

*BOROUGH OF BUTLER*  
*COUNTY OF MORRIS*  
*REPORT OF AUDIT*  
*2014*

*NISIVOCCIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF BUTLER

COUNTY OF MORRIS

REPORT OF AUDIT

2014

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BOROUGH OF BUTLER

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax  
 Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555 Fax

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited 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, 2014 and 2013, and the related notes to the financial statements, as listed in the foregoing table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Borough as of December 31, 2014 and 2013, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Butler as of December 31, 2014 and 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of 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, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *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.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund 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 financial statements or to the various fund 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 financial statements as a whole.



The Honorable Mayor and Members  
of the Borough Council  
Borough of Butler  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2015 on our consideration of the Borough of Butler’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Butler’s internal control over financial reporting and compliance.

Mt Arlington, NJ  
May 27, 2015



NISIVOCIA LLP



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David H. Evans  
Registered Municipal Accountant No. 98  
Certified Public Accountant

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
CURRENT FUND

BOROUGH OF BUTLER  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 3,405,911.85	\$ 2,674,545.74
Change Funds		375.00	250.00
Petty Cash Fund		200.00	200.00
		<u>3,406,486.85</u>	<u>2,674,995.74</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	204,635.52	163,944.72
Tax Title Liens Receivable	A-8	96,522.38	80,553.25
Property Acquired for Taxes at Assessed Valuation		173,600.00	173,600.00
Revenue Accounts Receivable	A-9	5,970.28	8,961.06
Sewer Accounts Receivable	A-10	27,480.92	35,060.65
Due from:			
Federal and State Grant Fund	A		47,096.32
Animal Control Fund	B		5,231.25
Other Trust Fund	B	3,017.56	2,676.10
Electric Utility Operating Fund	E		783.77
Library		23,597.93	21,276.81
Gas Reimbursement		923.50	2,531.36
Payroll Taxes Receivable		585.96	248.06
Total Receivables and Other Assets With Full Reserves		<u>536,334.05</u>	<u>541,963.35</u>
Total Regular Fund		<u>3,942,820.90</u>	<u>3,216,959.09</u>
Federal and State Grant Fund:			
Due to Current Fund	A	95,107.18	
Federal and State Grants Receivable	A-13	16,596.12	149,329.63
Total Federal and State Grant Fund		<u>111,703.30</u>	<u>149,329.63</u>
<u>TOTAL ASSETS</u>		<u>\$ 4,054,524.20</u>	<u>\$ 3,366,288.72</u>

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

	Ref.	December 31	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 50,999.52	\$ 38,885.72
Unencumbered	A-3;A-11	363,058.56	202,144.00
		<u>414,058.08</u>	<u>241,029.72</u>
Accounts Payable - Vendors		12,500.00	13,700.00
County Taxes Payable		8,431.91	1,952.70
School Taxes Payable	A-12	0.50	
Prepaid Taxes		70,521.02	154,128.18
Tax Overpayments		27,863.90	12,891.74
Sewer Rent Overpayments		1,144.80	1,073.20
Due to State of N.J. for Veterans' and Senior Citizens' Deductions		2,121.26	2,607.63
Due to State of New Jersey:			
Construction Code Fees		1,453.00	2,319.00
Marriage License Fees		200.00	450.00
Due to Borough of Bloomingdale		2,458.62	2,458.62
Due to:			
Federal and State Grant Fund	A	95,107.18	
Assessment Trust Fund	B	448,810.59	444,074.96
Reserve for:			
Third Party Liens		29,098.58	120,251.85
Developer's Contribution		13,692.95	13,692.95
Sale of Municipal Assets		573,019.48	475,206.76
		<u>1,700,481.87</u>	<u>1,485,837.31</u>
Reserve for Receivables and Other Assets	A	536,334.05	541,963.35
Fund Balance	A-1	1,706,004.98	1,189,158.43
		<u>3,942,820.90</u>	<u>3,216,959.09</u>
Total Regular Fund			
Federal and State Grant Fund:			
Due to Current Fund	A		47,096.32
Unappropriated Reserves	A-14	24,682.20	28,263.04
Appropriated Reserves	A-15	87,021.10	73,970.27
		<u>111,703.30</u>	<u>149,329.63</u>
Total Federal and State Grant Fund			
		<u>\$ 4,054,524.20</u>	<u>\$ 3,366,288.72</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</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,	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 500,000.00	\$ 425,000.00
Miscellaneous Revenue Anticipated		3,277,005.54	3,256,002.63
Receipts from:			
Delinquent Taxes		162,142.30	281,802.64
Current Taxes		24,319,451.32	23,723,536.49
Nonbudget Revenue		674,396.42	483,544.86
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves		61,899.49	188,296.12
Interfunds Returned		54,719.20	9,969.29
Federal and State Grant Appropriated Reserves Cancelled		1,172.25	
		<u>29,050,786.52</u>	<u>28,368,152.03</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		10,299,285.51	10,099,289.78
County Taxes		2,464,054.55	2,491,491.53
Local School District Taxes		15,155,164.00	14,668,331.00
Prior Year Senior Citizens Deductions Disallowed		1,209.59	2,036.99
Federal and State Grants Receivable Cancelled		111,225.84	
Interfunds and Other Receivables Advanced		3,000.48	4,024.10
Refund of Prior Year Revenue - County Tax Board Appeal			83,226.63
		<u>28,033,939.97</u>	<u>27,348,400.03</u>
Excess in Revenue		1,016,846.55	1,019,752.00
Balance January 1		1,189,158.43	594,406.43
		<u>2,206,004.98</u>	<u>1,614,158.43</u>
Decreased by:			
Utilized as Anticipated Revenue		500,000.00	425,000.00
Balance December 31	A	<u>\$ 1,706,004.98</u>	<u>\$ 1,189,158.43</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, 2014

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 500,000.00		\$ 500,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	15,000.00		15,506.00	\$ 506.00
Other	8,000.00		8,542.00	542.00
Fees and Permits	5,140.00		4,293.00	847.00 *
Municipal Court - Fines and Costs	110,000.00		93,247.05	16,752.95 *
Interest and Costs on Taxes	59,000.00		46,551.08	12,448.92 *
Energy Receipts Tax	962,902.00		962,902.00	
Garden State Preservation Fund	3,765.00		3,766.00	1.00
Payments in Lieu of Taxes on State Exempt Property (N.J.S.A. 54:4-2.2a, et.seq.)	65,000.00		64,999.96	0.04 *
Interest on Investments and Deposits	19,000.00		9,633.59	9,366.41 *
Uniform Construction Code Fees	90,000.00		95,892.00	5,892.00
Uniform Fire Safety Act	20,920.00		25,673.95	4,753.95
Capital Fund Balance	25,000.00		25,000.00	
Sewer Rents	1,057,500.00		1,061,678.49	4,178.49
Library	55,000.00		55,000.00	
Zoning Rent Registration	16,900.00		17,600.00	700.00
Sale of Leaf Bags	2,500.00		2,174.00	326.00 *
Interlocal Service Agreement - Pequannock River Basin Regional Sewerage Authority	32,500.00		29,800.00	2,700.00 *
Anticipated Electric Utility Operating Fund Balance of Prior Year	368,000.00		368,000.00	
Reserve for Sale of Municipal Assets	7,000.00		7,000.00	
Cell Tower Rental	55,000.00		92,971.85	37,971.85
Billing Services - Bloomingdale	19,500.00		50,561.53	31,061.53
Dispatching Services - Kinnelon	28,000.00		29,950.00	1,950.00
Dispatching Services - Riverdale	8,000.00		8,000.00	
Assessing Services - Riverdale	20,000.00		20,000.00	
Tax Collection Services - Riverdale	30,000.00		30,000.00	
Water Utility Services - Riverdale	30,000.00		30,000.00	
General Capital Fund - Reserve for Debt Service	30,000.00		30,000.00	
State of NJ:				
Body Armor Replacement Fund	2,440.81		2,440.81	
Safe and Secure Communities Program		\$ 60,000.00	60,000.00	
Reserve for Recycling Tonnage Grant	11,877.31		11,877.31	
Reserve for Clean Communities Program	13,944.92		13,944.92	
Total Miscellaneous Revenue	3,171,890.04	60,000.00	3,277,005.54	45,115.50
Receipts from Delinquent Taxes	175,000.00		162,142.30	12,857.70 *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,537,593.68		6,807,089.77	269,496.09
Minimum Library Tax	318,143.00		318,143.00	
	6,855,736.68		7,125,232.77	269,496.09
Budget Totals	10,702,626.72	60,000.00	11,064,380.61	\$ 301,753.89
Nonbudget Revenue			674,396.42	
	\$ 10,702,626.72	\$ 60,000.00	\$ 11,738,777.03	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Allocation of Current Tax Collections:		
Collection of Current Taxes		\$ 24,319,451.32
Allocated to:		
School, Library and County Taxes		17,937,361.55
		<u>6,382,089.77</u>
Add: Appropriation "Reserve for Uncollected Taxes"		425,000.00
		<u>425,000.00</u>
Realized for Support of Municipal Budget		<u>\$ 6,807,089.77</u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections		<u>\$ 162,142.30</u>
<u>Miscellaneous Revenue Not Anticipated:</u>		
Cable Television Franchise Fees	\$ 38,501.00	
Interest on Sewer Rents	5,141.61	
Prior Year Refunds and Reimbursements	9,342.78	
Administrative Fee - Senior Citizens and Veterans Deductions	1,378.56	
Interest on Assessments	1,285.57	
Copies	120.21	
Sale of Recyclables	3,961.72	
Zoning Codes	37,322.51	
Pequannock River Basin Sewerage Authority Reimbursement	2,725.00	
Miscellaneous Receipts	6,728.64	
Nutrition Site Reimbursement	8,500.00	
DMV Inspection Fines	2,200.00	
Registrar and Health	9,630.00	
Sewer Miscellaneous Charges	4,500.00	
FEMA Storm Reimbursements	543,058.82	
		<u>\$ 674,396.42</u>

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Analysis of Other Fees and Permits:

Clerk	\$ 925.00
Health Officer and Registrar	1,620.00
Board of Adjustment	315.00
Police	1,433.00
	<hr/> <u>\$ 4,293.00</u>

Analysis of Other Licenses:

Clerk	\$ 3,412.00
Health Officer and Registrar	5,130.00
	<hr/> <u>\$ 8,542.00</u>

Analysis of Interest on Investments and Deposits:

Deposited into Current Fund	\$ 7,639.76
Deposited into Animal Control Fund	32.23
Deposited into Other Trust Fund	414.20
Deposited into General Capital Fund	1,547.40
	<hr/> <u>\$ 9,633.59</u>



BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
Administrative and Executive:					
Salary and Wages	\$ 85,187.91	\$ 85,187.91	\$ 83,217.28	\$ 1,970.63	
Other Expenses	18,000.00	18,000.00	13,166.12	4,833.88	
Mayor and Council:					
Salary and Wages	11,220.00	11,220.00	11,220.00		
Other Expenses	1,925.00	1,925.00	1,660.00	265.00	
Municipal Clerk:					
Salary and Wages	35,404.50	35,429.50	35,415.84	13.66	
Other Expenses	9,750.00	9,750.00	8,096.23	1,653.77	
Other Expenses - Codification	5,000.00				
Assessment of Taxes:					
Salary and Wages	49,413.04	49,588.04	49,412.28	175.76	
Other Expenses	13,875.00	13,875.00	8,773.26	5,101.74	
Collection of Taxes:					
Salary and Wages	44,449.09	45,049.09	44,969.74	79.35	
Other Expenses	8,645.00	8,645.00	6,712.54	1,932.46	
Financial Administration:					
Salary and Wages	54,127.16	44,127.16	42,169.31	1,957.85	
Other Expenses	8,065.00	12,765.00	12,723.27	41.73	
Annual Audit	37,500.00	40,000.00	39,808.55	191.45	
Legal Services and Costs:					
Other Expenses	27,500.00	29,500.00	28,105.37	1,394.63	
Municipal Prosecutor:					
Salary and Wages	14,770.00	14,770.00	13,770.12	999.88	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 30,500.00	\$ 24,450.00	\$ 6,050.00	
Public Buildings and Grounds:					
Salary and Wages	1,500.00	1,500.00	1,132.56	367.44	
Other Expenses	68,600.00	68,600.00	64,822.78	3,777.22	
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salary and Wages	9,300.00	9,300.00	7,495.02	1,804.98	
Other Expenses	21,500.00	27,500.00	27,402.05	97.95	
Insurance:					
General Liability	74,188.08	75,088.08	69,594.73	5,493.35	
Workers Compensation	69,493.61	69,493.61	69,493.61		
Fireman's	47,000.00	47,000.00	46,094.10	905.90	
Road Bond	150.00	150.00		150.00	
Employee Group Health	826,384.40	832,384.40	832,337.39	47.01	
Unemployment	500.00	500.00	400.00	100.00	
PUBLIC SAFETY:					
Fire:					
Salary and Wages	11,393.00	11,393.00	10,217.76	1,175.24	
Other Expenses	65,600.00	65,600.00	63,646.04	1,953.96	
Zoning Officer:					
Salary and Wages	39,744.00	39,744.00	39,744.00		
Other Expenses	500.00	500.00	235.00	265.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY (Cont'd):					
Police:					
Salary and Wages	\$ 1,972,859.48	\$ 1,967,859.48	\$ 1,964,188.16	\$ 3,671.32	
Other Expenses	145,800.00	150,800.00	149,783.76	1,016.24	
First Aid Organization Contribution	34,425.00	34,425.00	34,417.07	7.93	
Emergency Management Services:					
Salary and Wages	2,000.00	2,000.00	1,115.34	884.66	
Other Expenses	1,500.00	1,700.00	1,658.50	41.50	
Municipal Court:					
Salary and Wages	93,921.44	104,921.44	104,231.53	689.91	
Other Expenses	9,450.00	5,450.00	4,970.77	479.23	
Public Defender:					
Other Expenses	25.00	25.00		25.00	
STREETS AND ROADS:					
Road Repairs and Maintenance:					
Salary and Wages	438,260.62	438,260.62	405,169.76	33,090.86	
Other Expenses	111,200.00	111,200.00	108,554.44	2,645.56	
Sanitation:					
Sewer System:					
Salary and Wages	110,064.23	110,064.23	96,953.96	13,110.27	
Other Expenses	16,225.00	16,225.00	9,701.73	6,523.27	
Garbage and Trash Removal:					
Salary and Wages	7,500.00	7,500.00	7,495.02	4.98	
Other Expenses	745,000.00	745,000.00	657,461.75	87,538.25	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
STREETS AND ROADS (Cont'd):					
Vehicle Maintenance:					
Salary and Wages	\$ 78,157.87	\$ 78,157.87	\$ 78,157.87		
Other Expenses	35,300.00	35,300.00	30,611.25	\$ 4,688.75	
HEALTH AND WELFARE:					
Board of Health:					
Salary and Wages	19,524.00	19,549.00	19,202.26	346.74	
Other Expenses	76,000.00	76,000.00	73,929.88	2,070.12	
Dog Regulation:					
Other Expenses	15,000.00	15,000.00	15,000.00		
RECREATION AND EDUCATION:					
Recreation Program:					
Salary and Wages	38,249.00	38,249.00	38,203.20	45.80	
Other Expenses	15,500.00	15,500.00	15,220.17	279.83	
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	7,500.00	7,500.00	6,242.19	1,257.81	
Senior Citizens' Advisory Committee:					
Other Expenses	7,000.00	4,000.00	3,140.25	859.75	
Museum:					
Other Expenses	9,000.00	9,000.00	6,924.83	2,075.17	
Dial-A-Ride:					
Salary and Wages	18,500.00	20,000.00	18,610.49	1,389.51	
Other Expenses	61,500.00	61,625.00	61,624.00	1.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
UNCLASSIFIED EXPENDITURES:					
Electricity	\$ 70,000.00	\$ 68,325.00	\$ 59,770.89	\$ 8,554.11	
Street Lighting	35,000.00	36,025.00	36,009.62	15.38	
Telephone	23,500.00	23,500.00	18,640.75	4,859.25	
Water	35,500.00	35,500.00	30,745.70	4,754.30	
Fuel Oil	40,000.00	40,000.00	35,808.59	4,191.41	
Gasoline	85,000.00	85,000.00	70,526.60	14,473.40	
STATE UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salary and Wages	2,483.00	2,483.00	2,483.00		
Other Expenses	25.00	25.00		25.00	
Total Operations Within "CAPS"	<u>6,065,654.43</u>	<u>6,065,254.43</u>	<u>5,822,838.28</u>	<u>242,416.15</u>	
Detail:					
Salaries and Wages	3,138,028.34	3,136,353.34	3,074,574.50	61,778.84	
Other Expenses	<u>2,927,626.09</u>	<u>2,928,901.09</u>	<u>2,748,263.78</u>	<u>180,637.31</u>	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Social Security System (O.A.S.I.)	235,000.00	235,000.00	230,931.06	4,068.94	
Police and Firemen's Retirement System of N.J.	393,437.00	393,437.00	368,000.00		\$ 25,437.00

