00</u>	<u>\$ 461,241.25</u>
<u>Ref.</u>	A				A

BOROUGH OF BUTLER  
FEDERAL AND STATE GRANT FUND  
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2022	Transferred From 2023 Budget Appropriations	Paid or Charged	Balance Dec 31, 2023
Drunk Driving Enforcement Fund	\$ 34,661.59		\$ 3,572.54	\$ 31,089.05
Body Armor Replacement Fund		\$ 1,359.48		1,359.48
Clean Communities Program	75,299.89	16,554.24	7,334.20	84,519.93
Alcohol Education Rehabilitation Fund	926.41		600.00	326.41
Municipal Alliance on Alcoholism Supplemental Funding	4,000.00		1,810.13	2,189.87
Municipal Alliance on Alcoholism and Drug Abuse - DEDR Program	577.87		577.87	
Recycling Tonnage Grant	96,596.43	10,002.18	1,993.52	104,605.09
Safe and Secure Communities		32,400.00	32,400.00	
Body Armor Replacement Fund		2,625.00		2,625.00
Community Development Block Grant - Bellevue Avenue Water Main		125,000.00	125,000.00	
NJ DEP Stormwater Assistance Grant		25,000.00		25,000.00
Pearl, Mabey, Hasbrouck DOT Grant	78,100.68		78,100.68	
NJ Mental Health and Addiction Services	195.00			195.00
Reserve for Stormwater Management Grant	255.00			255.00
	<u>\$ 290,612.87</u>	<u>\$ 212,940.90</u>	<u>\$ 251,388.94</u>	<u>\$ 252,164.83</u>
<u>Ref.</u>	A			A

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
TRUST FUNDS

BOROUGH OF BUTLER  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2022	B	\$ 154.39	\$ 1,251,619.09
Increased by Receipts:			
Animal Control Fees	\$	6,384.00	
Due to State Board of Health		897.00	
Miscellaneous		490.00	
Due from Current Fund:			
Interest Earned		213.62	
Recreation Receipts			\$ 134,578.31
Tax Sale Premiums			139,600.00
Parking Offense Adjudication Fees			62.00
Unemployment Insurance Deposits			12,076.58
Special Deposits:			
Interest Earned			14,691.73
Special Deposits Receipts			304,335.05
		<u>7,984.62</u>	<u>605,343.67</u>
		8,139.01	1,856,962.76
Decreased by Disbursements:			
State Board of Health		900.60	
Expenditures Under R.S. 4:19-15.11		6,853.18	
Due to Current Fund		217.22	
Special Deposit Expenditures			28,756.55
Tax Sale Premiums Refunded			190,442.13
State Unemployment Insurance Expenditures			321,000.00
Recreation Expenditures			3,351.32
		<u>7,971.00</u>	<u>678,850.17</u>
Balance December 31, 2023	B	<u>\$ 168.01</u>	<u>\$ 1,178,112.59</u>

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

	Balance	Transfers		Balance
	(Deficit)	From	To	(Deficit)
	<u>Dec 31, 2022</u>			<u>Dec 31, 2023</u>
Fund Balance	\$ 19,984.00			\$ 19,984.00
Due From Current Fund	(632,598.84)	\$ 13,399.41		(645,998.25)
Assessment Serial Bonds:				
Ord. #91-13 Various Sidewalk Improvements	(13,982.00)			(13,982.00)
Due General Capital Fund:				
Ord. #93-10 Various Sidewalk Improvements	53,523.49			53,523.49
Ord. #92-14 Improvements to Senior Citizen Housing	4,590.90			4,590.90
Ord. #94-11 Improvements to Carey Avenue, Robert Street and High St.	33,363.87			33,363.87
Ord. #95-09 Improvements to Carey Avenue	70,160.75			70,160.75
Ord. #97-02 Improvements to Sanitary Sewer System	8,402.67			8,402.67
Ord. #98-03 Improvements to High Street Roadway and Sidewalk	64,237.41			64,237.41
Ord. #98-33 Improvements to George Street, William Street and Central Street	52,003.53			52,003.53
Ord. #99-7, 99-11 Improvements to Arch Street	106,909.84			106,909.84
Ord. #2010-5 Improvements to Myrtle Ave	57,978.36			57,978.36
Ord. #2016-17 Improvements to Gifford Street Sidewalk	26,320.57		\$ 2,964.88	29,285.45
Ord. #2017-12 Morse Avenue Sidewalk	76,496.60		5,055.08	81,551.68
Ord. #2020-30 2nd, 3rd, Manning, Short & Main Sidewalk	72,608.85		5,379.45	77,988.30
	<u>\$ -0-</u>	<u>\$13,399.41</u>	<u>\$ 13,399.41</u>	<u>\$ -0-</u>

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

Ord. No.	Improvement Description	Date of Confirmation	Annual Installments	Balance		Collected in Current Fund	Balance Dec 31, 2023	Balance Pledged to	
				Dec 31, 2022	Dec 31, 2023			General Fund	Capital Fund
2016-17	Gifford Street Sidewalk	10/17/2017	10	\$ 8,086.09	\$ 5,121.21	\$ 2,964.88	\$ 5,121.21	\$	5,121.21
2017-12	Morse Avenue Sidewalk	02/19/2019	10	10,269.76	5,214.68	5,055.08	5,214.68		5,214.68
2019-15	2nd, 3rd, Manning Short and Main Sidewalk	02/18/2020	10	35,581.12	30,201.67	5,379.45	30,201.67		30,201.67
				\$ 53,936.97	\$ 40,537.56	\$ 13,399.41	\$ 40,537.56	\$	40,537.56

Ref.

B

B

B



BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF AMOUNTS TO BE RAISED BY TAXATION - FUNDED BY ASSESSMENT BONDS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31,</u>	
		<u>2023</u>	<u>2022</u>
91-13	Various Sidewalk Improvements	\$ 13,982.00	\$ 13,982.00
	<u>Ref.</u>	B	B

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF AMOUNTS TO BE RAISED BY TAXATION  
- FUNDED BY BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF BUTLER  
ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>		
Balance December 31, 2022	B	\$	142.39
Increased by:			
Animal License Fees Collected		\$	6,384.00
Late Fees			475.00
Replacement Fees			5.00
Miscellaneous			10.00
			6,874.00
			7,016.39
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11			6,853.18
			6,853.18
Balance December 31, 2023	B	\$	163.21

License Fees Collected

<u>Year</u>		<u>Amount</u>
2021	\$	6,457.60
2022		6,327.80
		6,327.80
Maximum Allowable Reserve	\$	12,785.40

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
GENERAL CAPITAL FUND

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 507,946.75
Increased by Receipts:		
Received from Current Fund Budget Appropriation:		
Capital Improvement Fund	\$ 157,500.00	
Payment of Bond Anticipation Notes	182,750.00	
Interest Earned on Investments - Due to Current Fund	9,371.50	
NJ Department of Transportation - Grant Receivable	224,790.00	
NJ Department of Community Affairs - Grant Receivable	75,000.00	
Serial Bond Proceeds - Reserve to Pay Debt Service	120,000.00	
Premium on Bond Sale	1,727.03	
Serial Bonds Issued	1,635,000.00	
Bond Anticipation Notes Issued	303,000.00	
	2,709,138.53	
		3,217,085.28
Decreased by Disbursements:		
Improvement Authorization Expenditures	1,156,452.90	
Bond Anticipation Notes Matured	1,930,750.00	
Due to Current Fund	9,371.50	
Due to Current Fund as Anticipated Revenue:		
Reserve to Pay Debt Service	15,463.00	
Fund Balance	20,000.00	
	3,132,037.40	
Balance December 31, 2023	C	\$ 85,047.88



BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Serial Bonds Issued	Funded by Budget Appropriation	Funded by Reserve for Payment of Debt Service	Department of Transportation Grant Cancelled	Balance Dec. 31, 2023	Bond Anticipation Notes	Analysis of Balance December 31, 2023	
										Expenditures	Unexpended Improvement Authorizations
<b>General Improvements:</b>											
16-13	Improvements to Various Roads	\$ 157,500.00	\$ 37,750.00	\$ 119,750.00	\$ 37,750.00			\$ 94,574.26	\$ 10,000.00	\$ 94,574.26	
18-12	Improvements to Various Roads	259,000.00	30,000.00	229,000.00	30,000.00				74,000.00		
18-16	Acquisition of Equipment for the Fire Department	816,250.00	75,000.00	621,250.00	75,000.00	120,000.00	21,713.10	21,713.10	99,000.00		
21-03	Improvements to Western Avenue								120,000.00		
22-11	Construction of Playground	475,000.00		475,000.00							
<b>General and Local Improvements:</b>											
16-17	Gifford Street Sidewalk Assessment	20,000.00			10,000.00			10,000.00	\$ 10,000.00		
17-12	Construction of Sidewalks Along Morse Avenue	94,000.00			20,000.00			74,000.00	74,000.00		
19-15	Construction of Sidewalks Along Various Roads	109,000.00			10,000.00			99,000.00	99,000.00		
23-05	Construction of Sidewalks Along South Gifford Avenue		\$ 310,000.00					120,000.00	120,000.00		
		<u>\$ 1,930,750.00</u>	<u>\$ 310,000.00</u>	<u>\$ 1,635,000.00</u>	<u>\$ 182,750.00</u>	<u>\$ 120,000.00</u>	<u>\$ 116,287.36</u>	<u>\$ 419,287.36</u>	<u>\$ 303,000.00</u>	<u>\$ 116,287.36</u>	<u>\$ -0-</u>

Ref.

C

C

Improvement Authorization Unfunded  
Less: Unexpended Proceeds - Bond Anticipation Notes:  
Ordinance #23-05

\$ 11,411.26  
11,411.26  
\$ -0-



BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

**BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

2023 Improvement Authorizations

Ord. No.	Improvement Description	Date	Ordinance Amount		Balance Dec. 31, 2022		Capital Improvement Fund	Department of Transportation Grant	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2023	
			Funded	Unfunded	Funded	Unfunded						Funded	Unfunded
<b>General Improvements:</b>													
16-07	Improvements to Buildings and Grounds	05/17/16	\$ 38,000.00		\$ 4,366.56					\$ 4,366.56			
17-04	Improvements to Buildings and Grounds	04/18/17	172,000.00		14,624.72					14,624.72			
17-14	Improvements to Sewer Pump Stations	12/19/17	150,000.00		39,500.78							\$ 39,500.78	
18-07	Improvements to Buildings and Grounds	05/15/18	56,500.00		2,673.16							2,673.16	
19-05	Improvements to Buildings and Grounds	05/21/19	70,000.00		63,977.40					2,600.00		61,377.40	
19-06	Acquisition of Equipment for Fire Department	05/21/19	20,000.00		3,912.36					3,912.36			
20-12	Improvements to Maple Lake Road	08/18/20	345,000.00		164,671.90					5,407.95	\$ 159,263.95		
21-06	Purchase of Fire Department Utility Vehicle	04/20/21	45,000.00		476.70					476.70			
21-08	Purchase of Streets and Roads Equipment	05/18/21	30,000.00		30,000.00							30,000.00	
21-09	Acquisition of Equipment for Police Department	05/18/21	64,000.00		12,421.50					10,985.00		1,436.50	
21-10	Acquisition of Equipment for Fire Department	05/18/21	25,000.00		21,894.00					11,534.88		10,359.12	
21-11	Improvements to Buildings and Grounds	05/18/21	26,500.00		26,500.00					26,500.00			
21-12	Improvements to Sewer System	05/18/21	35,000.00		35,000.00					5,611.67		29,388.33	
22-06	Purchase of Police Equipment	05/17/22	38,000.00		38,000.00					37,970.00		30.00	
22-08	Improvements to Various Roads	05/17/22	250,000.00		55,018.13					55,018.13		167,873.29	
22-11	Construction of Playground	06/21/22	650,000.00			\$ 424,456.18							
23-08	Purchase of Police Equipment	05/16/23	31,250.00			\$ 31,250.00				31,250.00			
23-09	Improvements to Various Roads	05/16/23	125,000.00			125,000.00						125,000.00	
23-14	Purchase of Vehicle	12/19/23	32,000.00			32,000.00				31,500.00		500.00	
<b>General and Local Improvements:</b>													
23-05	Construction of Sidewalks Along South Gifford Avenue	05/16/23	670,000.00			60,280.00	\$ 299,720.00	\$ 310,000.00		658,588.74			\$ 11,411.26
			Ref.		\$ 513,037.21	\$ 424,456.18	\$ 248,530.00	\$ 299,720.00	\$ 310,000.00	\$ 1,156,452.90	\$ 159,740.65	\$ 468,138.58	\$ 11,411.26
					C	C	C	C	C	C	C	C	C

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 115,671.21
Increased by:		
Current Fund Budget Appropriation		\$ 157,500.00
Improvement Authorizations Cancelled		<u>476.70</u>
		<u>157,976.70</u>
		<u>273,647.91</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>248,530.00</u>
Balance December 31, 2023	C	<u><u>\$ 25,117.91</u></u>

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Original Amount Issued	Date of			Interest Rate	Balance Dec. 31, 2022	Matured	Balance Dec. 31, 2023
			Issue of Original Note	Issue	Maturity				
16-13	Improvements to Various Roads	\$ 495,000.00	09/15/16	09/08/22	09/08/23	3.75%	\$ 157,500.00	\$ 157,500.00	
16-17	Gifford Street Sidewalk Assessment	57,100.00	09/15/16	09/08/22	09/08/23	3.75%	20,000.00	20,000.00	
			09/07/23	09/06/24	09/06/24	4.25%	\$ 10,000.00	\$ 10,000.00	
18-12	Improvements to Various Roads	324,000.00	09/13/18	09/08/22	09/08/23	3.75%	259,000.00	259,000.00	
17-12	Construction of Sidewalks Along Morse Avenue	114,000.00	09/12/19	09/08/22	09/08/23	3.75%	94,000.00	94,000.00	
			09/07/23	09/06/24	09/06/24	4.25%	74,000.00	74,000.00	
18-16	Purchase Fire Truck	950,000.00	09/12/19	09/08/22	09/08/23	3.75%	816,250.00	816,250.00	
19-15	Construction of Sidewalks Along Various Roads	119,000.00	09/12/19	09/08/22	09/08/23	3.75%	109,000.00	109,000.00	
			09/07/23	09/06/24	09/06/24	4.25%	99,000.00	99,000.00	
22-11	Construction of Playground	475,000.00	09/08/22	09/08/22	09/08/23	3.75%	475,000.00	475,000.00	
23-05	Construction of Sidewalks Along South Gifford Avenue	120,000.00	09/07/23	09/07/23	09/06/24	4.25%		120,000.00	
							<u>\$ 1,930,750.00</u>	<u>\$ 1,930,750.00</u>	<u>\$ 303,000.00</u>
							Ref.	C	C
							Renewals \$ 183,000.00	\$ 183,000.00	
							New Issues 120,000.00		
							Serial Bonds Issued 1,565,000.00	1,565,000.00	
							Paid by Budget Appropriation 182,750.00	182,750.00	
							<u>\$ 303,000.00</u>	<u>\$ 1,930,750.00</u>	<u>\$ 303,000.00</u>

BOROUGH OF BUTLER  
 GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
			Date	Outstanding December 31, 2023 Amount	Interest Rate	Balance Dec. 31, 2022				
General Bonds	05/22/13	\$ 4,230,000.00				\$ 465,000.00		\$ 465,000.00		
General Bonds	9/7/2023	1,635,000.00	9/1/2024	\$ 145,000.00	5.00%					
			9/1/2025	150,000.00	5.00%					
			9/1/2026	150,000.00	5.00%					
			9/1/2027	155,000.00	5.00%					
			9/1/2028	160,000.00	5.00%					
			9/1/2029	165,000.00	5.00%					
			9/1/2030	170,000.00	5.00%					
			9/1/2031	175,000.00	4.00%					
			9/1/2032	180,000.00	4.00%					
			9/1/2033	185,000.00	4.00%		\$ 1,635,000.00		\$ 1,635,000.00	
						\$ 465,000.00	\$ 1,635,000.00	\$ 465,000.00	\$ 1,635,000.00	

Ref.