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	Appropriations		Expended By		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS" (Continued): Statutory Expenditures (Continued): Contributions to:					
Public Employees' Retirement System	\$ 126,581.75	\$ 126,581.75	\$ 113,678.25		\$ 12,903.50
Disability Insurance	2,400.00	2,800.00	2,759.89	\$ 40.11	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>757,418.75</u>	<u>757,818.75</u>	<u>715,369.20</u>	<u>4,109.05</u>	<u>38,340.50</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>6,823,073.18</u>	<u>6,823,073.18</u>	<u>6,538,207.48</u>	<u>246,525.20</u>	<u>38,340.50</u>
Operations Excluded from "CAPS":					
Contribution to Pequannock River Basin					
Regional Sewerage Authority	2,098,000.00	2,098,000.00	2,038,706.00	59,294.00	
Aid to Free Public Library (NJSA 40:54-35)	318,143.00	318,143.00	318,143.00		
Insurance:					
Employee Group Health Insurance	20,072.00	20,072.00	20,072.00		
Interlocal Municipal Service Agreements:					
Billing Services - Bloomingdale:					
Salaries and Wages	17,500.00	17,500.00	17,454.38	45.62	
Other Expenses	2,000.00	2,000.00	1,389.14	610.86	
Construction Code Official - Bloomingdale:					
Other Expenses	97,500.00	97,500.00	92,543.00	4,957.00	
Dispatching Services - Riverdale:					
Salaries and Wages	8,000.00	8,000.00	550.00	7,450.00	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Excluded from "CAPS" (Continued):					
Dispatching Services - Kinnelon:					
Salaries and Wages	\$ 8,900.00	\$ 8,900.00	\$ 4,000.00	\$ 4,900.00	
Other Expenses	19,100.00	19,100.00		19,100.00	
Water Billing Services - Riverdale:					
Salaries and Wages	15,000.00	15,000.00	14,905.35	94.65	
Other Expenses	15,000.00	15,000.00	7,112.25	7,887.75	
Tax Collection Services - Riverdale:					
Salaries and Wages	17,500.00	17,500.00	13,905.84	3,594.16	
Other Expenses	12,500.00	12,500.00	9,900.00	2,600.00	
Tax Assessment Services - Riverdale:					
Salaries and Wages	20,000.00	20,000.00	14,000.68	5,999.32	
Public and Private Programs Offset by Revenues:					
Reserve for Clean Communities Grant	13,944.92	13,944.92	13,944.92		
Safe and Secure Communities (N.J.S.A. 40A:4-87 + \$60,000.00)		60,000.00	60,000.00		
Reserve for Body Armor Replacement Fund	2,440.81	2,440.81	2,440.81		
Reserve for Recycling Tonnage Grant	11,877.31	11,877.31	11,877.31		
<b>Total Operations Excluded from "CAPS"</b>	<u>2,697,478.04</u>	<u>2,757,478.04</u>	<u>2,640,944.68</u>	<u>116,533.36</u>	
Detail:					
Salary and Wages	86,900.00	86,900.00	64,816.25	22,083.75	
Other Expenses	<u>2,610,578.04</u>	<u>2,670,578.04</u>	<u>2,576,128.43</u>	<u>94,449.61</u>	

BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

	<u>Appropriations</u>		<u>Expended By</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Capital Improvements Excluded from "CAPS":					
Capital Improvement Fund	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00		
Total Capital Improvements Excluded from "CAPS"	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	490,000.00	490,000.00	490,000.00		
Interest on Bonds	105,187.50	105,187.50	105,187.50		
Interest on Notes	340.00	340.00	340.00		
Loan Repayments for Principal and Interest	11,548.00	11,548.00	11,547.29		\$ 0.71
Total Municipal Debt Service Excluded from "CAPS"	<u>607,075.50</u>	<u>607,075.50</u>	<u>607,074.79</u>		<u>0.71</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,454,553.54</u>	<u>3,514,553.54</u>	<u>3,398,019.47</u>	\$ 116,533.36	<u>0.71</u>
Subtotal General Appropriations	10,277,626.72	10,337,626.72	9,936,226.95	363,058.56	38,341.21
Reserve for Uncollected Taxes	<u>425,000.00</u>	<u>425,000.00</u>	<u>425,000.00</u>		
Total General Appropriations	<u>\$ 10,702,626.72</u>	<u>\$ 10,762,626.72</u>	<u>\$ 10,361,226.95</u>	<u>\$ 363,058.56</u>	<u>\$ 38,341.21</u>

A



BOROUGH OF BUTLER  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

		Analysis of	
	<u>Ref.</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 10,702,626.72	
Added by NJSA 40A:4-87		60,000.00	
		\$ 10,762,626.72	
Cash Disbursed			\$ 9,796,964.39
Due to Federal and State Grant Fund			88,263.04
Encumbrances	A		50,999.52
Reserve for Uncollected Taxes			425,000.00
			\$ 10,361,226.95

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

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
TRUST FUNDS

BOROUGH OF BUTLER  
TRUST FUNDS  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 7,143.65	\$ 16,773.45
Change Fund		50.00	50.00
		<u>7,193.65</u>	<u>16,823.45</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	882,082.40	926,507.32
		<u>882,082.40</u>	<u>926,507.32</u>
Assessment Trust Fund:			
Assessment Receivable	B-6	8,530.50	13,266.13
Due from Current Fund	A	448,810.59	444,074.96
Amount to be Raised by Taxation- Funded by Assessment Bonds	B-7	13,982.00	13,982.00
		<u>471,323.09</u>	<u>471,323.09</u>
<u>TOTAL ASSETS</u>		<u>\$ 1,360,599.14</u>	<u>\$ 1,414,653.86</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-11	\$ 7,192.25	\$ 11,502.20
Due to State of NJ		1.40	90.00
Due to Current Fund	A		5,231.25
		<u>7,193.65</u>	<u>16,823.45</u>
Other Trust Funds:			
Due to Current Fund	A	3,017.56	2,676.10
Reserve for:			
Hospitalization Claims		1,010.83	44,181.07
Special Deposits		652,016.41	616,830.94
Recreation		111,284.01	97,832.33
Parking Offense Adjudication Fees		117.20	3,793.20
Tax Sale Premiums		91,900.00	121,900.00
State Unemployment Insurance Fund		21,361.89	37,924.18
Public Defender		1,374.50	1,369.50
		<u>882,082.40</u>	<u>926,507.32</u>
Assessment Trust Fund:			
Due to General Capital Fund	C	451,339.09	451,339.09
Fund Balance	B-1	19,984.00	19,984.00
		<u>471,323.09</u>	<u>471,323.09</u>
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 1,360,599.14</u>	<u>\$ 1,414,653.86</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, 2013	B	<u>\$ 19,984.00</u>
Balance December 31, 2014	B	<u><u>\$ 19,984.00</u></u>

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, 2014

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND

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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 826,356.34	\$ 664,895.36
Due From:			
Assessment Trust Fund	B	451,339.09	451,339.09
NJ Department of Transportation Grant Receivable		340,175.72	340,175.72
Morris County Historical Preservation Grant Receivable		172,200.00	181,600.00
Developer Contribution Receivable		27,227.00	27,227.00
Deferred Charges to Future Taxation:			
Funded		4,863,461.01	5,364,178.06
Unfunded	C-4	733,250.00	443,750.00
<u>TOTAL ASSETS</u>		<u>\$ 7,414,009.16</u>	<u>\$ 7,473,165.23</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-9	\$ 4,830,000.00	\$ 5,320,000.00
Bond Anticipation Notes Payable	C-8	693,250.00	40,000.00
Green Trust Loan Payable #1	C-10	33,461.01	44,178.06
Improvement Authorizations:			
Funded	C-6	295,819.96	441,131.83
Unfunded	C-6	179,324.84	272,971.65
Reserve for:			
NJ Department of Transportation Grant Receivable		200,175.72	200,175.72
Sewer Improvements		820,000.00	820,000.00
Payment of Debt Service		121,780.48	151,780.48
Unappropriated Grant Funds		1,721.00	1,721.00
Capital Improvement Fund	C-7	1,388.51	2,984.51
Fund Balance	C-1	237,087.64	178,221.98
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,414,009.16</u>	<u>\$ 7,473,165.23</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, 2013	C	\$ 178,221.98
Increased by:		
Improvement Authorizations Canceled		<u>83,865.66</u>
		262,087.64
Decreased by:		
Utilized as Anticipated Revenue in the Current Fund		<u>25,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 237,087.64</u></u>

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



BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
WATER UTILITY FUND

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 290,603.57	\$ 460,279.57
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	36,354.00	23,713.00
Inventory	D-6b	50,540.29	49,054.60
Total Receivables and Inventory with Full Reserves		<u>86,894.29</u>	<u>72,767.60</u>
 Total Operating Fund		<u>377,497.86</u>	<u>533,047.17</u>
 Capital Fund:			
Cash and Cash Equivalents	D-4	361,108.92	308,438.24
Community Development Block Grant Receivable		2,990.17	162,990.17
Fixed Capital	D-7	13,599,008.31	13,179,008.31
Fixed Capital Authorized and Uncompleted	D-8	1,503,000.00	1,417,000.00
 Total Capital Fund		<u>15,466,107.40</u>	<u>15,067,436.72</u>
 <u>TOTAL ASSETS</u>		<u>\$ 15,843,605.26</u>	<u>\$ 15,600,483.89</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<b>Operating Fund:</b>			
<b>Liabilities:</b>			
<b>Appropriation Reserves:</b>			
Encumbered	D-3;D-9	\$ 14,577.50	\$ 12,865.82
Unencumbered	D-3;D-9	16,648.61	147,596.80
		<u>31,226.11</u>	<u>160,462.62</u>
Accrued Interest on Bonds, Loans and Notes		6,695.45	5,966.96
Water Rent Overpayments		2,031.15	3,889.71
Reserve for Meter Deposits		75,713.59	72,737.05
		<u>115,666.30</u>	<u>243,056.34</u>
Reserve for Receivables and Inventory	D	86,894.29	72,767.60
Fund Balance	D-1	174,937.27	217,223.23
		<u>377,497.86</u>	<u>533,047.17</u>
<b>Total Operating Fund</b>			
<b>Capital Fund:</b>			
Bond Anticipation Notes Payable	D-13	765,000.00	345,000.00
Serial Bonds Payable	D-14	1,443,000.00	1,518,000.00
<b>Dam Restoration and Inland Water Project</b>			
Loan Payable	D-15	429,995.74	496,801.28
<b>Improvement Authorizations:</b>			
Funded	D-10	93,336.43	109,408.79
Unfunded	D-10	192,849.31	268,106.27
Capital Improvement Fund	D-11	730.51	6,730.51
<b>Reserve for:</b>			
Debt Service		26,132.00	36,132.00
Amortization		12,208,788.57	11,966,983.03
Deferred Amortization	D-12	255,224.00	269,224.00
Fund Balance	D-1a	51,050.84	51,050.84
		<u>15,466,107.40</u>	<u>15,067,436.72</u>
<b>Total Capital Fund</b>			
<b><u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u></b>		<b><u>\$ 15,843,605.26</u></b>	<b><u>\$ 15,600,483.89</u></b>

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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 180,079.72	\$ 72,000.00
Rents		1,706,406.57	1,693,859.44
Miscellaneous Revenue		5,782.29	95,009.61
Fire Hydrant Service		21,000.00	21,000.00
Reserve to Pay Debt Service		10,000.00	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		127,945.38	19,944.43
Total Income		<u>2,051,213.96</u>	<u>1,901,813.48</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		1,519,300.13	1,303,037.99
Capital Improvements		50,000.00	50,000.00
Debt Service		216,771.02	118,022.32
Deferred Charges and Statutory Expenditures		127,349.05	300,552.37
Total Expenditures		<u>1,913,420.20</u>	<u>1,771,612.68</u>
Excess in Revenue		137,793.76	130,200.80
<u>Fund Balance</u>			
Balance January 1		217,223.23	159,022.43
		<u>355,016.99</u>	<u>289,223.23</u>
Decreased by:			
Utilized as Anticipated Revenue		180,079.72	72,000.00
Balance December 31	D	<u>\$ 174,937.27</u>	<u>\$ 217,223.23</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, 2013	D	\$ 51,050.84
Balance December 31, 2014	D	\$ 51,050.84

WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 180,079.72	\$ 180,079.72	
Water Rents	1,693,500.00	1,706,406.57	\$ 12,906.57
Miscellaneous Revenue	12,500.00	5,782.29	6,717.71 *
Fire Hydrant Service	21,000.00	21,000.00	
Reserve to Pay Debt Service	10,000.00	10,000.00	
	<u>\$ 1,917,079.72</u>	<u>\$ 1,923,268.58</u>	<u>\$ 6,188.86</u>

Analysis of Water Rents

Collections - Rents and Liens	\$ 1,702,516.86
Overpayments Applied	3,889.71
	<u>\$ 1,706,406.57</u>

Analysis of Miscellaneous Revenue

Interest on Investments:	
Water Utility Operating Fund	\$ 368.36
Water Utility Capital Fund	830.78
Interest on Water Rents	2,975.15
Water Connection Fees	1,500.00
Other Miscellaneous Revenue	108.00
	<u>\$ 5,782.29</u>

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Administration:					
Salaries and Wages	\$ 191,708.35	\$ 168,708.35	\$ 168,394.02	\$ 314.33	
Other Expenses	318,350.00	310,595.00	306,784.73	3,810.27	
Operations:					
Salaries and Wages	435,629.78	452,629.78	448,121.26	4,508.52	
Other Expenses	126,500.00	149,000.00	148,180.29	819.71	
Dispatching:					
Salaries and Wages	123,717.00	127,117.00	126,434.55	682.45	
Other Expenses	500.00	500.00		500.00	
Buildings and Grounds:					
Salaries and Wages	1,000.00	1,000.00		1,000.00	
Other Expenses	3,500.00	3,500.00	3,392.64	107.36	
Group Health Insurance	216,500.00	203,500.00	203,000.69	499.31	
MELJIF Liability	53,000.00	53,000.00	52,991.48	8.52	
MELJIF Worker's Compensation	49,750.00	49,750.00	49,638.30	111.70	
Capital Improvements:					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Debt Service:					
Payment of Bond Principal	75,000.00	75,000.00	75,000.00		
Payment of Bond Anticipation Notes	30,000.00	30,000.00	30,000.00		
Interest on Bonds	31,520.00	31,520.00	31,518.13		\$ 1.87
Interest on Notes	7,500.00	7,500.00	4,099.77		3,400.23
Dam Restoration Loan - Principal and Interest	76,155.54	76,410.54	76,153.12		257.42
Deferred Charges and Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	75,949.05	71,549.05	68,206.95	3,342.10	
Social Security System (O.A.S.I.)	50,000.00	55,000.00	54,555.66	444.34	
Unemployment Compensation Insurance	300.00	300.00	300.00		
Disability Insurance	500.00	500.00		500.00	
	<u>\$ 1,917,079.72</u>	<u>\$ 1,917,079.72</u>	<u>\$ 1,896,771.59</u>	<u>\$ 16,648.61</u>	<u>\$ 3,659.52</u>

Ref.