C

C

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2023

Ord. No.	Improvement Description	2023 Authorizations	Bond Anticipation Notes Issued	Serial Bonds Issued	Department of Transportation Grant Cancelled	Balance Dec 31, 2023
	<u>General Improvements:</u>					
18-12	Improvements to Various Roads				\$ 94,574.26	\$ 94,574.26
21-03	Improvements to Western Avenue				21,713.10	21,713.10
	<u>General and Local Improvements:</u>					
23-05	Construction of Sidewalks Along South Gifford Avenue	\$ 310,000.00	\$ 120,000.00	\$ 190,000.00		
		<u>\$ 310,000.00</u>	<u>\$ 120,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 116,287.36</u>	<u>\$ 116,287.36</u>

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
WATER UTILITY FUND

BOROUGH OF BUTLER  
WATER UTILITY FUND  
SCHEDULE OF CASH-TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	D	\$ 304,978.12	\$ 319,955.75
Increased by Receipts:			
Consumer Accounts Receivable		\$ 2,042,323.39	
Fire Hydrant Service		21,000.00	
Capital Fund Balance		23,615.00	
Bloomingdale Water Supply Agreement		332,708.48	
Water Rent Overpayments		18,744.75	
Interest on Investments		4,794.80	\$ 9,253.56
Miscellaneous Revenue		23,802.42	
Due to Water Utility Capital Fund		9,253.56	
Due from Federal and State Grant Fund			100,000.00
Meter Deposits		28,015.93	
Appropriation Refunds		58,000.00	
Received from Water Utility Operating Fund Budget Appropriation:			
Capital Improvement Fund			10,000.00
Serial Bond Proceeds - Reserve to Pay Debt Service			83,475.00
Premium on Bond and Note Sale			2,799.65
Serial Bonds Issued			2,765,000.00
Bond Anticipation Notes Issued			400,000.00
		<u>2,562,258.33</u>	<u>3,370,528.21</u>
		2,867,236.45	3,690,483.96
Decreased by Disbursements:			
2023 Appropriation Expenditures		2,214,850.45	
2022 Appropriation Reserves		3,825.28	
Interest on Bonds and Notes		127,774.09	
Refund of Water Rent Overpayments		186.35	
Meter Deposit Refunds		8,971.12	
Due to Water Utility Operating Fund - Fund Balance			23,615.00
Utilized as Anticipated Revenue		164,052.27	
Due to Current Fund			
Due to Water Utility Operating Fund:			
Interest on Investments			9,253.56
Bond Anticipation Notes Matured			2,948,475.00
Improvement Authorizations			467,291.47
		<u>2,519,659.56</u>	<u>3,448,635.03</u>
Balance December 31, 2023	D	<u>\$ 347,576.89</u>	<u>\$ 241,848.93</u>



BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
ANALYSIS OF WATER CAPITAL CASH

Ord. No.	Balance (Deficit) Dec. 31, 2022	Receipts				Disbursements			Transfers		Balance (Deficit) Dec. 31, 2023	
		Bond Anticipation Notes	Serial Bonds	Budget Appropriation	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 24,050.68				\$ 2,799.65						\$ 3,235.33	
Due to Water Utility Operating Fund	(100,000.00)				9,253.56							
Due from Federal and State Grant Fund	(2,990.17)				100,000.00							
Community Development Block Grant Receivable	4,332.51			\$ 10,000.00							(2,990.17)	
Capital Improvement Fund									\$ 83,475.00		14,332.51	
Reserve to Pay Debt Service												
Ord. No.	General Improvements											
12-09	Improvements to Municipal Buildings and Grounds	814.52										814.52
13-06	Improvement of Water Supply and Distribution System					\$ 282,030.00						
14-07	Improvement to Water System					415,600.00						
15-04	Water System Improvements	15,522.40				421,000.00		\$ 12,985.83				2,536.57
16-11	Improvement of Water Supply and Distribution	5,767.26				110,682.00		1,936.80				3,830.46
17-10	Water System Improvements	2,661.75				428,408.00						2,661.75
18-11	Improvements to Water System	122,662.87				388,280.00						21,838.43
19-10	Improvements to Water System	2,588.96				619,000.00		100,824.44		\$ 83,475.00		2,588.96
20-09	Purchase of a Backhoe	912.72										912.72
22-07	Improvements to Water System	10,000.00										10,000.00
22-10	Improvements to Water System	133,632.25				200,000.00		133,632.25				6,422.50
22-12	Purchase of Water Meters	100,000.00				200,000.00		93,577.50				10,000.00
23-07	Improvements to Water System					100,000.00		124,334.65				175,665.35
		\$ 319,955.75	\$ 400,000.00	\$ 10,000.00	\$ 195,528.21	\$ 2,948,475.00	\$ 467,291.47	\$ 32,868.56	\$ 83,475.00	\$ 83,475.00	\$ 241,848.93	

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 88,084.56
Increased by:		
Water Rents Levied		1,991,878.11
		2,079,962.67
Decreased by:		
Collections:		
Water Collections	\$ 2,042,323.39	
Overpayments Applied	10,139.34	
		2,052,462.73
Balance December 31, 2023	D	\$ 27,499.94

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 183,270.40
Net Inventory Decrease		<u>25,752.66</u>
Balance December 31, 2022	D	<u>\$ 157,517.74</u>

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2022	Additions	Balance Dec. 31, 2023
Fixed Capital Prior to September 15, 1931	\$ 275,000.00		\$ 275,000.00
Engineering	9,096.15		9,096.15
Organization	3,179.87		3,179.87
Transmission Mains and Accessories	629,234.25		629,234.25
Distribution Mains and Accessories	120,437.02		120,437.02
Structures	36,612.95		36,612.95
Water Treatment Equipment	57,512.39		57,512.39
Water Meters	660,276.34		660,276.34
Service Pipes and Stops	82,587.09		82,587.09
General Equipment	389,542.99		389,542.99
Reservoir	205,590.56		205,590.56
Screen House	1,592.60		1,592.60
Filter Plant	2,584,867.29		2,584,867.29
Office Furniture and Equipment	24,546.19		24,546.19
Storage Tank and Pump House	562,542.54		562,542.54
Land and Land Rights:			
Source of Supply Plant	118,919.44		118,919.44
Water Treatment Plant	1,500.00		1,500.00
Transmission and Distribution Plant	7,698.72		7,698.72
Administration Office	23,000.00		23,000.00
Dam Study	4,000.00		4,000.00
Construction of Intake Structure	74,306.92		74,306.92
Various Improvements Ord. #81-19;88-17;89-16;99-14; #90-20;95-05,05-11,07-18;09-05;07-22;14-07	2,253,757.12		2,253,757.12
Filter and Clarifier Plant Roof Repairs	39,080.27		39,080.27
Water Main Installation	52,906.55		52,906.55
Guenter Street Road Improvements	13,541.71		13,541.71
Water Main Replacement	1,116,629.19		1,116,629.19
Rehabilitation of Filters	63,329.21		63,329.21
Soil and Ground Water Remediation	30,000.00		30,000.00
Replacement of Reservoir Fuel Tank	10,000.00		10,000.00
Garage Exhaust Emissions System	1,806.00		1,806.00
Cook Street and Boonton Avenue Water Improvements	24,899.63		24,899.63
Homestead Avenue Water Main Renovations	61,861.04		61,861.04
Purchase of Security System for Municipal Building	3,000.00		3,000.00
Data Processing Equipment	7,498.41		7,498.41
Employee Time Keeping System	3,729.41		3,729.41
Vehicles	420,349.52		420,349.52
Automated Envelope Stuffer	1,000.00		1,000.00
Upgrade of Elevator at Kakeout Dam Water Plant	10,000.00		10,000.00
Acquisition of Server and Related Software	2,500.00		2,500.00
Acquisition and Installation of Police Emergency Generator	24,000.00		24,000.00

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2022	Additions	Balance Dec. 31, 2023
Improvements to Municipal Buildings and Grounds	\$ 116,250.00		\$ 116,250.00
Improvements to Water Lines Ord. #02-29	40,000.00		40,000.00
Acquisition of Digital Imaging System Ord. #03-05	4,000.00		4,000.00
Improvements to Main Street	200,000.00		200,000.00
Improvements to Route 23	1,091,408.57		1,091,408.57
Removal of Lower Kakeout Dam	127,356.46		127,356.46
Acquisition of Automatic Chemical Feed	50,000.00		50,000.00
Acquisition and Replacement of Fire Hydrants	25,000.00		25,000.00
Improvements to High Street and Carey Avenue	500,000.00		500,000.00
Improvements of Water Supply and Distribution System	3,776,070.05	\$ 200,000.00	3,976,070.05
	<u>\$ 15,942,016.45</u>	<u>\$ 200,000.00</u>	<u>\$ 16,142,016.45</u>
	D		D

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ord. No.	Balance Dec.31, 2022	2023 Authorizations	Costs to		Balance Dec.31, 2023
				Fixed	Capital	
Improvements to Municipal Building and Grounds	12-09	\$ 15,000.00				\$ 15,000.00
Water System Improvements	15-04	450,000.00				450,000.00
Improvement of Water Supply and Distribution	16-11	120,000.00				120,000.00
Water System Improvements	17-10	477,500.00				477,500.00
Improvements to Water System	18-11	598,500.00				598,500.00
Improvements to Water System	19-10	666,200.00				666,200.00
Purchase of a Backhoe	20-09	25,000.00				25,000.00
Improvements to Water System	22-07	10,000.00				10,000.00
Improvements to Water System	22-10	200,000.00		\$ 200,000.00		100,000.00
Purchase of Water Meters	22-12	100,000.00				300,000.00
Improvements to Water System	23-07		\$ 300,000.00			
		\$ 2,662,200.00	\$ 300,000.00	\$ 200,000.00		\$ 2,762,200.00

Ref.

D

D

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Administration:				
Salaries and Wages	\$ 1.19	\$ 1.19		\$ 1.19
Other Expenses	665.38	1,925.38	\$ 1,630.12	295.26
Operations:				
Salaries and Wages	2,798.52	8.52		8.52
Other Expenses	996.00	3,256.00	2,195.16	1,060.84
Dispatching:				
Salaries and Wages	527.50	2.50		2.50
Group Health Insurance	65.57	0.57		0.57
Statutory Expenditures:				
Public Employees' Retirement System	0.36	0.36		0.36
Social Security System	13.91	13.91		13.91
Unemployment Compensation				
Insurance	146.08	6.08		6.08
	<u>\$ 5,214.51</u>	<u>\$ 5,214.51</u>	<u>\$ 3,825.28</u>	<u>\$ 1,389.23</u>

Ref.

Analysis of Balance December 31, 2022

Unencumbered	D \$ 4,873.49
Encumbered	D <u>341.02</u>
	<u>\$ 5,214.51</u>

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance	Amount	Balance Dec. 31, 2022		Paid or Charged	2023	
					Funded	Unfunded		Authorizations Deferred Charges to Future Revenue	Funded
12-09	Improvements to Municipal Buildings and Grounds	07/17/2012	\$ 15,000.00	\$ 814.52	\$ 15,222.40	\$ 814.52	\$ 12,985.83	\$ 814.52	
15-04	Water System Improvements	05/19/2015	450,000.00		5,767.26	2,536.57	1,936.80	2,536.57	
16-11	Improvement of Water Supply and Distribution	05/17/2016	120,000.00		2,661.75	3,830.46		3,830.46	
17-10	Water System Improvements	05/16/2017	477,500.00		122,662.87	2,661.75	100,824.44	2,661.75	
18-11	Improvements to Water System	05/15/2018	598,500.00		2,588.96			21,838.43	
19-10	Improvements to Water System	05/07/2019	666,200.00					2,588.96	
20-09	Purchase of a Backhoe	06/16/2020	25,000.00	912.72				912.72	
22-07	Improvements to Water System	05/17/2022	10,000.00	10,000.00	133,632.25	10,000.00	133,632.25	10,000.00	
22-10	Improvements to Water System	06/21/2022	200,000.00	200,000.00			93,577.50	6,422.50	
22-12	Purchase of Water Meters	06/21/2022	100,000.00	100,000.00			124,334.65		
23-07	Improvements to Water System	05/16/2023	300,000.00	300,000.00					
				\$ 111,727.24	\$ 282,835.49	\$ 300,000.00	\$ 467,291.47	\$ 51,605.91	\$ 175,665.35

Ref.

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BOROUGH OF BUTLER  
WATER UTILITY FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 4,332.51
Increased by:		
Water Operating Fund Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2023	D	<u><u>\$ 14,332.51</u></u>

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2022	Balance Dec. 31, 2023
12-09	Improvements to Municipal Buildings and Grounds	07/17/12	\$ 15,000.00	\$ 15,000.00
17-10	Water System Improvements	05/16/17	49,092.00	49,092.00
18-11	Improvements to Water System	05/15/18	126,745.00	126,745.00
19-10	Improvements to Water System	05/07/19	47,200.00	47,200.00
20-09	Purchase of a Backhoe	06/16/20	25,000.00	25,000.00
22-07	Improvements to Water System	05/17/22	10,000.00	10,000.00
22-12	Purchase of Water Meters	06/21/22	100,000.00	100,000.00
			<u>\$ 373,037.00</u>	<u>\$ 373,037.00</u>
		<u>Ref.</u>	D	D