D

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 1,917,079.72	
Cash Disbursed			\$ 1,834,715.83
Encumbrances Payable	D		14,577.50
Accrued Interest on Loan and Notes			47,478.26
			\$ 1,896,771.59

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

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
ELECTRIC UTILITY FUND



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

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 4,453,549.78	\$ 4,132,258.86
Petty Cash Fund		50.00	50.00
		<u>4,453,599.78</u>	<u>4,132,308.86</u>
Prepaid Sales Tax Payable		64,732.00	
		<u>4,518,331.78</u>	<u>4,132,308.86</u>
Receivables and Inventory With Full Reserves:			
Consumer Accounts Receivable	E-8	1,089,351.44	1,339,800.36
Public Power Association Receivable		42,067.76	42,067.76
Inventory	E-8a	1,277,085.82	1,310,857.65
Total Receivables and Inventory with Full Reserves		<u>2,408,505.02</u>	<u>2,692,725.77</u>
Deferred Charges:			
Overexpenditure of Appropriations			289,027.20
Total Deferred Charges			<u>289,027.20</u>
Total Operating Fund		<u>6,926,836.80</u>	<u>7,114,061.83</u>
Capital Fund:			
Cash and Cash Equivalents	E-5	768,319.45	297,941.28
Fixed Capital	E-9	19,466,272.73	18,996,272.73
Fixed Capital Authorized and Uncompleted	E-10	3,089,000.00	2,914,000.00
Total Capital Fund		<u>23,323,592.18</u>	<u>22,208,214.01</u>
TOTAL ASSETS		<u>\$ 30,250,428.98</u>	<u>\$ 29,322,275.84</u>

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

	Ref.	December 31	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Encumbered	E-4;E-11	\$ 137,461.22	\$ 45,316.43
Unencumbered	E-4;E-11	1,108,913.76	40,544.89
		<u>1,246,374.98</u>	<u>85,861.32</u>
Accounts Payable - Vendors		1,023,931.92	1,811,749.98
Accrued Interest on Bonds and Notes		49,127.95	52,058.88
Sales Tax Payable			107,749.00
Electric Rent Overpayments		83,532.84	77,305.65
Due to Current Fund	A		783.77
Reserve for Meter Deposits		520,004.13	488,559.27
		<u>2,922,971.82</u>	<u>2,624,067.87</u>
Reserve for Receivables and Inventory	E	2,408,505.02	2,692,725.77
Fund Balance	E-1	1,595,359.96	1,797,268.19
		<u>6,926,836.80</u>	<u>7,114,061.83</u>
Total Operating Fund			
Capital Fund:			
Bond Anticipation Notes Payable	E-16	690,000.00	
Serial Bonds Payable	E-17	6,521,000.00	7,101,000.00
Improvement Authorizations:			
Funded	E-12	228,159.20	126,572.11
Unfunded	E-12	448,791.08	200,000.00
Capital Improvement Fund	E-13	43,157.79	123,157.79
Reserve for:			
Debt Service		2,541.05	2,541.05
Amortization		14,961,952.73	14,381,952.73
Deferred Amortization	E-14	351,500.00	196,500.00
Fund Balance	E-2	76,490.33	76,490.33
		<u>23,323,592.18</u>	<u>22,208,214.01</u>
Total Capital Fund			
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 30,250,428.98</u>	<u>\$ 29,322,275.84</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	
		2014	2013
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	1,029,028.00	\$ 300,000.00
LEAC Revenue		17,139,325.21	19,259,051.00
Base Rate Revenue		6,840,713.88	6,711,965.33
Miscellaneous Revenue		115,627.48	216,236.84
Contributions For Underground Construction and Utility Pole Replacement			4,167.80
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		9,737.35	167,334.23
Total Income		<u>25,134,431.92</u>	<u>26,658,755.20</u>
<u>Expenditures</u>			
Operating		22,320,408.33	25,106,506.20
Capital Improvements		75,000.00	75,000.00
Debt Service		775,548.82	719,063.99
Deferred Charges and Statutory Expenditures		768,355.00	469,355.00
Total Expenditures		<u>23,939,312.15</u>	<u>26,369,925.19</u>
Excess in Revenue		1,195,119.77	288,830.01
Adjustments to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			289,027.20
Statutory Excess to Fund Balance		1,195,119.77	577,857.21
<u>Fund Balance</u>			
Balance January 1		1,797,268.19	1,887,410.98
		<u>2,992,387.96</u>	<u>2,465,268.19</u>
Decreased by:			
Utilization as Anticipated Revenue		1,029,028.00	300,000.00
Prior Year Fund Balance Appropriated as Revenue - Current Fund		368,000.00	368,000.00
Balance December 31	E	<u>\$ 1,595,359.96</u>	<u>\$ 1,797,268.19</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, 2013	E	\$ 76,490.33
Balance December 31, 2014	E	\$ 76,490.33

ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Fund Balance Anticipated	\$ 1,029,028.00	\$ 1,029,028.00	
LEAC Revenues	17,750,000.00	17,139,325.21	\$ 610,674.79 *
Base Rate Revenues	6,456,253.35	6,840,713.88	384,460.53
Miscellaneous Revenue	120,000.00	115,627.48	4,372.52 *
	<u>\$ 25,355,281.35</u>	<u>\$ 25,124,694.57</u>	<u>\$ 230,586.78 *</u>

Analysis of Realized Miscellaneous Revenue

Miscellaneous Revenue:

Interest on Electric Rents	\$ 35,131.85	
Meter/Pole Installation	4,767.45	
Electric Search Fees	3,027.00	
Underground Service	1,071.40	
Temporary Service	336.00	
Miscellaneous Reimbursements	<u>20,225.81</u>	
		\$ 64,559.51
Interest Earned		<u>2,608.68</u>
		67,168.19
Interest Earned - Electric Utility Capital Fund		664.27
Flood Lighting		34,407.52
State Aid "Lifeline"		<u>13,387.50</u>
		<u>\$ 115,627.48</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modi- fication</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Administration:					
Salaries and Wages	\$ 389,212.71	\$ 389,212.71	\$ 338,849.44	\$ 15,363.27	\$ 35,000.00
Other Expenses	557,050.00	556,975.00	412,566.99	144,408.01	
Operations:					
Salaries and Wages	2,108,003.42	2,108,003.42	1,786,642.42	121,361.00	200,000.00
Other Expenses	623,000.00	623,000.00	423,586.54	49,413.46	150,000.00
Other Expenses - Purchase Power	18,500,000.00	18,500,000.00	16,819,219.12	680,780.88	1,000,000.00
Dispatching:					
Salaries and Wages	300,450.23	300,450.23	295,013.85	5,436.38	
Other Expenses	1,000.00	1,000.00		1,000.00	
Night Out:					
Other Expenses	7,500.00	7,575.00	7,568.24	6.76	
Buildings and Grounds:					
Salaries and Wages	82,984.32	82,984.32	81,552.60	1,431.72	
Other Expenses	7,000.00	7,000.00	1,780.07	5,219.93	
Group Insurance for Employees	965,000.00	965,000.00	905,637.05	59,362.95	
MELJIF Liability	84,786.38	84,786.38	84,786.38		
MELJIF Worker's Compensation	79,421.27	79,421.27	79,421.27		
Capital Improvements:					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
Debt Service:					
Payment of Bond Principal	580,000.00	580,000.00	580,000.00		
Interest on Bonds	195,548.82	195,548.82	195,548.82		
Deferred Charges:					
Overexpenditure of Appropriation Reserves	289,028.00	289,028.00	289,027.20		0.80
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	303,796.20	303,796.20	272,827.80		30,968.40
Social Security System (O.A.S.I.)	205,000.00	205,000.00	180,934.20	24,065.80	
Unemployment Compensation Insurance	500.00	500.00	436.40	63.60	
Disability (N.J.S.A. 43:21-3 et.seq.)	1,000.00	1,000.00		1,000.00	
	<u>\$ 25,355,281.35</u>	<u>\$ 25,355,281.35</u>	<u>\$ 22,830,398.39</u>	<u>\$ 1,108,913.76</u>	<u>\$ 1,415,969.20</u>

Ref.

E

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 25,355,281.35	
Cash Disbursed			\$ 21,184,429.23
Deferred Charges			289,027.20
Encumbered	E		137,461.22
Accounts Payable			1,023,931.92
Accrued Interest on Bonds and Notes			195,548.82
			\$ 22,830,398.39

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

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
PUBLIC ASSISTANCE FUND

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

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2014	2013
Cash and Cash Equivalents	F-1	\$ 7,852.68	\$ 7,833.73
<u>TOTAL ASSETS</u>		<u>\$ 7,852.68</u>	<u>\$ 7,833.73</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Reserve for Public Assistance		\$ 7,852.68	\$ 7,833.73
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,852.68</u>	<u>\$ 7,833.73</u>

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



BOROUGH OF BUTLER

COUNTY OF MORRIS

2014

GENERAL FIXED ASSETS ACCOUNT GROUP

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

<u>ASSETS</u>	December 31,	
	2014	2013
Land	\$ 3,085,900.00	\$ 3,085,900.00
Buildings	2,693,000.00	2,693,000.00
Furniture and Equipment	3,152,977.00	2,948,224.00
Vehicles	5,592,124.00	5,517,230.00
<u>TOTAL ASSETS</u>	<u>\$ 14,524,001.00</u>	<u>\$ 14,244,354.00</u>
<u>RESERVE</u>		
Reserve for Fixed Assets	<u>\$ 14,524,001.00</u>	<u>\$ 14,244,354.00</u>
<u>TOTAL RESERVE</u>	<u>\$ 14,524,001.00</u>	<u>\$ 14,244,354.00</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, 2014

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 First Aid Organizations.

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. 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.

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.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

B. Description of Funds (Cont'd)

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.

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.

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.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

C. Basis of Accounting (Cont'd)

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 and fixed assets purchased by the Utility Capital Funds would be depreciated.

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 through capital lease purchase 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 or amortized cost, which approximates market.

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.

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.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

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 Utility, is recorded as expenditures at the time individual items are purchased. The cost of the Electric Utility Operating Fund inventory is included on its balance sheet and is 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, 2014  
(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,		
	2014	2013	2012
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 5,556,711	\$ 5,404,178	\$ 5,828,092
Water Utility:			
Bonds, Loans and Notes	2,637,996	2,359,801	2,099,263
Electric Utility:			
Bonds and Notes	7,211,000	7,101,000	7,631,224
Total Issued	<u>15,405,707</u>	<u>14,864,979</u>	<u>15,558,579</u>
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General	123,501	153,501	173,501
Water Utility	26,132	36,132	36,132
Electric Utility	2,541	2,541	2,541
Total Deductions	<u>152,174</u>	<u>192,174</u>	<u>212,174</u>
Net Debt Issued	<u>15,253,533</u>	<u>14,672,805</u>	<u>15,346,405</u>

**BOROUGH OF BUTLER**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2014**  
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2014	2013	2012
<u>Authorized but not Issued:</u>			
General:			
Bonds, Loans and Notes	\$ 40,000	\$ 403,750	\$ 66,600
Water Utility:			
Loans and Notes			182,133
Electric Utility:			
Bonds and Notes	30,820	230,820	30,820
Total Authorized but not Issued	<u>70,820</u>	<u>634,570</u>	<u>279,553</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 15,324,353</u>	<u>\$ 15,307,375</u>	<u>\$ 15,625,958</u>

Summary of Municipal Debt Issued and Outstanding – Prior Year

	Balance 12/31/12	Additions	Retirements	Balance 12/31/13
Serial Bonds:				
General Capital Fund	\$ 1,190,000	\$ 4,230,000	\$ 100,000	\$ 5,320,000
Water Utility Capital Fund		1,518,000		1,518,000
Electric Utility Capital Fund	3,820,000	3,661,000	380,000	7,101,000
Bond Anticipation Notes:				
General Capital Fund	4,581,803	40,000	4,581,803	40,000
Water Utility Capital Fund	1,536,973	345,000	1,536,973	345,000
Electric Utility Capital Fund	3,811,224		3,811,224	
Loans Payable:				
General Capital Fund:				
Green Trust Loans	56,289		12,111	44,178
Water Utility Capital Fund:				
Dam Restoration Loan	562,290		65,489	496,801
Total	<u>\$ 15,558,579</u>	<u>\$ 9,794,000</u>	<u>\$10,487,600</u>	<u>\$ 14,864,979</u>



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Summary of Municipal Debt Issued and Outstanding – Current Year

	Balance 12/31/13	Additions	Retirements	Balance 12/31/14
Serial Bonds:				
General Capital Fund	\$ 5,320,000		\$ 490,000	\$ 4,830,000
Water Utility Capital Fund	1,518,000		75,000	1,443,000
Electric Utility Capital Fund	7,101,000		580,000	6,521,000
Bond Anticipation Notes:				
General Capital Fund	40,000	\$ 693,250	40,000	693,250
Water Utility Capital Fund	345,000	765,000	345,000	765,000
Electric Utility Capital Fund		690,000		690,000
Loans Payable:				
General Capital Fund:				
Green Trust Loans	44,178		10,717	33,461
Water Utility Capital Fund:				
Dam Restoration Loan	496,801		66,805	429,996
<b>Total</b>	<u>\$ 14,864,979</u>	<u>\$ 2,148,250</u>	<u>\$ 1,607,522</u>	<u>\$ 15,405,707</u>

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 .56%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 5,416,000	\$ 5,416,000	
Water Utility Debt	2,637,996	2,637,996	
Electric Utility Debt	7,241,820	7,241,820	
General Debt	5,596,711	123,501	\$ 5,473,210
	<u>\$ 20,892,527</u>	<u>\$ 15,419,317</u>	<u>\$ 5,473,210</u>

Net Debt: \$5,473,210 divided by Equalized Valuation basis per N.J.S. 40A:2-2, as amended, of \$982,411,759 = .56%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 34,384,412
Net Debt	<u>5,473,210</u>
Remaining Borrowing Power	<u>\$ 28,911,202</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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		\$	1,923,269
Deductions:			
Operating and Maintenance Cost	\$		1,646,649
Debt Service			216,771
			1,863,420
Excess in Revenue		\$	59,849

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

Cash Receipts from Fees, Rents or Other Charges for Year		\$	25,124,695
Deductions:			
Operating and Maintenance Cost	\$		22,799,736
Debt Service			775,549
			23,575,285
Excess in Revenue		\$	1,549,410

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 and Loans Issued and Outstanding

Year Ended December 31,	General		Water Utility		Electric Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 510,932	\$ 98,552	\$ 148,148	\$ 39,101	\$ 575,000	\$ 186,255	\$ 1,234,080	\$ 323,908
2016	521,152	90,983	154,518	36,906	595,000	173,005	1,270,670	300,894
2017	531,377	81,652	160,916	34,521	620,000	155,643	1,312,293	271,816
2018	550,000	71,200	167,341	31,821	645,000	136,692	1,362,341	239,713
2019	555,000	59,625	173,795	28,904	680,000	117,005	1,408,795	205,534
2020-2024	2,195,000	103,600	610,278	102,231	3,010,000	266,875	5,815,278	472,706
2025-2028			458,000	26,940	396,000	5,940	854,000	32,880
	\$ 4,863,461	\$ 505,612	\$ 1,872,996	\$ 300,424	\$ 6,521,000	\$ 1,041,415	\$ 13,257,457	\$ 1,847,451

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, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014

General Capital Fund

Serial Bonds

Maturities of Bonds  
Outstanding Dec. 31, 2014

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Refunding Bonds	09/01/2015	\$ 115,000	3.00%	
	09/01/2016	115,000	4.00%	
	09/01/2017	115,000	4.00%	
	09/01/2018	130,000	4.00%	
	09/01/2019	125,000	4.00%	
	09/01/2020	125,000	4.00%	
	09/01/2021	125,000	4.00%	
	09/01/2022	125,000	4.00%	\$ 975,000
General Bonds	11/15/2015	385,000	1.00%	
	11/15/2016	395,000	1.00%	
	11/15/2017	405,000	1.25%	
	11/15/2018	420,000	1.50%	
	11/15/2019	430,000	1.50%	
	11/15/2020	440,000	2.00%	
	11/15/2021	455,000	2.00%	
	11/15/2022	460,000	2.00%	
	11/15/2023	465,000	2.00%	3,855,000
				<u>\$ 4,830,000</u>

Loan Payable

<u>Purpose</u>	<u>Final Maturity Date of Green Trust Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Development of Stoney Brook Park	12/21/2017	2.00%	<u>\$ 33,461</u>

Bond Anticipation Notes

Maturities of Notes  
Outstanding Dec. 31, 2014

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Improvement to Various Roads in and by Butler Borough	9/18/2015	\$ 403,750	0.55%	\$ 403,750
Improvements of Roads	9/18/2015	80,000	0.55%	80,000
Acquisition of Leasehold Interest in the Butler High School	9/18/2015	209,500	0.55%	209,500
				<u>\$ 693,250</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014

Water Utility Capital Fund

<u>Loan Payable</u>	<u>Final Maturity Date of Dam Restoration and Inland Water Project Loan Payable</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
Improvement of Water Supply and Distribution System	10/21/2020	2.00%	<u>\$ 429,996</u>

<u>Serial Bonds</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
General Bonds	11/15/2015	\$ 80,000	1.00%	
	11/15/2016	85,000	1.00%	
	11/15/2017	90,000	1.25%	
	11/15/2018	95,000	1.50%	
	11/15/2019	100,000	1.50%	
	11/15/2020	100,000	2.00%	
	11/15/2021	100,000	2.00%	
	11/15/2022	110,000	2.00%	
	11/15/2023	115,000	2.00%	
	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%	
				<u>\$ 1,443,000</u>
				<u>\$ 1,443,000</u>

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes Outstanding Dec. 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>		
Improvement of Water System	9/18/2015	\$ 315,000	0.55%	\$ 315,000
Improvement of Water System	9/18/2015	450,000	0.55%	450,000
				<u>\$ 765,000</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

Analysis of Debt Issued and Outstanding at December 31, 2014

Electric Utility Capital Fund

<u>Bond Anticipation Notes</u>	<u>Maturities of Notes</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
Acquisition of New Vehicles	9/18/2015	\$ 200,000	0.55%	\$ 200,000
Improvement of the Electrical Supply and Distribution System	9/18/2015	250,000	0.55%	250,000
Acquisition of New Vehicles	9/18/2015	240,000	0.55%	240,000
				<u>\$ 690,000</u>

Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds</u>		<u>Interest</u>	<u>Balance</u>
	<u>Outstanding Dec. 31, 2014</u>			
<u>Purpose</u>	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>
Refunding Bonds	9/1/2015	\$ 370,000	3.00%	
	9/1/2016	370,000	4.00%	
	9/1/2017	390,000	4.00%	
	9/1/2018	390,000	4.00%	
	9/1/2019	390,000	4.00%	
	9/1/2020	390,000	4.00%	
	9/1/2021	385,000	4.00%	
	9/1/2022	380,000	4.00%	\$ 3,065,000
General Bonds	11/15/2015	205,000	1.00%	
	11/15/2016	225,000	1.00%	
	11/15/2017	230,000	1.25%	
	11/15/2018	255,000	1.50%	
	11/15/2019	290,000	1.50%	
	11/15/2020	315,000	2.00%	
	11/15/2021	355,000	2.00%	
	11/15/2022	380,000	2.00%	
	11/15/2023	400,000	2.00%	
	11/15/2024	405,000	3.00%	
11/15/2025	396,000	3.00%	<u>3,456,000</u>	
				<u>\$ 6,521,000</u>
<u>Total Debt Issued and Outstanding</u>				<u>\$ 15,405,707</u>

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

General Capital New Jersey Green Acres Trust Loans

The Borough entered into a loan agreement with the New Jersey Department of Environmental Protection under the Green Acres Trust Loan program. The loan is for the development of Stoney Brook Park project in the amount of \$150,000, which represents the loan proceeds drawn down and bearing 2% interest, was effective June 25, 1999 with principal and interest payments commencing June 21, 2003 and continuing on a semiannual basis through December 21, 2017.

The balances of the loans at December 31, 2014 were as follows:

Development of Stoney Brook Park	\$ <u>33,461</u>
----------------------------------	------------------

Water Utility Capital Dam Restoration and Inland Water Project Loan

The Borough entered into a loan agreement with the New Jersey Department of Environmental Protection under the Dam Restoration program. The loan, which was obtained to fund the Kakeout Dam and Dike project in the amount of \$929,000, represents the loan proceeds drawn down and bearing 2% interest, was effective July 25, 2006 with principal and interest payments commencing on April 21, 2007 and continuing on a semiannual basis through October 21, 2020. The balance of the loan at December 31, 2014 was \$429,995.74.

Refunding Bonds:

On September 1, 2010, the Borough issued \$5,510,000 refunding bonds with interest rates ranging from 3.00% to 4.00% to refund \$5,585,000 of the \$8,885,000 General Improvement Bonds dated September 1, 2002 with an interest rates ranging from 4.00% to 4.625%. The refunding bonds will mature on September 1, 2011 through September 1, 2022 and constitute an advanced refunding. The refunding met the requirements of an in-substance debt defeasance.

As a result of the advance refunding, the Borough reduced its total debt service requirement by \$327,431 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$278,934.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2014, which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2015 are as follows:

Current Fund	\$ 615,000
Water Utility Operating Fund	173,478
Electric Utility Operating Fund	500,000

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 4: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The 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 each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of- living adjustments and noncontributory death benefits. 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.

Borough contributions to PFRS amounted to \$368,000, \$403,198 and \$366,631 for 2014, 2013 and 2012, respectively. Borough contributions to PERS amounted to \$454,713, \$450,796 and \$471,865 for 2014, 2013 and 2012, respectively. Borough contributions to DCRP amounted to \$683, \$-0-, and \$-0- for 2014, 2013 and 2012.

Note 5: 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.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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 \$508,327 at December 31, 2014. 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.

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>\$ 3.265</u>	<u>\$ 3.191</u>	<u>\$ 3.103</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.914	0.900	0.883
County	0.329	0.333	0.320
Local School	2.022	1.958	1.900
<u>Assessed Valuations</u>			
2014	<u>\$ 749,559,450</u>		
2013		<u>\$ 749,474,173</u>	
2012			<u>\$ 751,008,284</u>

Comparison of Tax Levies and Collection Currently

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>
2014	\$ 24,556,598	\$ 24,319,451	99.03%
2013	23,934,438	23,723,536	99.11%
2012	23,310,167	22,989,204	98.62%



BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 7: Selected Tax Information (Cont'd)

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.

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, which approximates market. 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 Statement No. 40 *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, 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 on the following page.

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.

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, 2014  
(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, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (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 statute; 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, 2014  
(Continued)

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

As of December 31, 2014, cash and cash equivalents of the Borough of Butler consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>NJ Cash Management</u>	<u>Total</u>
Current Fund	\$ 575	\$ 3,381,857	\$ 24,055	\$ 3,406,487
Animal Control Trust Fund	50	7,144		7,194
Other Trust Fund		870,517	11,565	882,082
General Capital Fund		824,876	1,480	826,356
Water Utility Operating Fund		276,019	14,585	290,604
Water Utility Capital Fund		358,388	2,721	361,109
Electric Utility Operating Fund	50	4,430,831	22,719	4,453,600
Electric Utility Capital Fund		763,571	4,748	768,319
Public Assistance Fund		7,853		7,853
	<u>\$ 675</u>	<u>\$ 10,921,056</u>	<u>\$ 81,873</u>	<u>\$ 11,003,604</u>

During the period ended December 31, 2014, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2014, was \$11,003,604 and the bank balance was \$10,811,287. The \$81,873 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

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 9: Risk Management (Cont'd)

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.

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.

The December 31, 2014 audit report of the Morris County Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2013 is as follows:

Total Assets	\$ 25,334,768
Net Position	\$ 9,645,581
Total Revenue	\$ 15,621,282
Total Expenses	\$ 15,549,524
Change in Net Position	\$ 71,758
Members Dividends	\$ -0-

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

PERMA Risk Management Services  
9 Campus Drive, Suite 16  
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 expendable trust fund for the current and previous two years:

Year	Borough/ Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2012	\$ 3,500	\$ 419	\$ 12,810	\$ 32,077
2013	6,853	111	1,117	37,924
2014	8,262	72	24,896	21,362

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 10: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 4, the Borough provides other post-retirement benefits to certain Borough employees after retirement, substantially similar in nature to the health benefits provided to employees presently working.

The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

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.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to:

State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 10: Post-Retirement Medical Benefits (Cont'd)

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis.

The Borough's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2014, the Borough had 46 employees who met eligibility requirements and recognized expenses of approximately \$750,243. In 2013, the Borough had 40 employees who met eligibility requirements and recognized expenses of approximately \$669,454.

Note 11: 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 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 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 3,018	\$ 543,918
Federal and State Grand Fund	95,107	
Other Trust Funds		3,018
Assessment Trust Fund	448,811	451,339
General Capital Fund	451,339	
	<u>\$ 998,275</u>	<u>\$ 998,275</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, 2014, represent activity not liquidated by year end which will be subsequently liquidated in 2015.

BOROUGH OF BUTLER  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Note 13: 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 ultimate effect of such litigation cannot be ascertained at this time since they are currently in various stages of discovery. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position and operations as of December 31, 2014.

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.

Note 14: 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.

BOROUGH OF BUTLER

SUPPLEMENTARY DATA



BOROUGH OF BUTLER  
ROSTER OF OFFICIALS  
YEAR ENDED DECEMBER 31, 2014

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Robert Alviene	Mayor		
Edwin Vath	Council President		
Robert Fox	Councilman		
Robert Meier	Councilman		
Stephen Regis	Councilman		
Raymond Verdonik	Councilman		
Sean McNear	Councilman		
James Lampmann	Administrator	*	
Mary A. O'Keefe	Clerk	*	
James Kozimor	Chief Financial Officer	*	
Cora Ashley	Tax Collector	**	
	Supervisor of Utilities		
Pamela Krattiger	Tax Clerk	*	
Shawn Hopkins	Tax Assessor	*	
Martin F. Murphy	Attorney		
John A Paparazzo	Magistrate	*	
Cheryl Wiltshire	Court Administrator	*	

\* 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  
2014  
CURRENT FUND

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 2,674,545.74
Increased by Receipts:		
Tax Collector	\$ 24,554,383.54	
Revenue Accounts Receivable	2,063,879.34	
Miscellaneous Revenue Not Anticipated	674,396.42	
Due from / to State of New Jersey:		
Veterans and Senior Citizens' Deductions	68,928.09	
Construction Code Fees Payable	4,842.00	
Marriage License Fees Payable	1,375.00	
Interest on Investments	7,639.76	
Gas Reimbursement Receipts	12,798.06	
Payroll Tax Receivable	175.84	
Reserve for Sale of Municipal Assets	104,812.72	
Due to/from:		
Federal and State Grant Fund:		
Federal and State Grants Receivable	81,507.67	
Unappropriated Reserves	24,682.20	
Other Trust Fund	72.74	
Animal Control Fund	5,263.48	
General Capital Fund	1,547.40	
Electric Utility Operating Fund	783.77	
Trust Assessment Fund - Assessments Receivable	4,735.63	
Library	348,951.68	
Sewer Charges	1,060,605.29	
Sewer Overpayments	1,208.13	
	<hr/>	29,022,588.76
		<hr/> 31,697,134.50
Decreased by Disbursements:		
2014 Appropriation Expenditures	9,796,964.39	
2013 Appropriation Reserves	179,130.23	
Accounts Payable	1,200.00	
Change Fund	125.00	
Tax Overpayment Refunds	13,412.40	
Sewer Overpayment Refunds	63.33	
Third Party Liens	243,238.76	
Local School District Taxes	15,155,163.50	
County Taxes	2,457,575.34	
Due State of New Jersey:		
Marriage License Fees Payable	1,625.00	
Construction Code Fees Payable	5,708.00	
Gas Reimbursement Disbursements	11,190.20	
Due to / from:		
Federal and State Grant Fund:		
Appropriated Reserves	74,039.96	
Payroll Taxes Receivable	513.74	
Library	351,272.80	
	<hr/>	28,291,222.65
Balance December 31, 2014	A	<hr/> <u>\$ 3,405,911.85</u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

Increased by Receipts:			
Taxes Receivable	\$	24,253,624.39	
2015 Prepaid Taxes		70,521.02	
Interest and Costs on Taxes		46,551.08	
Third Party Liens		152,085.49	
Tax Overpayments		31,601.56	
			\$ 24,554,383.54
Decreased by:			
Payments to Treasurer			\$ 24,554,383.54

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

Year	Balance	2014 Levy	Collections		Overpayments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Trans- ferred to Tax Title Liens	Balance
	Dec 31, 2013		2013	2014					Dec 31, 2014
2013	\$ 163,944.72			\$ 162,142.30		\$ (1,209.59)	\$ 3,012.01		
	163,944.72			162,142.30		(1,209.59)	3,012.01		
2014		\$ 24,556,597.88	\$ 154,128.18	24,091,482.09	\$ 3,217.00	70,624.05	16,541.91	\$ 15,969.13	\$ 204,635.52
	\$ 163,944.72	\$ 24,556,597.88	\$ 154,128.18	\$ 24,253,624.39	\$ 3,217.00	\$ 69,414.46	\$ 19,553.92	\$ 15,969.13	\$ 204,635.52

Ref. A

A

## Analysis of 2014 Property Tax Levy

## Tax Yield:

General Purpose Tax	\$ 24,449,322.35
Business Personal Property Taxes	23,793.69
Added and Omitted Taxes	83,481.84
	<u>\$ 24,556,597.88</u>

## Tax Levy:

Local School District Taxes	\$ 15,155,164.00
Library Tax	318,143.00
County Taxes	\$ 2,455,622.64
Due County for Added and Omitted Taxes	8,431.91
	<u>2,464,054.55</u>
	17,937,361.55

## Local Tax for Municipal Purposes

Levied	6,537,593.68
Add: Additional Tax Levied	81,642.65
	<u>6,619,236.33</u>
	<u>\$ 24,556,597.88</u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 80,553.25
Increased by:		
Transfer from Taxes Receivable		<u>15,969.13</u>
Balance December 31, 2014	A	<u><u>\$ 96,522.38</u></u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Accrued</u> <u>in 2014</u>	<u>Received</u> <u>in 2014</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Clerk:				
Alcoholic Beverages Licenses		\$ 15,506.00	\$ 15,506.00	
Other Licenses		3,412.00	3,412.00	
Fees and Permits		925.00	925.00	
Health Officer and Registrar:				
Other Licenses		5,130.00	5,130.00	
Fees and Permits		1,620.00	1,620.00	
Board of Adjustment:				
Fees and Permits		315.00	315.00	
Construction Code Official:				
Fees and Permits		95,892.00	95,892.00	
Municipal Court:				
Fines and Costs	\$ 8,961.06	90,256.27	93,247.05	\$ 5,970.28
Police:				
Fees and Permits		1,433.00	1,433.00	
Energy Receipts Taxes		962,902.00	962,902.00	
Zoning Rent Registration		17,600.00	17,600.00	
Garden State Preservation Fund		3,766.00	3,766.00	
Utility Operating Surplus of Prior Year		368,000.00	368,000.00	
Payments in Lieu of Taxes on State Exempt Property		64,999.96	64,999.96	
Uniform Fire Safety Act		25,673.95	25,673.95	
Library		55,000.00	55,000.00	
Sale of Leaf Bags		2,174.00	2,174.00	
Interlocal Services Agreement - Pequannock River				
Basin Regional Sewerage Authority		29,800.00	29,800.00	
Cell Tower Rental		92,971.85	92,971.85	
Dispatching Services - Kinnelon		29,950.00	29,950.00	
Dispatching Services - Riverdale		8,000.00	8,000.00	
Assessing Services - Riverdale		20,000.00	20,000.00	
Tax Collection Services - Riverdale		30,000.00	30,000.00	
Water Utility Services - Riverdale		30,000.00	30,000.00	
General Capital Fund - Fund Balance		25,000.00	25,000.00	
General Capital Fund - Reserve for Debt Service		30,000.00	30,000.00	
Billing Services - Bloomingdale		50,561.53	50,561.53	
	<u>\$ 8,961.06</u>	<u>\$ 2,060,888.56</u>	<u>\$ 2,063,879.34</u>	<u>\$ 5,970.28</u>
Ref.	A			A