**BOROUGH OF BUTLER**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	Improvement Description	Original Amount Issued	Issue of Original Note	Date of			Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
				Issue	Maturity	Balance					
13-06	Improvement of Water Supply and Distribution System	\$ 345,000.00	12/19/13	09/08/22	09/08/23	3.75%	\$ 282,030.00		\$ 282,030.00		
14-07	Improvement of Water Supply and Distribution System	450,000.00	09/18/14	09/08/22	09/08/23	3.75%	415,600.00		415,600.00		
15-04	Water System Improvements	450,000.00	09/17/15	09/08/22	09/08/23	3.75%	421,000.00		421,000.00		
16-11	Water System Improvements	120,000.00	09/15/16	09/08/22	09/08/23	3.75%	110,682.00		110,682.00		
17-10	Water System Improvements	446,500.00	09/15/17	09/08/22	09/08/23	3.75%	428,408.00		428,408.00		
18-11	Water System Improvements	485,000.00	09/13/18	09/08/22	09/08/23	3.75%	471,755.00		471,755.00		
19-10	Water System Improvements	627,000.00	09/12/19	09/08/22	09/08/23	3.75%	619,000.00		619,000.00		
22-10	Water System Improvements	200,000.00	09/08/22	09/08/22	09/08/23	3.75%	200,000.00		200,000.00		
				09/07/23	09/06/24	4.25%		\$ 200,000.00		\$ 200,000.00	
23-07	Water System Improvements	200,000.00	09/07/23	09/07/23	09/06/24	4.25%		200,000.00		200,000.00	
							\$ 2,948,475.00	\$ 400,000.00	\$ 2,948,475.00	\$ 400,000.00	

<u>Ref.</u>	D
New Issue	\$ 200,000.00
Renewals	200,000.00
Serial Bonds Issued	\$ 200,000.00
Redeemed from Cash	2,665,000.00
	83,475.00
	<u>\$ 400,000.00</u>
	<u>\$ 2,948,475.00</u>

BOROUGH OF BUTLER  
 WATER UTILITY FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
			Date	December 31, 2023	Amount					
General Bonds	5/22/2013	\$ 1,518,000.00	11/15/2024	\$ 110,000.00	3.00%	\$ 683,000.00		\$ 115,000.00	\$ 568,000.00	
			11/15/2025	115,000.00	3.00%					
			11/15/2026	120,000.00	3.00%					
			11/15/2027	120,000.00	3.00%					
			11/15/2028	103,000.00	3.00%					
General Bonds	9/1/2024	2,765,000.00	9/1/2024	100,000.00	5.000%		\$ 2,765,000.00		2,765,000.00	
			9/1/2025	105,000.00	5.000%					
			9/1/2026	110,000.00	5.000%					
			9/1/2027	115,000.00	5.000%					
			9/1/2028	115,000.00	5.000%					
			9/1/2029	120,000.00	5.000%					
			9/1/2030	125,000.00	5.000%					
			9/1/2031	125,000.00	4.000%					
			9/1/2032	130,000.00	4.000%					
			9/1/2033	135,000.00	4.000%					
			9/1/2034	140,000.00	3.125%					
			9/1/2035	140,000.00	3.250%					
			9/1/2036	145,000.00	3.375%					
			9/1/2037	145,000.00	3.500%					
			9/1/2038	150,000.00	3.625%					
		9/1/2039	160,000.00	3.750%						
		9/1/2040	165,000.00	4.000%						
		9/1/2041	170,000.00	4.000%						
		9/1/2042	180,000.00	4.000%						
		9/1/2043	190,000.00	4.000%						
						\$ 683,000.00	\$ 2,765,000.00	\$ 115,000.00	\$ 3,333,000.00	

Ref.

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BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2023

Ord. No.	Improvement Description	2023 Authorizations	Serial Bonds Issued	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Reserve for Payment of Debt Service- Bond Proceeds
18-11	Improvement to Water System	\$ 300,000.00	\$ 100,000.00	\$ 200,000.00	\$ 83,475.00	\$ 83,475.00
23-07	Improvements to Water System	\$ 300,000.00	\$ 100,000.00	\$ 200,000.00	\$ 83,475.00	\$ 83,475.00

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
ELECTRIC UTILITY FUND

BOROUGH OF BUTLER  
ELECTRIC UTILITY FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	E	\$ 5,243,006.96	\$ 462,836.70
Increased by Receipts:			
Electric Utility Charges Receivable		\$ 15,238,360.22	
Miscellaneous Revenue		185,843.36	
Meter Deposits (With Interest)		146,413.15	
State Aid - "Lifeline"		19,912.50	
Sales Tax Payable		737,821.00	
Zero Emission Credit Program Payable		414,100.38	
Interest Earned on Investments		114,231.50	
Due to/from Electric Utility Capital Fund:			\$ 20,386.53
Electric Utility Capital Fund - Fund Balance			
Utilized as Anticipated Revenue			
Interest Earned		15,250.00	
Overpayments of Electric Charges		20,386.53	
146,887.19			
Budget Appropriation:			
Bond Anticipation Notes Payable			197,500.00
Capital Improvement Fund			140,000.00
Appropriation Refunds			
Serial Bond Proceeds - Reserve to Pay Debt Service			130,000.00
Premium on Bond Sale			1,800.83
Serial Bonds Issued			1,700,000.00
		<u>17,237,305.83</u>	<u>2,189,687.36</u>
		22,480,312.79	2,652,524.06
Decreased by Disbursements:			
2023 Appropriation Expenditures		14,989,753.72	
2022 Appropriation Reserves		135,035.64	
Accounts Payable		310,420.64	
Sales Tax Payable		655,078.00	
Zero Emission Credit Program Payable		436,597.71	
Interest on Bonds and Notes		94,123.75	
Due to/from Current Fund:			
Electric Utility Operating Fund - Fund Balance			
Utilized as Anticipated Revenue		200,000.00	
Due to/from Electric Utility Operating Fund :			
Electric Utility Capital Fund - Fund Balance			
Utilized as Anticipated Revenue			15,250.00
Interest Earned			20,386.53
Electric Overpayments Refunded		9,552.84	
Meter Deposit Refunds		103,457.55	
Bond Anticipation Notes Matured			
Improvement Authorization Expenditures			1,762,500.00
		<u>16,934,019.85</u>	<u>68,538.51</u>
		16,934,019.85	1,866,675.04
Balance December 31, 2023	E	<u>\$ 5,546,292.94</u>	<u>\$ 785,849.02</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE



BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
ANALYSIS OF ELECTRIC CAPITAL CASH

Ord. No.	General Improvements	Balance (Deficit) Dec. 31, 2022	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2023
			Miscellaneous	Budget Appropriation	Serial Bonds	Improvement Authorizations	Miscellaneous	Bond Anticipation Notes	From	To	
	Capital Fund Balance	\$ 93,865.81	\$ 1,800.83								\$ 90,836.52
	Due - Electric Utility Operating Fund	106,482.71	20,386.53								146,972.71
	Capital Improvement Fund Reserve for Debt Service	8,538.77	130,000.00					\$ 100,000.00	490.00		8,538.77
								130,000.00			
	Improvement Authorizations:										
	86-19 Acquisition of Equipment; Various Improvements	(2,320.00)									(2,320.00)
	04-12 Acquisition of New and Additional Vehicular Equipment	(28,500.00)									(28,500.00)
	14-01 Improvement of the Electrical Supply and Distribution System			\$ 51,000.00							
	14-05 Acquisition of New Vehicles			31,300.00							
	15-03 Acquisition of New Aerial Bucket Truck			20,000.00							
	16-07 Improvements to Buildings & Grounds	3,227.12									
	16-12 Improvements to Electrical System			20,000.00		176,200.00					3,227.12
	17-09 Improvement of the Electrical Supply and Distribution System			22,000.00		278,000.00	\$ 16,388.79				
	18-07 Improvements to Buildings and Grounds	58,151.65					430.72				41,762.86
	18-13 Various Electrical Supply and Distribution System Improvements	21,194.94									20,764.22
	19-05 Improvements to Buildings and Grounds	1,677.01		17,500.00		355,000.00		1,677.01			37,678.29
	19-09 Improvements to Electrical System	37,678.29									
	20-10 Site Remediation at DPW Facilities	8,742.87		15,000.00		255,500.00		8,742.87			
	20-11 Purchase of a Bucket Truck	40,490.00					40,000.00	490.00			
	21-11 Improvements to Buildings and Grounds	3,607.53		20,700.00		224,300.00					3,607.53
	21-14 Construction Garage	10,000.00					10,000.00				
	22-05 Acquisition of a Bucket Truck	100,000.00									100,000.00
	23-06 Acquisition of a Bucket Truck					135,000.00	1,719.00		230,000.00		363,281.00
		\$ 462,836.70	\$ 152,187.36	\$ 337,500.00	\$ 68,538.51	\$ 1,700,000.00	\$ 1,762,500.00	\$ 240,909.88	\$ 240,909.88	\$ 240,909.88	\$ 785,849.02

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Balance</u> Dec.31, 2022	<u>2023 Billings</u>	<u>Cash Receipts</u>	<u>State Aid</u> <u>"Lifeline"</u> <u>Revenue</u>	<u>Overpayments</u> <u>Applied</u>	<u>Balance</u> <u>Dec.31, 2023</u>
Electric Rents	\$ 925,316.53	\$ 16,385,405.57	\$ 16,321,020.86	\$ 19,912.50	\$ 130,903.45	\$ 838,885.29
Street Lighting		69,260.74	69,260.74			
	<u>\$ 925,316.53</u>	<u>\$ 16,454,666.31</u>	<u>\$ 16,390,281.60</u>	<u>\$ 19,912.50</u>	<u>\$ 130,903.45</u>	<u>\$ 838,885.29</u>

Ref. E

<u>Realized Revenue</u>	
Cash Collections	\$ 15,238,360.22
Sales Tax Payable	737,821.00
Zero Emission Credit Program Payable	<u>414,100.38</u>
	\$ 16,390,281.60
State Aid "Lifeline"	19,912.50
Overpayments Applied	<u>130,903.45</u>
	<u>\$ 16,541,097.55</u>

Analysis of Realized Revenue

LEAC Revenues	\$ 8,965,884.96
Base Rate Revenues	6,366,911.21
State Aid "Lifeline"	19,912.50
Flood Lighting	36,467.50
Sales Tax Payable	737,821.00
Zero Emission Credit Program Payable	<u>414,100.38</u>
	<u>\$ 16,541,097.55</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>		
Balance December 31, 2022	E	\$	1,536,833.66
Net Inventory Decrease			<u>34,523.12</u>
Balance December 31, 2023	E	\$	<u><u>1,502,310.54</u></u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec.31, 2022	Additions by Ordinance	Additions by Budget	Balance Dec.31, 2023
Fixed Capital Prior To				
January 1, 1919	\$ 50,000.00			\$ 50,000.00
Production Plant and Equipment	390,481.05			390,481.05
Transmission Poles, Towers and Fixtures	170,233.62			170,233.62
Transmission-Overhead Conductor and Devices	26,614.73			26,614.73
Distribution Plant Structures	24,117.78			24,117.78
Distribution Poles, Towers and Fixtures	91,927.60			91,927.60
Distribution - Overhead Conductors and Devices	702,867.71			702,867.71
Line Transformers	667,496.17			667,496.17
Meters and Meter Reading Devices	301,890.16			301,890.16
Installations On Consumers' Premises	117,221.82			117,221.82
Street Lighting and Signal System	424,021.17			424,021.17
General Plant Structures	71,127.86			71,127.86
Land	20,000.00			20,000.00
Administration Office	96,758.01			96,758.01
Office Furniture and Equipment	345,858.69			345,858.69
General Plant Transportation	346,916.99			346,916.99
General Plant Equipment	2,638,700.10			2,638,700.10
Glen Wild Lake Co.	18,000.00			18,000.00
High Pressure Sodium Street Light Conversions, Removal and Replacement of Underground Storage Tanks, Carpeting at Municipal Building and Installation of Conversion for High Voltage Distribution System	348,000.00			348,000.00
Purchase of Computers and Computer System Expansion	17,841.67			17,841.67
Equipment / Various Improvements Ord.#86-19;96-06;97-12;00-21, 08-10	2,060,844.97			2,060,844.97
Municipal Building Roof	29,999.30			29,999.30
Brush Chipper	12,704.00			12,704.00
Various Utility Vehicles	2,264,546.08			2,264,546.08
Various Improvements Ord. # 88-15;89-15;91-10;00-16;02-31;03-06	5,007,940.81			5,007,940.81
Purchase of Megawatt Load System	107,812.82			107,812.82
Purchase of Transformers	47,182.00			47,182.00
Relocation of Electrical Lines	85,358.93			85,358.93
Purchase of Substation Transformer Upgrade	131,220.50			131,220.50
Installation of New Telephone System	6,849.90			6,849.90
Purchase of Copy Machine	4,987.34			4,987.34
Fencing and Security Equipment	18,975.28			18,975.28
Garage Exhaust Emissions System	1,843.20			1,843.20
Automated Envelope Stuffer and Postage System	21,744.25			21,744.25
Substation Improvements	165,000.00			165,000.00
Equipment Upgrade for Y2K	10,000.00			10,000.00
Software Upgrade and Replacement for Y2K	10,000.00			10,000.00
Purchase and Installation of Computer Equipment	72,384.69			72,384.69
Improvement of the Electrical Supply and Distribution System	6,108,473.69	\$ 760,080.12		6,868,553.81
Purchase of Security System for Municipal Building	7,500.00			7,500.00
Server and Related Software	10,000.00			10,000.00
Purchase and Installation of Emergency Generators	135,100.00			135,100.00
Digital Imaging System	8,000.00			8,000.00
Improvements to Municipal Buildings and Grounds	132,998.41	10,000.00		142,998.41
Site, Soil and Ground Water Remediation	311,000.00	49,510.00		360,510.00
Purchase of Dispatching Equipment	19,000.00			19,000.00
Construction Garage	375,000.00			375,000.00
Dumpsters			\$ 10,000.00	10,000.00
	<u>\$ 24,036,541.30</u>	<u>\$ 819,590.12</u>	<u>\$ 10,000.00</u>	<u>\$ 24,866,131.42</u>

Ref.

E

E

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec.31, 2022</u>	<u>2023 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Authorizations Cancelled</u>	<u>Balance Dec.31, 2023</u>
Improvements to Buildings and Grounds	16-07	\$ 55,000.00				\$ 55,000.00
Improvement of the Electrical						
Supply and Distribution System	17-09	474,000.00				474,000.00
Improvements to Buildings and Grounds	18-07	24,000.00				24,000.00
Various Electrical Supply and Distribution						
System Improvements	18-13	420,000.00		\$ 418,322.99	\$ 1,677.01	
Improvements to Buildings and Grounds	19-05	95,000.00				95,000.00
Improvements to Electrical System	19-09	350,500.00		341,757.13	8,742.87	
Site Remediation at DPW Facilities	20-10	50,000.00		49,510.00	490.00	
Purchase of a Bucket Truck	20-11	245,000.00				245,000.00
Improvements to Buildings and Grounds	21-11	10,000.00		10,000.00		
Acquisition of a Bucket Truck	22-05	300,000.00				300,000.00
Acquisition of a Bucket Truck	23-06		\$ 365,000.00			365,000.00
		<u>\$ 2,023,500.00</u>	<u>\$ 365,000.00</u>	<u>\$ 819,590.12</u>	<u>\$ 10,909.88</u>	<u>\$ 1,558,000.00</u>
	<u>Ref.</u>	E				E