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF SEWER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 35,060.65
Increased by:		
Sewer Billings		<u>1,054,098.76</u>
		1,089,159.41
Decreased by:		
Sewer Collections	\$ 1,060,605.29	
Overpayments Applied	<u>1,073.20</u>	
		<u>1,061,678.49</u>
Balance December 31, 2014	A	<u><u>\$ 27,480.92</u></u>



BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec 31, 2013	Balance After Modi- fication	Paid or Charged	Balance Lapsed
General Government:				
Administrative and Executive:				
Salaries and Wages	\$ 1,682.00	\$ 1,682.00		\$ 1,682.00
Other Expenses	2,893.32	2,893.32	\$ 1,740.60	1,152.72
Mayor and Council:				
Salaries and Wages	0.18	0.18		0.18
Other Expenses	5.00	5.00		5.00
Municipal Clerk:				
Salaries and Wages	9.98	9.98		9.98
Other Expenses	2,805.13	2,805.13	180.73	2,624.40
Other Expenses - Codification	5,000.00	5,000.00		5,000.00
Assessment of Taxes:				
Salaries and Wages	14.50	14.50		14.50
Other Expenses	6,340.20	6,390.20	6,375.00	15.20
Collection of Taxes:				
Salaries and Wages	1,854.99	1,854.99		1,854.99
Other Expenses	985.37	985.37	48.51	936.86
Financial Administration:				
Salaries and Wages	5.26	5.26		5.26
Other Expenses	327.10	327.10		327.10
Annual Audit	807.00	807.00	120.00	687.00
Legal Services and Costs:				
Other Expenses	4,059.50	659.50	652.50	7.00
Municipal Prosecutor:				
Salaries and Wages	1,000.02	1,000.02		1,000.02
Engineering Services and Costs:				
Other Expenses	4,302.85	2.85		2.85
Public Buildings and Grounds:				
Salaries and Wages	577.91	577.91		577.91
Other Expenses	13,656.53	13,656.53	11,238.77	2,417.76
Municipal Land Use Law:				
Planning Board:				
Salaries and Wages	1,804.98	1,804.98		1,804.98
Other Expenses	1,140.90	3,990.90	3,989.55	1.35
Insurance:				
General Liability	47.42	497.42	484.96	12.46
Fireman's	954.19	954.19		954.19
Road Bond	150.00	150.00		150.00
Workmen's Compensation	554.67	554.67		554.67
Employee Group Health	1,680.61	2,180.61	1,572.35	608.26
Unemployment	500.00	500.00		500.00

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Public Safety:				
Fire:				
Salaries and Wages	\$ 1,425.32	\$ 1,425.32		\$ 1,425.32
Other Expenses	2,683.42	5,683.42	\$ 5,208.07	475.35
Zoning Officer:				
Salaries and Wages	0.10	0.10		0.10
Other Expenses	500.00	500.00		500.00
Police:				
Salaries and Wages	8,068.95	2,568.95	2,545.96	22.99
Other Expenses	15,910.04	17,410.04	17,188.81	221.23
First Aid Organization Contribution	0.44	0.44		0.44
Emergency Management Services:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	748.52	748.52		748.52
Municipal Court:				
Salaries and Wages	352.60	352.60		352.60
Other Expenses	1,323.23	1,323.23	470.00	853.23
Public Defender:				
Other Expenses	25.00	25.00		25.00
Road Repairs and Maintenance:				
Salaries and Wages	989.92	989.92	710.58	279.34
Other Expenses	18,761.39	19,761.39	18,666.19	1,095.20
Sewer System:				
Salaries and Wages	2,340.54	2,340.54	671.87	1,668.67
Other Expenses	58.50	58.50		58.50
Garbage and Trash Removal:				
Salaries and Wages	4.98	4.98		4.98
Other Expenses	68,327.22	62,327.22	62,298.16	29.06
Vehicle Maintenance:				
Salaries and Wages	4.44	5,529.44	5,524.40	5.04
Other Expenses	2,276.04	5,726.04	5,128.75	597.29
Recreation Program:				
Salaries and Wages	148.49	148.49		148.49
Other Expenses	227.66	227.66	133.15	94.51
Health Department:				
Salaries and Wages	774.09	774.09		774.09
Other Expenses	558.62	908.62	692.00	216.62
Celebration of Public Events, Anniversary or Holiday:				
Other Expenses	504.04	504.04	53.97	450.07

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec 31, 2013</u>	<u>Balance</u> <u>After Modi-</u> <u>fication</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Museum:				
Other Expenses	\$ 6,988.73	\$ 1,988.73	\$ 1,835.00	\$ 153.73
Dial-A-Ride:				
Salaries and Wages	613.44	613.44		613.44
Other Expenses	23.00	23.00		23.00
Senior Advisory:				
Other Expenses	1,059.75	1,059.75		1,059.75
Unclassified Expenditures:				
Electricity	3,929.21	5,979.21	5,976.79	2.42
Telephone	3,290.39	1,040.39	869.41	170.98
Water	3,253.02	253.02	123.25	129.77
Fuel Oil	11,125.29	10,175.29	7,534.55	2,640.74
Gasoline	7,335.36	17,010.36	17,002.84	7.52
Construction Official:				
Salaries and Wages	0.10	0.10		0.10
Other Expenses	25.00	25.00		25.00
Contribution to :				
Social Security System (O.A.S.I)	2,660.58	2,660.58		2,660.58
Disability Insurance	45.51	45.51	45.00	0.51
Interlocal Municipal Service Agreements -				
Billing Services - Bloomingdale:				
Salaries and Wages	999.87	999.87		999.87
Other Expenses	221.32	221.32	48.51	172.81
Construction Code Official- Bloomingdale:				
Other Expenses	185.99	185.99		185.99
Dispatching Services - Kinnelon:				
Other Expenses	19,100.00	19,100.00		19,100.00
	<u>\$ 241,029.72</u>	<u>\$ 241,029.72</u>	<u>\$ 179,130.23</u>	<u>\$ 61,899.49</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Encumbered	A	\$ 38,885.72
Unencumbered	A	202,144.00
		<u>\$ 241,029.72</u>

BOROUGH OF BUTLER  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

	<u>Ref.</u>	
Increased by:		
Levy - Calendar Year 2014		\$ 15,155,164.00
Decreased by:		
Payments to Local School District		<u>15,155,163.50</u>
Balance December 31, 2014	A	<u><u>\$ 0.50</u></u>

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

Grant	Balance Dec 31, 2013	2014 Realized Revenue	2014 Receipts	Transferred from Unappropriated Reserves	Cancelled	Balance Dec 31, 2014
Body Armor Replacement Fund		\$ 2,440.81		\$ 2,440.81		
Safe and Secure Communities Program	\$ 30,000.00	60,000.00	\$ 75,000.00			\$ 15,000.00
Municipal Alliance on Alcoholism and Drug Abuse	26,610.33		4,507.67		\$ 22,102.66	
Municipal Alliance on Alcoholism and Drug Abuse - DARE Program	3,092.18		2,000.00		1,092.18	
Bullet Proof Vest Program Grant	2,296.12				700.00	1,596.12
Reserve for Recycling Tonnage Grant		11,877.31		11,877.31		
Clean Communities Program		13,944.92		13,944.92		
FEMA -Assistance to Firefighters Grant	1,539.00				1,539.00	
NJ Hazardous Discharge Site Remediation Grant	85,792.00				85,792.00	
	<u>\$ 149,329.63</u>	<u>\$ 88,263.04</u>	<u>\$ 81,507.67</u>	<u>\$ 28,263.04</u>	<u>\$ 111,225.84</u>	<u>\$ 16,596.12</u>
	<u>Ref.</u>					
Original Budget	A	\$ 28,263.04				A
Added by NJSA 40A:4-87		<u>60,000.00</u>				
		<u>\$ 88,263.04</u>				

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

<u>Grant</u>	<u>Balance Dec 31, 2013</u>	<u>Cash Received</u>	<u>Budget Revenue Realized</u>	<u>Balance Dec 31, 2014</u>
Body Armor Fund	\$ 2,440.81	\$ 1,933.97	\$ 2,440.81	\$ 1,933.97
Clean Communities Program	13,944.92	13,077.55	13,944.92	13,077.55
Recycling Tonnage Grant	11,877.31	9,670.68	11,877.31	9,670.68
	<u>\$ 28,263.04</u>	<u>\$ 24,682.20</u>	<u>\$ 28,263.04</u>	<u>\$ 24,682.20</u>

Ref.

A

A

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

Grant	Balance Dec 31, 2013	Transferred From 2014 Budget Appropriations	Paid or Charged	Cancelled	Balance Dec 31, 2014
Drunk Driving Enforcement Fund	\$ 13,498.88		\$ 450.00		\$ 13,048.88
Body Armor Replacement Fund	491.15	\$ 2,440.81	2,849.70		82.26
Clean Communities Program	24,393.23	13,944.92	6,706.42		31,631.73
Reserve for Alcohol Education Rehabilitation Program	302.40				302.40
Recycling Tonnage Grant	33,857.29	11,877.31	4,033.90		41,700.70
Safe and Secure Communities	0.06	60,000.00	59,999.94		0.12
Community Development Block Grant - Library ADA	452.25			\$ 452.25	
Morris County Historic Preservation Trust Grant	0.01				0.01
FEMA -Assistance to Firefighters Grant	720.00			720.00	
Reserve for Stormwater Management Grant	255.00				255.00
	<u>\$ 73,970.27</u>	<u>\$ 88,263.04</u>	<u>\$ 74,039.96</u>	<u>\$ 1,172.25</u>	<u>\$ 87,021.10</u>
<u>Ref.</u>	A				A

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
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, 2013	B	\$ 16,773.45	\$ 926,507.32
Increased by Receipts:			
Animal Control Fees		\$ 6,510.20	
Due to State Board of Health		928.80	
Hospitalization Claim Deposits			\$ 21.76
Recreation Receipts			243,450.06
Tax Sale Premiums			32,200.00
Parking Offense Adjudication Fees			274.00
Interest Earned - Due to Current Fund		32.23	414.20
Public Defender			4,305.00
Unemployment Insurance Deposits			8,333.98
Special Deposits			86,094.38
		<u>7,471.23</u>	<u>375,093.38</u>
		24,244.68	1,301,600.70
Decreased by Disbursements:			
State Board of Health		1,017.40	
Expenditures Under R.S. 4:19-15.11		10,820.15	
Due to Current Fund		5,263.48	72.74
Hospitalization Claims			43,192.00
Special Deposit Expenditures			50,908.91
Tax Sale Premiums Refunded			62,200.00
State Unemployment Insurance Expenditures			24,896.27
Parking Offense Adjudication Fees			3,950.00
Public Defender Expenditures			4,300.00
Recreation Expenditures			229,998.38
		<u>17,101.03</u>	<u>419,518.30</u>
Balance December 31, 2014	B	<u>\$ 7,143.65</u>	<u>\$ 882,082.40</u>

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH

	Balance	Transfers		Balance
	(Deficit)	From	To	(Deficit)
	Dec 31, 2013			Dec 31, 2014
Fund Balance	\$ 19,984.00			\$ 19,984.00
Due From Current Fund	(444,074.96)	\$ 4,735.63		(448,810.59)
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	98,080.85		\$ 3,557.28	101,638.13
Ord. #2010-5 Improvements to Myrtle Ave	53,709.49		1,178.35	54,887.84
	<u>\$ -0-</u>	<u>\$ 4,735.63</u>	<u>\$ 4,735.63</u>	<u>\$ -0-</u>

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Balance Dec 31, 2013</u>	<u>Collected in Current Fund</u>	<u>Balance Dec 31, 2014</u>	<u>Balance Pledged to General Capital Fund</u>
99-07;99-11	Improvements to Arch Street	09/21/99	10	\$ 8,834.15	\$ 3,557.28	\$ 5,276.87	\$ 5,276.87
2010-05	Improvements to Myrtle Avenue	03/15/11	10	<u>4,431.98</u>	<u>1,178.35</u>	<u>3,253.63</u>	<u>3,253.63</u>
				<u>\$ 13,266.13</u>	<u>\$ 4,735.63</u>	<u>\$ 8,530.50</u>	<u>\$ 8,530.50</u>
			<u>Ref.</u>	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>2013</u>	<u>2014</u>
91-13	Various Sidewalk Improvements	<u>\$ 13,982.00</u>	<u>\$ 13,982.00</u>
	<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, 2014

NOT APPLICABLE

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BUTLER  
ASSESSMENT TRUST FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	<u>Ref.</u>		
Balance December 31, 2013	B	\$	11,502.20
Increased by:			
Animal License Fees Collected		\$	6,272.20
Late Fees			235.00
Replacement Fees			3.00
			6,510.20
			18,012.40
Decreased by:			
Animal Control Fund Expenditures Under R.S. 4:19-15.11			10,820.15
Balance December 31, 2014	B	\$	7,192.25

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 6,487.20
2013	6,421.40
	12,908.60
Maximum Allowable Reserve	\$ 12,908.60

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
GENERAL CAPITAL FUND



BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 664,895.36
Increased by Receipts:		
Received from Current Fund Budget Appropriation:		
Capital Improvement Fund		\$ 150,000.00
Interest Earned on Investments		1,547.40
Bond Anticipation Notes Issued		693,250.00
		<u>844,797.40</u>
		<u>1,509,692.76</u>
Decreased by Disbursements:		
Improvement Authorization Expenditures		586,789.02
Bond Anticipation Notes Matured		40,000.00
Due to Current Fund		1,547.40
Due to Current Fund as Anticipated Revenue:		
Reserve for Debt Service		30,000.00
Fund Balance		25,000.00
		<u>683,336.42</u>
Balance December 31, 2014	C	<u>\$ 826,356.34</u>

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2014	
		Other	Bond Anticipation Notes	Improvement Authorizations	Other	Bond Anticipation Notes	From	To		
Fund Balance	\$ 178,221.98				\$ 25,000.00				\$ 237,087.64	
Capital Improvement Fund	2,984.51	\$ 150,000.00				\$ 173,000.00	\$ 83,865.66	21,404.00	1,388.51	
Due to/from Current Fund		1,547.40			1,547.40					
Due from Assessment Trust Fund	(451,339.09)								(451,339.09)	
N.J. Department of Transportation Grant Receivable	(340,175.72)								(340,175.72)	
Developer Contribution Receivable	(27,227.00)								(27,227.00)	
Morris County Historical Preservation Grant Receivable	(181,600.00)							9,400.00	(172,200.00)	
Reserve for N.J. Department of Transportation Grant Receivable	200,175.72								200,175.72	
Reserve for Grant Funds to be Appropriated	1,721.00								1,721.00	
Reserve for Sewer Improvements	820,000.00								820,000.00	
Reserve to Pay Debt Service	151,780.48				30,000.00				121,780.48	
<u>Ord. No.</u>	<u>Improvement Description</u>									
	<u>General Improvements:</u>									
01-33	Construction of New Recreational Center	917.24							917.24	
04-11	Televising and Repair or Replacement of Various Sewer Lines	108,634.66							108,634.66	
07-26	Various Improvements	18,870.77				18,870.77				
07-30	Various Improvements	6,138.08				6,138.08				
08-12	Improvements to Roads and Parks	21,513.21				21,513.21				
09-04	Various Improvements	5,593.60				5,593.60				
09-07	Purchase Equipment for Building and Grounds	6,346.25							6,346.25	
11-07	Improvements to Municipal Buildings and Grounds	7,000.00							7,000.00	
11-09	Improvements to Streets and Roads Equipment	14,599.46		\$ 3,249.00					11,350.46	
11-18	Improvements to Municipal Buildings and Grounds	106.73							106.73	
12-07	Acquisition of Equipment for the Fire Department	5,628.64		5,628.64						
12-08	Acquisition and Improvements of Equipment for the Streets and Roads Department	2,490.07							2,490.07	
12-09	Improvements to Municipal Buildings	8,450.00							8,450.00	
12-13	Improvements to Various Streets and Roads	50,000.00		50,000.00						
13-08	Improvements to Various Roads In and By Butler Borough	(130,778.35)	\$ 403,750.00	173,646.81					99,324.84	
13-09	Acquisition of Equipment for the Police Department	20,500.00		11,492.51					9,007.49	
13-10	Acquisition of Equipment for the Fire Department	17,606.52		13,993.56					3,612.96	
13-11	Improvements to Sewer Pump Stations	30,000.00		3,945.00					26,055.00	
13-13	Purchase of Various Equipment for Streets and Roads	17,000.00				17,000.00				
13-14	Acquisition of Police Department Vehicle	4,404.00				4,404.00				
13-15	Improvement to the Butler Museum	56,823.00		15,673.00		41,150.00				
13-16	Purchase of Dump Truck and Pick-Up Truck	38,509.60		36,974.27					1,535.33	
14-02	Site Remediation at the Borough of Butler DPW Facilities						20,000.00		20,000.00	
14-06	Improvements of Roads		80,000.00				20,000.00		100,000.00	
14-08	Acquisition of Equipment for the Police Department			38,227.23			51,500.00		13,272.77	
14-09	Acquisition of Equipment for the Fire Department			13,959.00			25,000.00		11,041.00	
14-10	Acquisition and Improvement of Equipment for Streets and Roads Department						10,000.00		10,000.00	
14-11	Purchase of a Dump Truck						36,000.00		36,000.00	
14-12	Acquisition of Leasehold Interest in the Butler High School		209,500.00	220,000.00			10,500.00			
	<u>General and Local Improvements:</u>									
10-05	Construction and Reconstruction of Myrtle Ave					\$ 40,000.00			(40,000.00)	
		<u>\$ 664,895.36</u>	<u>\$ 151,547.40</u>	<u>\$ 693,250.00</u>	<u>\$ 586,789.02</u>	<u>\$ 56,547.40</u>	<u>\$ 40,000.00</u>	<u>\$ 287,669.66</u>	<u>\$ 287,669.66</u>	<u>\$ 826,356.34</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Balance Dec. 31, 2014	Analysis of Balance December 31, 2014		Unexpended Improvement Authorizations
					Bond Anticipation Notes	Expenditures	
<u>General Improvements:</u>							
13-08	Improvement to Various Roads In and By Butler Borough	\$ 403,750.00		\$ 403,750.00	\$ 403,750.00		
14-06	Improvements of Roads		\$ 80,000.00	80,000.00	80,000.00		
14-12	Acquisition of Leasehold Interest in the Butler High School		209,500.00	209,500.00	209,500.00		
<u>General and Local Improvements:</u>							
10-05	Construction and Reconstruction of Myrtle Ave	40,000.00		40,000.00		\$ 40,000.00	
		<u>\$ 443,750.00</u>	<u>\$ 289,500.00</u>	<u>\$ 733,250.00</u>	<u>\$ 693,250.00</u>	<u>\$ 40,000.00</u>	<u>\$ -0-</u>
	<u>Ref.</u>	C		C			

Improvement Authorization Unfunded	\$ 179,324.84
Less: Unexpended Proceeds - Bond Anticipation Notes:	
Ordinance #13-08	\$ 99,324.84
Ordinance #09-04	80,000.00
	<u>179,324.84</u>
	<u>\$ -0-</u>

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF PROSPECTIVE ASSESSMENTS RAISED BY TAXATION  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Improvement Authorizations		Paid or Charged	Authorizations Cancelled	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
	<u>General Improvements:</u>										
01-33	Construction of New Recreational Center	12/18/01	\$ 200,000.00	\$ 917.24						\$ 917.24	
04-11	Televising and Repair or Replacement of Various Sewer Lines	08/17/04	250,000.00	108,634.66						108,634.66	
07-26	Various Improvements	09/18/07	500,000.00	18,870.77					\$ 18,870.77		
07-30	Various Improvements	12/18/07	750,000.00	6,138.08						6,138.08	
08-12	Improvements to Roads and Parks	09/16/08	800,000.00	21,513.21						21,513.21	
09-04	Various Improvements	07/07/09	895,000.00	5,593.60						5,593.60	
09-07	Purchase Equipment for Municipal Building and Grounds	08/18/09	10,000.00	6,346.25							6,346.25
11-07	Improvements to Municipal Buildings and Grounds	06/21/11	10,000.00	7,000.00							7,000.00
11-09	Improvements to Streets and Roads Equipment	06/21/11	22,000.00	14,599.46				\$ 3,249.00			11,350.46
11-18	Improvements to Municipal Buildings and Grounds	10/18/10	50,000.00	106.73							106.73
12-07	Acquisition of Equipment for the Fire Department	07/17/12	25,000.00	5,628.64				5,628.64			
12-08	Acquisition and Improvements of Equipment for the Streets and Roads Department	07/17/12	10,000.00	2,490.07							2,490.07
12-09	Improvements to Municipal Buildings	07/17/12	15,000.00	8,450.00							8,450.00
12-13	Improvements of Various Streets and Roads	08/21/12	50,000.00	50,000.00				50,000.00			
13-08	Improvement to Various Roads In and By Butler Borough	06/18/13	565,000.00		\$ 272,971.65			173,646.81			\$ 99,324.84
13-09	Acquisition of Equipment for the Police Department	06/18/13	20,500.00	20,500.00				11,492.51			9,007.49
13-10	Acquisition of Equipment for the Fire Department	06/18/13	25,000.00	17,606.52				13,993.56			3,612.96
13-11	Improvements to Sewer Pump Stations	06/18/13	30,000.00	30,000.00				3,945.00			26,055.00
13-13	Purchase of Various Equipment for Streets and Roads	06/18/13	17,000.00	17,000.00					17,000.00		
13-14	Acquisition of Police Department Vehicle	07/16/13	44,000.00	4,404.00						4,404.00	
13-15	Improvement to the Butler Museum	09/17/13	227,000.00	56,823.00				15,673.00		41,150.00	
13-16	Purchase of a Dump Truck and Pick-Up Truck	09/17/13	65,000.00	38,509.60				36,974.27			1,535.33
14-02	Site Remediation at the Borough of Butler DPW Facilities	03/15/14	20,000.00			\$ 20,000.00					20,000.00
14-06	Improvements of Roads	06/17/14	100,000.00			20,000.00	\$ 80,000.00				20,000.00
14-08	Acquisition of Equipment for the Police Department	06/17/14	51,500.00			51,500.00		38,227.23			13,272.77
14-09	Acquisition of Equipment for the Fire Department	06/17/14	25,000.00			25,000.00		13,959.00			11,041.00
14-10	Acquisition and Improvement of Equipment for Streets and Roads Department	06/17/14	10,000.00			10,000.00					10,000.00
14-11	Purchase of a Dump Truck	06/17/14	36,000.00			36,000.00					36,000.00
14-12	Acquisition of Leasehold Interest in the Butler High School	07/15/14	220,000.00			10,500.00		209,500.00	220,000.00		
				<u>\$ 441,131.83</u>	<u>\$ 272,971.65</u>	<u>\$ 173,000.00</u>	<u>\$ 289,500.00</u>	<u>\$ 586,789.02</u>	<u>\$ 114,669.66</u>	<u>\$ 295,819.96</u>	<u>\$ 179,324.84</u>

Ref.

C

C

C

C

Fund Balance \$ 83,865.66  
 Capital Improvement Fund 21,404.00  
 Morris County Historical Preservation Grant Receivable 9,400.00  
\$ 114,669.66

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 2,984.51
Increased by:		
Current Fund Budget Appropriation		\$ 150,000.00
Improvement Authorizations Cancelled		21,404.00
		<u>171,404.00</u>
		<u>174,388.51</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>173,000.00</u>
Balance December 31, 2014	C	<u><u>\$ 1,388.51</u></u>

BOROUGH OF BUTLER  
GENERAL 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, 2013	Issued	Matured	Balance Dec. 31, 2014
				Issue	Maturity					
10-05	Construction and Reconstruction of Myrtle Ave	\$ 40,066.00	08/23/12	08/22/13	05/22/14	0.850%	\$ 40,000.00		\$ 40,000.00	
13-08	Improvement to Various Roads In and By Butler Borough	403,750.00	09/18/14	09/18/14	09/18/15	0.550%		\$ 403,750.00		\$ 403,750.00
14-06	Improvements of Roads	80,000.00	09/18/14	09/18/14	09/18/15	0.550%		80,000.00		80,000.00
14-12	Acquisition of Leasehold Interest in the Butler High School	209,500.00	09/18/14	09/18/14	09/18/15	0.550%		209,500.00		209,500.00
							<u>\$ 40,000.00</u>	<u>\$ 693,250.00</u>	<u>\$ 40,000.00</u>	<u>\$ 693,250.00</u>
						<u>Ref.</u>	<u>C</u>			<u>C</u>
						New Issues		\$ 693,250.00		
						Paid by Available Cash			\$ 40,000.00	
								<u>\$ 693,250.00</u>	<u>\$ 40,000.00</u>	

BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
Refunding Bonds	09/01/10	\$1,295,000.00	09/01/15	\$ 115,000.00	3.00%			
			09/01/16	115,000.00	4.00%			
			09/01/17	115,000.00	4.00%			
			09/01/18	130,000.00	4.00%			
			09/01/19	125,000.00	4.00%			
			09/01/20	125,000.00	4.00%			
			09/01/21	125,000.00	4.00%			
			09/01/22	125,000.00	4.00%	\$ 1,090,000.00	\$ 115,000.00	\$ 975,000.00
General Bonds	05/22/13	4,230,000.00	11/15/2015	385,000.00	1.00%			
			11/15/2016	395,000.00	1.00%			
			11/15/2017	405,000.00	1.25%			
			11/15/2018	420,000.00	1.50%			
			11/15/2019	430,000.00	1.50%			
			11/15/2020	440,000.00	2.00%			
			11/15/2021	455,000.00	2.00%			
			11/15/2022	460,000.00	2.00%			
			11/15/2023	465,000.00	2.00%	4,230,000.00	375,000.00	3,855,000.00
					\$ 5,320,000.00	\$ 490,000.00	\$ 4,830,000.00	
					C		C	

Ref.

C

C



BOROUGH OF BUTLER  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN TRUST LOAN PAYABLE #1

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 44,178.06
Less: 2014 Payment of Principal		<u>10,717.05</u>
Balance December 31, 2014	C	<u><u>\$ 33,461.01</u></u>

Schedule of Principal and Interest Payments Outstanding December 31, 2014

<u>Payment Number</u>	<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
				\$ 33,461.01
24	6/21/2015	\$ 334.61	\$ 5,439.04	28,021.97
25	12/21/2015	280.22	5,493.43	22,528.54
26	6/21/2016	225.29	5,548.36	16,980.18
27	12/21/2016	169.80	5,603.85	11,376.33
28	6/21/2017	113.76	5,659.88	5,716.45
29	12/21/2017	57.15	5,716.45	

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

Ord. No.	Improvement Description	Balance Dec 31, 2013	2014 Authorizations	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec 31, 2014
<u>General Improvements:</u>						
13-08	Improvement to Various Roads In and By Butler Borough	\$ 403,750.00		\$ 403,750.00		
14-06	Improvements of Roads		\$ 80,000.00	80,000.00		
14-12	Acquisition of Leasehold Interest in the Butler High School		209,500.00	209,500.00		
<u>General and Local Improvements:</u>						
10-05	Construction and Reconstruction of Myrtle Avenue				\$ 40,000.00	\$ 40,000.00
		<u>\$ 403,750.00</u>	<u>\$ 289,500.00</u>	<u>\$ 693,250.00</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
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, 2013	D	\$ 460,279.57		\$ 308,438.24
Increased by Receipts:				
Consumer Accounts Receivable		\$ 1,702,516.86		
Fire Hydrant Service		21,000.00		
Reserve to Pay Debt Service		10,000.00		
Water Rent Overpayments		2,031.15		
Interest on Investments		368.36	\$ 830.78	
Miscellaneous Revenue		4,583.15		
Due from Water Utility Capital Fund		830.78		
Meter Deposits		18,167.57		
Community Development Block Grant Receivable			160,000.00	
Received from Water Utility Operating Fund Budget Appropriation:				
Capital Improvement Fund			50,000.00	
Bond Anticipation Notes Payable			30,000.00	
Bond Anticipation Notes Issued			765,000.00	
		<u>1,759,497.87</u>		<u>1,005,830.78</u>
		2,219,777.44		1,314,269.02
Decreased by Disbursements:				
2014 Appropriation Expenditures		1,834,715.83		
2013 Appropriation Reserves		32,517.24		
Interest on Bonds, Loan and Notes		46,749.77		
Meter Deposit Refunds		15,191.03		
Due to Water Utility Operating Fund:				
Interest on Investments			830.78	
Reserve to Pay Debt Service			10,000.00	
Bond Anticipation Notes Matured			345,000.00	
Improvement Authorizations			597,329.32	
		<u>1,929,173.87</u>		<u>953,160.10</u>
Balance December 31, 2014	D	<u>\$ 290,603.57</u>		<u>\$ 361,108.92</u>

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

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2014
		Bond Anti- icipation Notes	Miscel- laneous	Bond Anti- icipation Notes	Improvement Authori- zations	Miscel- laneous	From	To	
Fund Balance	\$ 51,050.84								\$ 51,050.84
Due to Water Utility Operating Fund			\$ 30,830.78			\$ 830.78	\$ 30,000.00		
Community Development Block Grant Receivable	(162,990.17)		160,000.00						(2,990.17)
Capital Improvement Fund	6,730.51		50,000.00				56,000.00		730.51
Reserve to Pay Debt Service	36,132.00					10,000.00			26,132.00
<u>Ord. No.</u>									
<u>General Improvements</u>									
07-20 Acquisition of New and Additional Vehicular Equipment	2,046.63								2,046.63
11-03 Improvements of Water Supply and Distribution System	396.09				\$ 396.09				
11-07 Improvements to Municipal Buildings and Grounds	3,501.28				3,501.28				
11-10 Purchase of Water Meters	15,833.65				15,833.65				
11-14 Improvements of Water Supply and Distribution System	6,659.67								6,659.67
12-09 Improvements to Municipal Buildings and Grounds	15,000.00				1,246.24				13,753.76
12-10 Improvements to Municipal Buildings and Grounds	5,000.00				1,942.84				3,057.16
12-11 Purchase of Water Meters	8,971.47				5,766.35				3,205.12
13-06 Improvement of Water Supply and Distribution System	268,106.27	\$ 315,000.00		\$ 345,000.00	195,758.49		\$ 30,000.00		72,347.78
13-13 Purchase of Various Equipment	17,000.00				8,385.91				8,614.09
13-16 Purchase of a Dump Truck and Pick-Up Truck	35,000.00				35,000.00				
14-02 Site Remediation - Funded							20,000.00		20,000.00
14-07 Improvement to Water System		450,000.00			329,498.47				120,501.53
14-11 Purchase Dump Truck							36,000.00		36,000.00
	<u>\$ 308,438.24</u>	<u>\$ 765,000.00</u>	<u>\$ 240,830.78</u>	<u>\$ 345,000.00</u>	<u>\$ 597,329.32</u>	<u>\$ 10,830.78</u>	<u>\$ 86,000.00</u>	<u>\$ 86,000.00</u>	<u>\$ 361,108.92</u>