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF 2022 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Administration:				
Salaries and Wages	\$ 9,786.26	\$ 9,786.26		\$ 9,786.26
Other Expenses	24,864.92	33,364.92	\$ 33,348.39	16.53
Operations:				
Salaries and Wages	136,071.01	119,421.01		119,421.01
Other Expenses	87,649.01	95,649.01	95,644.46	4.55
Other Expenses - Purchase Power	282,971.99	282,971.99		282,971.99
Dispatching:				
Salaries and Wages	2,417.99	2,417.99		2,417.99
Other Expenses	2.50	2.50		2.50
Night Out:				
Other Expenses	1,463.89	1,463.89	1,460.00	3.89
Buildings and Grounds:				
Salaries and Wages	2,000.56	2,000.56		2,000.56
Other Expenses	3,497.22	3,497.22	3,400.00	97.22
Group Insurance for Employees	614.21	764.21	752.79	11.42
MELJIF Liability	1.00	1.00		1.00
Contribution to:				
Public Employees' Retirement System	0.18	0.18		0.18
Social Security System (O.A.S.I.)	16,493.07	16,493.07		16,493.07
Unemployment Compensation Insurance	442.18	442.18	430.00	12.18
	<u>\$ 568,275.99</u>	<u>\$ 568,275.99</u>	<u>\$ 135,035.64</u>	<u>\$ 433,240.35</u>

Analysis of Balance December 31, 2022

	<u>Ref.</u>	
Unencumbered	E	\$ 504,631.92
Encumbered	E	63,644.07
		<u>\$ 568,275.99</u>



BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 106,482.71
Increased by:		
Electric Operating Fund Budget Appropriation		\$ 140,000.00
Improvement Authorizations Cancelled		<u>490.00</u>
		<u>140,490.00</u>
		246,972.71
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>100,000.00</u>
Balance December 31, 2023	E	<u><u>\$ 146,972.71</u></u>



BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2022	2023 Authorizations	Funded by Operating Budget	Transferred to Reserve for Amortization	Authorizations Cancelled	Balance Dec. 31, 2023
16-07	Improvements to Buildings & Grounds	05/17/16	\$ 55,000.00					\$ 55,000.00
17-09	Improvement of the Electrical Supply and Distribution System	05/16/17	174,000.00		\$ 22,000.00			196,000.00
18-07	Improvements to Buildings and Grounds	05/15/18	24,000.00					24,000.00
18-13	Various Electrical Supply and Distribution System Improvements	05/15/18	47,500.00		17,500.00	\$ 63,322.99	\$ 1,677.01	95,000.00
19-05	Improvements to Buildings and Grounds	05/21/19	95,000.00					
19-09	Improvements to Electrical System	05/07/19	80,000.00		15,000.00	86,257.13	8,742.87	
20-10	Site Remediation at DPW Facilities	06/16/20	50,000.00			49,510.00	490.00	
21-11	Improvements to Buildings and Grounds	05/18/21	10,000.00			10,000.00		100,000.00
22-05	Acquisition of a Bucket Truck	05/17/22	100,000.00	\$ 100,000.00				100,000.00
23-06	Acquisition of a Bucket Truck	05/16/23						100,000.00
			\$ 635,500.00	\$ 100,000.00	\$ 54,500.00	\$ 209,090.12	\$ 10,909.88	\$ 570,000.00

Ref.

E

E

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FARMERS HOME ADMINISTRATION LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2023

Ord. No.	Improvement Description	Date of				Interest Rate	Balance Dec. 31, 2022	Matured
		Issue of Original Note	Issue	Maturity				
14-01	Improvement of the Electrical Supply and Distribution System	09/18/14	09/08/22	09/08/23	3.75%	\$ 102,000.00	\$ 102,000.00	
14-05	Acquisition of New Vehicles	09/18/14	09/08/22	09/08/23	3.75%	31,300.00	31,300.00	
15-03	Acquisition of New Aerial Bucket Truck	09/17/15	09/08/22	09/08/23	3.75%	20,000.00	20,000.00	
16-12	Improvements to Electrical System	09/15/16	09/08/22	09/08/23	3.75%	196,200.00	196,200.00	
17-09	Improvement of the Electrical Supply and Distribution System	09/15/17	09/08/22	09/08/23	3.75%	300,000.00	300,000.00	
18-13	Various Electrical Supply and Distribution System Improvements	09/13/18	09/08/22	09/08/23	3.75%	372,500.00	372,500.00	
19-09	Improvements to Electrical System	09/12/19	09/08/22	09/08/23	3.75%	270,500.00	270,500.00	
20-11	Purchase of a Bucket Truck	09/10/20	09/08/22	09/08/23	3.75%	245,000.00	245,000.00	
21-14	Construction Garage	09/09/21	09/08/22	09/08/23	3.75%	225,000.00	225,000.00	
						<u>\$ 1,762,500.00</u>	<u>\$ 1,762,500.00</u>	
					<u>Ref.</u>	<u>E</u>		
					Serial Bonds Issued		\$ 1,565,000.00	
					Paid by Operating Budget		197,500.00	
							<u>\$ 1,762,500.00</u>	

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance Dec. 31, 2023	
			Date	Outstanding Dec. 31, 2023	Interest Rate	Balance Dec. 31, 2022		Matured
General Bonds	5/22/13	\$ 3,661,000.00	11/15/2024	\$ 405,000.00	3.00%			
			11/15/2025	396,000.00	3.00%	\$ 1,201,000.00	\$ 400,000.00	\$ 801,000.00
General Bonds	9/7/2023	1,700,000.00	9/1/2024	145,000.00	5.00%			
			9/1/2025	150,000.00	5.00%			
			9/1/2026	155,000.00	5.00%			
			9/1/2027	160,000.00	5.00%			
			9/1/2028	165,000.00	5.00%			
			9/1/2029	170,000.00	5.00%			
			9/1/2030	180,000.00	5.00%			
			9/1/2031	185,000.00	4.00%			
			9/1/2032	190,000.00	4.00%			
			9/1/2033	200,000.00	4.00%			1,700,000.00
						\$ 1,700,000.00		
						\$ 1,201,000.00	\$ 400,000.00	\$ 2,501,000.00

Ref.

E

E

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Serial Bonds Issued	Reserve for Payment of Debt Service- Bond Proceeds	Balance Dec. 31, 2023
86-19	Acquisition of Equipment; Various Improvements	\$ 2,320.00				\$ 2,320.00
04-12	Acquisition of New and Additional Vehicular Equipment	28,500.00				28,500.00
22-05	Acquisition of a Bucket Truck	200,000.00				200,000.00
23-06	Acquisition of a Bucket Truck		\$ 265,000.00	\$ 135,000.00	\$ 130,000.00	
		<u>\$ 230,820.00</u>	<u>\$ 265,000.00</u>	<u>\$ 135,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 230,820.00</u>

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2023  
PUBLIC ASSISTANCE FUND

BOROUGH OF BUTLER  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>Fund Total</u>
Balance December 31, 2022	F	\$ 5,267.65	\$ 2,989.97	\$ 8,257.62
Increase by Receipts:				
Interest Earned		<u>                    </u>	<u>301.47</u>	<u>301.47</u>
Balance December 31, 2023	F	<u>\$ 5,267.65</u>	<u>\$ 3,291.44</u>	<u>\$ 8,559.09</u>