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

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 23,713.00
Increased by:		
Water Rents Levied		1,719,047.57
		<u>1,742,760.57</u>
Decreased by:		
Collections:		
Water Collections	\$ 1,702,516.86	
Overpayments Applied	3,889.71	
		<u>1,706,406.57</u>
Balance December 31, 2014	D	<u>\$ 36,354.00</u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF WATER UTILITY LIENS RECEIVABLE

NOT APPLICABLE

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 49,054.60
Net Inventory Increase		<u>1,485.69</u>
Balance December 31, 2014	D	<u>\$ 50,540.29</u>

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2013	Additions by Ordinance	Balance Dec. 31, 2014
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	635,276.34	\$ 25,000.00	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	1,803,757.12		1,803,757.12
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	323,718.19		323,718.19
Rehabilitation of Filters	63,329.21		63,329.21
Soil and Ground Water Remediation	10,000.00		10,000.00
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	208,252.38	40,000.00	248,252.38
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
Improvements to Municipal Buildings and Grounds	58,250.00	5,000.00	63,250.00
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 Ord. #00-02	2,571,070.05		2,921,070.05
	<u>\$ 13,179,008.31</u>	<u>\$ 420,000.00</u>	<u>\$ 13,599,008.31</u>
	D		D



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

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Balance Dec.31, 2013</u>	<u>2014 Authorizations</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec.31, 2014</u>
Acquisition of New and Additional Vehicular Equipment	07-20	\$ 80,000.00			\$ 80,000.00
Improvements of Water Supply and Distribution System	11-03	350,000.00		\$ 350,000.00	
Improvements to Municipal Building and Grounds	11-07	5,000.00		5,000.00	
Purchase of Water Meters	11-10	25,000.00		25,000.00	
Improvements of Water Supply and Distribution System	11-14	425,000.00			425,000.00
Improvements to Municipal Building and Grounds	12-09	15,000.00			15,000.00
Improvements to Municipal Building and Grounds	12-10	5,000.00			5,000.00
Purchase of Water Meters	12-11	25,000.00			25,000.00
Improvement of Water Supply and Distribution System	13-06	430,000.00			430,000.00
Purchase of Various Equipment	13-13	17,000.00			17,000.00
Purchase of a Dump Truck and Pick-Up Truck	13-16	40,000.00		40,000.00	
Site Remediation - Funded	14-02		\$ 20,000.00		20,000.00
Improvement to Water System	14-07		450,000.00		450,000.00
Purchase Dump Truck	14-11		36,000.00		36,000.00
		<u>\$ 1,417,000.00</u>	<u>\$ 506,000.00</u>	<u>\$ 420,000.00</u>	<u>\$ 1,503,000.00</u>
	<u>Ref.</u>	D			D

BOROUGH OF BUTLER  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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	\$ 7,060.35	\$ 7,060.35		\$ 7,060.35
Other Expenses	41,064.59	41,064.59	\$ 23,095.46	17,969.13
Operations:				
Salaries and Wages	46,837.83	39,612.83	2,113.58	37,499.25
Other Expenses	31,810.38	41,310.38	7,075.16	34,235.22
Dispatching:				
Salaries and Wages	10,414.80	8,139.80		8,139.80
Other Expenses	22.20	22.20		22.20
Buildings and Grounds:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	2,679.15	2,679.15	16.38	2,662.77
Group Health Insurance	6,889.68	6,889.68	216.66	6,673.02
MELJIF Liability	501.20	501.20		501.20
MELJIF Worker's Compensation	397.38	397.38		397.38
Statutory Expenditures:				
Public Employees' Retirement System	10,985.06	10,985.06		10,985.06
Disability Insurance	500.00	500.00		500.00
Social Security System	300.00	300.00		300.00
	<u>\$ 160,462.62</u>	<u>\$ 160,462.62</u>	<u>\$ 32,517.24</u>	<u>\$ 127,945.38</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Unencumbered	D	\$ 147,596.80
Encumbered	D	12,865.82
		<u>\$ 160,462.62</u>

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations		Balance Dec. 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
07-20	Acquisition of New and Additional Vehicular Equipment	07/17/2007	\$ 80,000.00	\$ 2,046.63					\$ 2,046.63	
11-03	Improvements of Water Supply and Distribution System	05/17/2011	350,000.00	396.09				\$ 396.09		
11-07	Improvements to Municipal Buildings and Grounds	06/21/2011	5,000.00	3,501.28				3,501.28		
11-10	Purchase of Water Meters	06/21/2011	25,000.00	15,833.65				15,833.65		
11-14	Improvements of Water Supply and Distribution System	07/19/2011	425,000.00	6,659.67					6,659.67	
12-09	Improvements to Municipal Buildings and Grounds	07/17/2012	15,000.00	15,000.00				1,246.24	13,753.76	
12-10	Improvements to Municipal Buildings and Grounds	07/17/2012	5,000.00	5,000.00				1,942.84	3,057.16	
12-11	Purchase of Water Meters	07/17/2012	25,000.00	8,971.47				5,766.35	3,205.12	
13-06	Improvement of Water Supply and Distribution System	06/18/2013	430,000.00		\$ 268,106.27			195,758.49		\$ 72,347.78
13-13	Purchase of Various Equipment	06/18/2013	17,000.00	17,000.00				8,385.91	8,614.09	
13-16	Purchase of a Dump Truck and Pick-Up Truck	09/17/2013	40,000.00	35,000.00				35,000.00		
14-02	Site Remediation - Funded	02/18/2014	20,000.00			\$ 20,000.00			20,000.00	
14-07	Improvement to Water System	06/17/2014	450,000.00				\$ 450,000.00	329,498.47		120,501.53
14-11	Purchase Dump Truck	06/17/2014	36,000.00			36,000.00			36,000.00	
				<u>\$ 109,408.79</u>	<u>\$ 268,106.27</u>	<u>\$ 56,000.00</u>	<u>\$ 450,000.00</u>	<u>\$ 597,329.32</u>	<u>\$ 93,336.43</u>	<u>\$ 192,849.31</u>
		<u>Ref.</u>		D	D				D	D

BOROUGH OF BUTLER  
WATER UTILITY FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 6,730.51
Increased by:		
Water Operating Fund Budget Appropriation		<u>50,000.00</u>
		56,730.51
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>56,000.00</u>
Balance December 31, 2014	D	<u><u>\$ 730.51</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, 2013	2014 Authorizations	Transferred to Reserve for Amortization	Balance Dec. 31, 2014
07-20	Acquisition of New and Additional Vehicular Equipment	07/17/07	\$ 52,224.00			\$ 52,224.00
11-07	Improvements to Municipal Buildings and Grounds	06/21/11	5,000.00		\$ 5,000.00	
11-10	Purchase of Water Meters	06/21/11	25,000.00		25,000.00	
12-09	Improvements to Municipal Buildings and Grounds	07/17/12	15,000.00			15,000.00
12-10	Improvements to Municipal Buildings and Grounds	07/17/12	5,000.00			5,000.00
12-11	Purchase of Water Meters	07/17/12	25,000.00			25,000.00
13-06	Improvement of Water Supply and Distribution System	06/18/13	85,000.00			85,000.00
13-13	Purchase of Various Equipment	06/18/13	17,000.00			17,000.00
13-16	Purchase of a Dump Truck and Pick-Up Truck	09/17/13	40,000.00		40,000.00	
14-02	Site Remediation - Funded	06/17/14		\$ 20,000.00		20,000.00
14-11	Purchase Dump Truck	06/17/14		36,000.00		36,000.00
			<u>\$ 269,224.00</u>	<u>\$ 56,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 255,224.00</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	Date of			Interest Rate	Balance		Matured	Balance Dec. 31, 2014
			Issue of Original Note	Issue	Maturity		Dec. 31, 2013	Issued		
13-06	Improvement of Water Supply and Distribution System	\$ 345,000.00	12/19/13	09/18/14	09/19/14	0.55%	\$ 345,000.00		\$ 345,000.00	
				09/18/14	09/18/15	0.55%		\$ 315,000.00		\$ 315,000.00
14-07	Improvement of Water Supply and Distribution System	450,000.00	09/18/14	09/18/14	09/18/15	0.55%		450,000.00		450,000.00
							<u>\$ 345,000.00</u>	<u>\$ 765,000.00</u>	<u>\$ 345,000.00</u>	<u>\$ 765,000.00</u>
						<u>Ref.</u>	D			D
						New Issue		\$ 450,000.00		
						Renewals		315,000.00	\$ 315,000.00	
						Paid by Operating Budget			30,000.00	
								<u>\$ 765,000.00</u>	<u>\$ 345,000.00</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, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
General Bonds	5/22/2013	\$ 1,518,000.00	11/15/2015	\$ 80,000.00	1.00%	\$ 1,518,000.00	\$ 75,000.00	\$ 1,443,000.00
			11/15/2016	85,000.00	1.00%			
			11/15/2017	90,000.00	1.25%			
			11/15/2018	95,000.00	1.50%			
			11/15/2019	100,000.00	1.50%			
			11/15/2020	100,000.00	2.00%			
			11/15/2021	100,000.00	2.00%			
			11/15/2022	110,000.00	2.00%			
			11/15/2023	115,000.00	2.00%			
			11/15/2024	110,000.00	3.00%			
			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%			
						\$ 1,518,000.00	\$ 75,000.00	\$ 1,443,000.00
				<u>Ref.</u>		D		D

BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF DAM RESTORATION AND INLAND WATER PROJECT LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 496,801.28
Less: 2014 Payment of Principal		<u>66,805.54</u>
Balance December 31, 2014	D	<u>\$ 429,995.74</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2014

Payment Number	Due Date	Interest	Principal	Loan Balance
				\$ 429,995.74
17	4/21/2015	\$ 4,299.96	\$ 33,904.64	396,091.10
18	10/21/2015	3,960.91	34,243.69	361,847.41
19	4/21/2016	3,618.47	34,586.13	327,261.28
20	10/21/2016	3,272.61	34,931.99	292,329.29
21	4/21/2017	2,923.29	35,281.31	257,047.98
22	10/21/2017	2,570.48	35,634.12	221,413.86
23	4/21/2018	2,214.14	35,990.46	185,423.40
24	10/21/2018	1,854.23	36,350.37	149,073.03
25	4/21/2019	1,490.73	36,713.87	112,359.16
26	10/21/2019	1,123.59	37,081.01	75,278.15
27	4/21/2020	752.78	37,451.82	37,826.33
28	10/21/2020	378.26	37,826.33	
		<u>\$ 28,459.45</u>	<u>\$ 429,995.74</u>	



BOROUGH OF BUTLER  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2014

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>2014 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>
14-07	Improvement to Water System	\$ 450,000.00	\$ 450,000.00
		<u>\$ 450,000.00</u>	<u>\$ 450,000.00</u>

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
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, 2013	E	\$ 4,132,258.86		\$ 297,941.28
Increased by Receipts:				
Electric Utility Charges Receivable		\$ 23,937,140.96		
Miscellaneous Revenue		64,559.51		
Meter Deposits (With Interest)		175,949.17		
State Aid - "Lifeline"		13,387.50		
Sales Tax Payable		1,114,548.90		
Interest Earned on Investments		2,608.68		\$ 664.27
Due to/from:				
Electric Utility Capital Fund		664.27		
Overpayments of Electric Charges		86,514.92		
Received from Electric Utility Operating Fund				
Budget Appropriation:				
Capital Improvement Fund				75,000.00
Bond Anticipation Notes Issued				690,000.00
		<u>25,395,373.91</u>		<u>765,664.27</u>
		29,527,632.77		1,063,605.55
Decreased by Disbursements:				
2014 Appropriation Expenditures		21,184,429.23		
2013 Appropriation Reserves		76,123.97		
Accounts Payable		1,811,749.98		
Sales Tax Payable		1,287,029.90		
Interest on Bonds and Notes		198,479.75		
Due to:				
Current Fund		368,783.77		
Electric Utility Operating Fund - Interest				664.27
Electric Overpayments Refunded		2,982.08		
Meter Deposit Refunds		144,504.31		
Improvement Authorization Expenditures				294,621.83
		<u>25,074,082.99</u>		<u>295,286.10</u>
Balance December 31, 2014	E	<u>\$ 4,453,549.78</u>		<u>\$ 768,319.45</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

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

	Balance (Deficit) Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2014	
		Miscel- laneous	Bond Anti- cipation Notes	Improvement Authori- zations	Miscel- laneous	From	To		
Capital Fund Balance	\$ 76,490.33							\$ 76,490.33	
Due - Electric Utility Operating Fund		\$ 664.27			\$ 664.27				
Capital Improvement Fund	123,157.79	75,000.00				\$ 155,000.00		43,157.79	
Reserve for Debt Service	2,541.05							2,541.05	
Improvement Authorizations:									
Ord. No.	General Improvements								
86-19	Acquisition of Equipment; Various Improvements	(2,320.00)						(2,320.00)	
94-20	Soil and Ground Water Remediation	434.97						434.97	
04-12	Acquisition of New and Additional Vehicular Equipment	(28,500.00)						(28,500.00)	
09-06	Improvement of the Electrical Supply and Distribution System	61,783.73		\$ 13,778.56				48,005.17	
11-02	Acquisition of Equipment	1,991.90						1,991.90	
11-07	Improvement to Municipal Buildings and Grounds	6,300.00						6,300.00	
11-12	Improvement of the Electrical Supply and Distribution System	21,061.51		21,061.51					
12-09	Improvement to Municipal Buildings and Grounds	15,000.00		13,572.84				1,427.16	
12-10	Improvement to Municipal Buildings and Grounds	15,000.00						15,000.00	
13-07	Acquisition of New Vehicle	5,000.00	\$ 200,000.00	195,826.10				9,173.90	
14-01	Improvement of the Electrical Supply and Distribution System		250,000.00	50,382.82				199,617.18	
14-02	Site Remediation at DPW Facilities					\$ 60,000.00		60,000.00	
14-05	Acquisition of New Vehicles		240,000.00			95,000.00		335,000.00	
		<u>\$ 297,941.28</u>	<u>\$ 75,664.27</u>	<u>\$ 690,000.00</u>	<u>\$ 294,621.83</u>	<u>\$ 664.27</u>	<u>\$ 155,000.00</u>	<u>\$ 155,000.00</u>	<u>\$ 768,319.45</u>

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

	<u>Balance</u> <u>Dec.31, 2013</u>	<u>2014 Billings</u>	<u>Cash Receipts</u>	<u>State Aid</u> <u>"Lifeline"</u> <u>Revenue</u>	<u>Overpayments</u> <u>Applied</u>	<u>Cancellations</u>	<u>Balance</u> <u>Dec.31, 2014</u>
Electric Rents	\$1,339,800.36	\$ 24,802,202.46	\$ 24,961,888.55	\$ 13,387.50	\$ 77,305.65	\$ 69.68	\$ 1,089,351.44
Street Lighting		89,801.31	89,801.31				
	<u>\$1,339,800.36</u>	<u>\$ 24,892,003.77</u>	<u>\$ 25,051,689.86</u>	<u>\$ 13,387.50</u>	<u>\$ 77,305.65</u>	<u>\$ 69.68</u>	<u>\$ 1,089,351.44</u>
<u>Ref.</u>	E						E

Realized Revenue

Cash Collections	\$ 23,937,140.96	
Sales Tax Payable	1,114,548.90	
		<u>\$ 25,051,689.86</u>
State Aid "Lifeline"		13,387.50
Overpayments Applied		77,305.65
		<u>\$ 25,142,383.01</u>

Analysis of Realized Revenue

LEAC Revenues	\$ 17,139,325.21
Base Rate Revenues	6,840,713.88
State Aid "Lifeline"	13,387.50
Flood Lighting	34,407.52
Sales Tax Payable	1,114,548.90
	<u>\$ 25,142,383.01</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 1,310,857.65
Net Inventory Decrease		<u>33,771.83</u>
Balance December 31, 2014	E	<u>\$ 1,277,085.82</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

	Balance Dec.31, 2013	Additions by Ordinance	Balance Dec.31, 2014
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	1,952,280.80		1,952,280.80
Municipal Building Roof	29,999.30		29,999.30
Brush Chipper	12,704.00		12,704.00
Various Utility Vehicles	1,347,531.30		1,347,531.30
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	2,991,882.48	\$ 470,000.00	3,461,882.48
Purchase of Security System for Municipal Building	7,500.00		7,500.00
Server and Related Software	10,000.00		10,000.00
Emergency Generator	40,000.00		40,000.00
Digital Imaging System	8,000.00		8,000.00
Improvements to Municipal Buildings and Grounds	35,000.00		35,000.00
	<u>\$ 18,996,272.73</u>	<u>\$ 470,000.00</u>	<u>\$ 19,466,272.73</u>

Ref.