BOROUGH OF BUTLER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023



BOROUGH OF BUTLER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2023

Agency or Department/Cluster Title	Name of Program	Assistance Listing Number	State Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amount Provided to Subrecipients
				From	To					
U.S. Department of Housing and Urban Development: CDBG - Entitlement Grants Cluster (Passed through Morris County Office of Community Development)	Community Development Block Grant-Belleview Avenue Water Main	14.218	N/A	01/01/23	12/31/23	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	
	Total Department of Housing and Urban Development / CDBG Entitlement Grants Cluster					125,000.00	125,000.00	125,000.00	125,000.00	
U.S. Department of Treasury: (Passed through New Jersey Department of Community Affairs)	COVID 19 American Rescue Plan Act - Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8050-687-046010	03/03/21	12/31/24	801,133.12		353,577.50	353,577.50	
	COVID 19 American Rescue Plan Act - Low Income Household Water Assistance Program	93.499	100-022-8050-997-052323	03/03/21	12/31/23	16,491.33	16,491.33 (2)	16,491.33	16,491.33	
Total Department of Treasury	COVID 19 American Rescue Plan Act - Low Income Home Energy Assistance Program	93.568	100-022-8050-996-052322	03/03/21	12/31/23	11,362.02	4,243.05 (1)	4,243.05	11,362.02	
	TOTAL FEDERAL AWARDS						\$ 145,734.38	\$ 499,311.88	\$ 506,430.85	\$ -0-

(1) - Included in cash collections of Electric Utility Operating Fund Consumer Accounts Receivable  
(2) - Included in cash collections of Water Utility Operating Fund Consumer Accounts Receivable

N/A - Not Applicable/Available

**BOROUGH OF BUTLER**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

Name of State Agency or Department	Name of Program	Name of Project	Grant I.D. No.	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures	
				From	To					
Department of Health	Alcohol Education Rehabilitation Program	Alcohol Education Rehabilitation Program	760-098-Y900 001-XI100-6020	01/01/16	12/31/24	\$ 846.04		\$ 600.00	\$ 600.00	
	Total Department of Health									
	Department of Law and Public Safety	Safe and Secure Communities Program	Safe and Secure Communities Program	100-066-1020- 232-090940	01/01/23	12/31/23	32,400.00	\$ 24,300.00	32,400.00	32,400.00
		Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/09 01/01/10	12/31/23 12/31/24	6,242.38 2,877.50		1,213.22 2,359.32 3,572.54	6,242.38 2,599.32 8,841.70
Total Department of Law and Public Safety										
Department of the Treasury (Passed Through the County of Morris - Governor's Council on Alcoholism and Drug Abuse)	Municipal Alliance Grant	DARE/DEDR Program	100-082-2000- 044-995120	07/01/20 07/01/21	06/30/23 06/30/24	9,661.00 6,241.00	1,045.51 2,738.73	2,000.00 388.00	9,661.00 4,051.13	
	Total Department of the Treasury									
	Department of Community Affairs	Local Recreational Improvement 2021	Ace Road Recreational Complex	2022-495-8030-668- FFFF-6120	02/01/22	08/31/23	75,000.00	75,000.00		75,000.00
Total Department of Community Affairs										
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900- 004-178910	01/01/17 01/01/23	12/31/24 12/31/24	15,439.02 18,584.32	18,584.32	7,334.20 7,334.20	9,424.67 9,424.67	
	Recycling Tonnage Grant	Recycling Tonnage Grant	100-042-4900- 224-238490	01/01/13 01/01/23	12/31/24 12/31/24	10,053.84 10,002.18	10,002.18	1,993.52	8,905.07	
	Total Department of Environmental Protection									
Department of Transportation	Stormwater Assistance Grant	Stormwater Assistance Grant	100-042-4850- 099-290400	01/01/23	12/31/24	25,000.00	15,000.00			
	Total Department of Transportation									
	Municipal Aid Program	Pearl, Mabey, & Hasbrouck Roads	480-078-6320-A01-606282	01/01/22	12/31/23	339,000.00	106,826.41	78,100.68	339,000.00	
TOTAL STATE AWARDS	Municipal Aid Program	South Gifford Avenue	480-078-6320-APF-606283	01/01/23	12/31/23	299,720.00	224,790.00	299,720.00	299,720.00	
	Total Department of Transportation									
								\$ 515,043.96	\$ 426,108.94	\$ 820,211.57

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF BUTLER  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2023

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Butler under programs of the federal and state governments for the year ended December 31, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
Butler, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Butler, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated June 18, 2024. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing 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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
Page 2

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Borough'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 Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, NJ  
June 18, 2024

*Nisivoccia LLP*

NISIVOCCIA LLP

*Valerie A. Dolan*

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Valerie A. Dolan  
Certified Public Accountant  
Registered Municipal Accountant No. 548

BOROUGH OF BUTLER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2023 as both state and federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

BOROUGH OF BUTLER  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023

There were no prior year findings.

BOROUGH OF BUTLER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A: 11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L.1971, c.198 (C.40A11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Borough of Butler has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year and where question arises 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.

BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" in accordance with 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. None were noted.

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

On January 3, 2023, the governing body adopted the following resolution authorizing interest to be charged on delinquent tax, assessment and utility charges:

BE IT RESOLVED by the Borough Council of the Borough of Butler, Morris County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes, utilities or assessments on or before the date when they would become delinquent be and the same is hereby fixed as follows:

1. No interest shall be charged if payment of tax, utility or assessment installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
2. The rate of interest to be charged for the nonpayment of taxes, utilities or assessment installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) on any delinquency over \$1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of \$10,000 at the end of the calendar year.

It appears from an examination of the Collector's records that interest was generally collected in accordance with the foregoing resolution.

BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 6, 2023.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Tax Title Liens</u>
2023	2
2022	2
2021	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payment of 2023 Taxes	20
Payment of 2024 Taxes	20
Delinquent Taxes	15
Tax Title Liens	2
Payment of Water/Sewer Utility Charges	20
Delinquent Sewer Utility Charges	15
Delinquent Water Utility Charges	15
Payment of Electric Utility Charges	20
Delinquent Electric Utility Charges	15

For items not returned, alternative procedures were performed, as appropriate.

Accounting Requirements under New Jersey Administrative Code

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Borough complies with these accounting requirements.

BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2023.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Municipal Treasurer:				
Fines and Costs	\$ 5,208.83	\$ 77,015.27	\$ 77,128.14	\$ 5,095.96
POAA FTA	2.00	62.00	62.00	2.00
Public Defender	624.50	4,156.50	4,331.00	450.00
County:				
Fines	1,853.50	29,723.25	29,788.75	1,788.00
Weights and Measures	3,350.00	7,050.00	10,400.00	
State:				
Fines and Costs	3,417.85	43,279.81	44,344.66	2,353.00
Bail	103.00	2,431.00	1,984.00	550.00
	<u>103.00</u>	<u>2,431.00</u>	<u>1,984.00</u>	<u>550.00</u>
 TOTAL	 <u>\$ 14,559.68</u>	 <u>\$ 163,717.83</u>	 <u>\$ 168,038.55</u>	 <u>\$ 10,238.96</u>

Inherent internal control problems exist throughout the State for the municipal court system. Throughout the State there is the possibility that court employees can recall warrants, postpone court cases, set bail and lift suspensions of licenses. However, our review of the records of the Municipal Court revealed no internal control deficiencies.

BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 101, *Compensated Absences*, is effective for the year ended December 31, 2024. This statement requires that the liability for compensated absences to be calculated for 1 – leave that has not been used and 2 – leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if (a) – the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. The Statement directs that for leave that has not been used the calculation should generally use an employee’s pay rate as of the date of the financial statements.

COVID-19 Federal Funding

It is possible that the Borough will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Borough ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Borough ensures that these funds are separately accounted for in the Borough’s accounting records and that any applicable Borough policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Status of Prior Year Recommendation

The Borough’s prior year audit recommendation with regards to the Water Utility Operating Fund overexpenditure was resolved during the current year.

BOROUGH OF BUTLER  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

None.

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