E

E



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

Improvement Description	Ord. No.	Balance Dec.31, 2013	2014 Authorizations		Costs to Fixed Capital	Balance Dec.31, 2014
			Deferred Charges to Future Revenue	Capital Improvement Fund		
Soil and Ground Water Remediation	94-20	\$ 51,000.00				\$ 51,000.00
Improvement of the Electrical Supply and Distribution System	09-06	2,100,000.00				2,100,000.00
Acquisition of Equipment	11-02	33,000.00				33,000.00
Improvement of the Electrical Supply and Distribution System	11-12	470,000.00			\$ 470,000.00	
Improvement to Municipal Buildings and Grounds	12-09	15,000.00				15,000.00
Improvement to Municipal Buildings and Grounds	12-10	15,000.00				15,000.00
Acquisition of New Vehicles	13-07	230,000.00				230,000.00
Improvement of the Electrical Supply and Distribution System	14-01		\$ 250,000.00			250,000.00
Site Remediation at DPW Facilities	14-02			\$ 60,000.00		60,000.00
Acquisition of New Vehicles	14-05		240,000.00	95,000.00		335,000.00
		<u>\$ 2,914,000.00</u>	<u>\$ 490,000.00</u>	<u>\$ 155,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 3,089,000.00</u>
	<u>Ref.</u>	E				E

BOROUGH OF BUTLER  
ELECTRIC UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</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	\$ 325.68	\$ 325.68		\$ 325.68
Other Expenses	27,401.91	27,401.91	\$ 26,574.49	827.42
Operations:				
Salaries and Wages	10,390.74	3,165.74	3,156.33	9.41
Other Expenses	36,484.69	45,984.69	45,732.51	252.18
Dispatching:				
Salaries and Wages	2,858.02	583.02		583.02
Other Expenses	126.80	126.80		126.80
Buildings and Grounds:				
Salaries and Wages	1,407.68	1,407.68		1,407.68
Other Expenses	841.77	841.77	243.97	597.80
Night Out:				
Other Expenses	986.76	986.76		986.76
Group Insurance for Employees	3,752.64	3,752.64	416.67	3,335.97
MELJIF Liability	22.91	22.91		22.91
MELJIF Worker's Compensation	550.97	550.97		550.97
Contribution to:				
Public Employees' Retirement System	2.40	2.40		2.40
Social Security System (O.A.S.I.)	187.00	187.00		187.00
Unemployment Compensation Insurance	500.00	500.00		500.00
Disability	21.35	21.35		21.35
	<u>\$ 85,861.32</u>	<u>\$ 85,861.32</u>	<u>\$ 76,123.97</u>	<u>\$ 9,737.35</u>

Analysis of Balance December 31, 2013

	<u>Ref.</u>	
Unencumbered	E	\$ 40,544.89
Encumbered	E	45,316.43
		<u>\$ 85,861.32</u>

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2013		2014 Authorizations		Balance December 31, 2014		
		Date	Amount	Funded	Unfunded	Capital Improve- ment Fund	Deferred Charges to Future Revenue	Paid or Charged	Funded	Unfunded
94-20	Soil and Ground Water Remediation	12/27/94	\$ 51,000.00	\$ 434.97					\$ 434.97	
09-06	Improvement of the Electrical Supply and Distribution System	07/07/09	2,100,000.00	61,783.73			\$ 13,778.56		48,005.17	
11-02	Acquisition of Equipment	05/03/11	33,000.00	1,991.90					1,991.90	
11-07	Improvement to Municipal Buildings and Grounds	06/21/11	10,000.00	6,300.00					6,300.00	
11-12	Improvement of the Electrical Supply and Distribution System	06/21/11	470,000.00	21,061.51				21,061.51		
12-09	Improvement to Municipal Buildings and Grounds	07/17/12	15,000.00	15,000.00				13,572.84	1,427.16	
12-10	Improvement to Municipal Buildings and Grounds	07/17/12	15,000.00	15,000.00					15,000.00	
13-07	Acquisition of New Vehicles	06/18/13	230,000.00	5,000.00	\$ 200,000.00			195,826.10		\$ 9,173.90
14-01	Improvement of the Electrical Supply and Distribution System	01/21/14	250,000.00				\$ 250,000.00	50,382.82		199,617.18
14-02	Site Remediation at DPW Facilities	02/18/14	60,000.00			\$ 60,000.00			60,000.00	
14-05	Acquisition of New Vehicles	06/17/14	335,000.00			95,000.00	240,000.00		95,000.00	240,000.00
				<u>\$ 126,572.11</u>	<u>\$ 200,000.00</u>	<u>\$ 155,000.00</u>	<u>\$ 490,000.00</u>	<u>\$ 294,621.83</u>	<u>\$ 228,159.20</u>	<u>\$ 448,791.08</u>
		<u>Ref.</u>		E	E				E	E

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

	<u>Ref.</u>	
Balance December 31, 2013	E	\$ 123,157.79
Increased by:		
Electric Operating Fund Budget Appropriation		<u>75,000.00</u>
		198,157.79
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>155,000.00</u>
Balance December 31, 2014	E	<u>\$ 43,157.79</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Balance Dec. 31, 2014</u>
94-20	Soil and Ground Water Remediation	12/27/94	\$ 2,500.00		\$ 2,500.00
09-06	Improvement of the Electrical Supply and Distribution System	07/07/09	101,000.00		101,000.00
11-02	Acquisition of Equipment	05/03/11	33,000.00		33,000.00
12-09	Improvement to Municipal Buildings and Grounds	07/17/12	15,000.00		15,000.00
12-10	Improvement to Municipal Buildings and Grounds	07/17/12	15,000.00		15,000.00
13-07	Acquisition of New Vehicles	06/18/13	30,000.00		30,000.00
14-02	Site Remediation at DPW Facilities	02/18/14		\$ 60,000.00	60,000.00
14-05	Acquisition of New Vehicles	06/17/14		95,000.00	95,000.00
			<u>\$ 196,500.00</u>	<u>\$ 155,000.00</u>	<u>\$ 351,500.00</u>
		<u>Ref.</u>	E		E

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF FARMERS HOME ADMINISTRATION LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2014

NOT APPLICABLE

BOROUGH OF BUTLER  
ELECTRIC UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

Ord. No.	Improvement Description	Issue of Original Note	Date of		Interest Rate	Issued	Balance Dec. 31, 2014
			Issue	Maturity			
13-07	Acquisition of New Vehicles	09/18/14	09/18/14	09/18/15	0.55%	\$ 200,000.00	\$ 200,000.00
14-01	Improvement of the Electrical Supply and Distribution System	09/18/14	09/18/14	09/18/15	0.55%	250,000.00	250,000.00
14-05	Acquisition of New Vehicles	09/18/14	09/18/14	09/18/15	0.55%	240,000.00	240,000.00
						<u>\$ 690,000.00</u>	<u>\$ 690,000.00</u>
					<u>Ref.</u>		E

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
			Date	Amount				
Refunding Bonds	09/01/10	\$ 4,215,000.00	09/01/15	\$ 370,000.00	3.00%			
			09/01/16	370,000.00	4.00%			
			09/01/17	390,000.00	4.00%			
			09/01/18	390,000.00	4.00%			
			09/01/19	390,000.00	4.00%			
			09/01/20	390,000.00	4.00%			
			09/01/21	385,000.00	4.00%			
			09/01/22	380,000.00	4.00%	\$ 3,440,000.00	\$ 375,000.00	\$ 3,065,000.00
General Bonds	5/22/13	3,661,000.00	11/15/2015	205,000.00	1.00%			
			11/15/2016	225,000.00	1.00%			
			11/15/2017	230,000.00	1.25%			
			11/15/2018	255,000.00	1.50%			
			11/15/2019	290,000.00	1.50%			
			11/15/2020	315,000.00	2.00%			
			11/15/2021	355,000.00	2.00%			
			11/15/2022	380,000.00	2.00%			
			11/15/2023	400,000.00	2.00%			
			11/15/2024	405,000.00	3.00%			
			11/15/2025	396,000.00	3.00%			
						3,661,000.00	205,000.00	3,456,000.00
						<u>\$ 7,101,000.00</u>	<u>\$ 580,000.00</u>	<u>\$ 6,521,000.00</u>
						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, 2013	2014 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2014
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
13-07	Acquisition of New Vehicles	200,000.00		\$ 200,000.00	
14-01	Improvement of the Electrical Supply and Distribution System		\$ 250,000.00	250,000.00	
14-05	Acquisition of New Vehicles		240,000.00	240,000.00	
		<u>\$ 230,820.00</u>	<u>\$ 490,000.00</u>	<u>\$ 690,000.00</u>	<u>\$ 30,820.00</u>

BOROUGH OF BUTLER  
COUNTY OF MORRIS  
2014  
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, 2013	F	\$ 5,267.65	\$ 2,566.08	\$ 7,833.73
Increase by Receipts:				
Interest Earned			18.95	18.95
Balance December 31, 2014	F	<u>\$ 5,267.65</u>	<u>\$ 2,585.03</u>	<u>\$ 7,852.68</u>

BOROUGH OF BUTLER

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

BOROUGH OF BUTLER  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2014

Name of Federal Agency or Department	Name of Program	C.F.D.A. Account Number	State Account Number	Grant Period		Grant Award Amount	Amount Received	Amount of Expenditures	Cumulative Expenditures
				From	To				
U.S. Department of Housing and Urban Development: (Passed through Morris County Office of Community Development)	Community Development Block Grant- Boonton Avenue Water Main Improvement	14.218	N/A	11/15/12	08/31/13	\$ 80,000.00	\$ 80,000.00		\$ 80,000.00
	Carey Avenue Water Main Replacement	14.218	N/A	12/01/13	06/30/14	80,000.00	80,000.00	\$ 80,000.00	80,000.00
Total Department of Housing and Urban Development							160,000.00	80,000.00	160,000.00
U.S. Department of Homeland Security: (Passed through New Jersey Department of Law and Public Safety)	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	N/A	01/01/12	12/31/12	622,562.73	543,058.82		622,562.73
Total Department of Homeland Security							543,058.82		622,562.73
TOTAL FEDERAL AWARDS							\$ 703,058.82	\$ 80,000.00	\$ 782,562.73

N/A - Not Applicable/Available

BOROUGH OF BUTLER  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014

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 Law and Public Safety	Safe and Secure Communities Program	Safe and Secure Communities Program	100-066-1020-232- YCJF-6120	01/01/13	12/31/15	\$ 60,000.00	\$ 15,000.00		\$ 59,999.94			
				01/01/14	12/31/15	60,000.00	60,000.00	\$ 59,999.94	59,999.94			
								<u>75,000.00</u>	<u>59,999.94</u>	<u>119,999.88</u>		
	Drunk Driving Enforcement Fund	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	01/01/09	12/31/15	6,242.38			450.00	2,734.12		
										450.00	2,734.12	
	Body Armor Replacement Program	Body Armor Replacement Program	718-066-1020-001 YCJS-6120	01/01/12	12/31/14	1,988.62			491.15	1,988.62		
							01/01/13	12/31/15	2,440.81	2,358.55	2,358.55	
							01/01/14	12/31/15	1,933.97	1,933.97		
	Total Department of Law and Public Safety							<u>76,933.97</u>	<u>63,299.64</u>	<u>127,081.17</u>		
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	01/01/13	12/31/13	10,557.00	6,507.67		10,557.00			
Department of Environmental Protection	Clean Communities Program	Clean Communities Program	765-042-4900- 004-V42Y-6020	01/01/09	12/31/14	12,524.83		829.83	12,524.83			
							01/01/11	12/31/15	11,686.09		5,876.59	5,876.59
										01/01/14	12/31/15	13,077.55
								<u>13,077.55</u>	<u>6,706.42</u>	<u>18,401.42</u>		
	Recycling Tonnage Grant	Recycling Tonnage Grant	752-042-4900- 001-V42Y-6020	01/01/09	12/31/15	10,297.10			4,033.90	8,040.71		
01/01/14							12/31/15	9,670.68	9,670.68	4,033.90	8,040.71	
Total Department of Environmental Protection							<u>22,748.23</u>	<u>10,740.32</u>	<u>26,442.13</u>			
Department of the State - (Passed Through the County of Morris - Department of Planning, Development & Technology)	Historic Preservation Trust	Butler Museum	N/A	01/01/13	12/31/14	172,200.00		2,023.00	172,200.00			
TOTAL STATE AWARDS							<u>\$ 106,189.87</u>	<u>\$ 76,062.96</u>	<u>\$ 336,280.30</u>			
N/A - Not Available												

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, 2014

Note A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes 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, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States and Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular NJOMB 04-04, *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 B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

Note C. 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.

Note D. STATE LOANS OUTSTANDING

The Borough of Butler has the following loans outstanding as of December 31, 2014:

Green Trust Loan Payable #1	\$	33,461
Dam Restoration and Inland Water Project Loan Payable		429,996
	\$	463,457

Currently the Borough is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center  
200 Valley Road, Suite 300  
Mt. Arlington, NJ 07856  
973-328-1825 | 973-328-0507 Fax

Lawrence Business Center  
11 Lawrence Road  
Newton, NJ 07860  
973-383-6699 | 973-383-6555 Fax

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, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 27, 2015. 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.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 may exist that have not been identified.



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

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

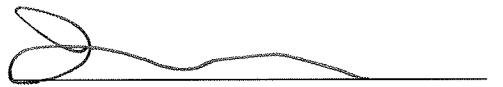
### **Purpose of this Report**

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.

Mt Arlington, NJ  
May 27, 2015



NISIVOCIA LLP



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David H. Evans  
Certified Public Accountant  
Registered Municipal Accountant No. 98

BOROUGH OF BUTLER  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2014

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 Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 for the year ended December 31, 2014 as both state and federal grant expenditures were less than the single audit threshold of \$500,000 identified in the Circulars.

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, 2014

Not Applicable - The Borough had no findings or questioned costs noted in the audit for the year ended December 31, 2013.

BOROUGH OF BUTLER

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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 January 1, 2011 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$36,000.

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 7, 2014, 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 November 2, 2014.

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>
2014	6
2013	6
2012	6

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 2014 Taxes	20
Payment of 2015 Taxes	20
Delinquent Taxes	15
Tax Title Liens	3
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

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, 2014.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Municipal Treasurer:				
Fines and Costs	\$ 8,961.06	\$ 90,256.27	\$ 93,247.05	\$ 5,970.28
Restitution		155.00	155.00	
POAA FTA	2.00	300.00	274.00	28.00
Weights and Measures	1,200.00	26,700.00	27,900.00	
Public Defender	100.00	4,255.00	4,305.00	50.00
County:				
Fines	3,281.00	37,226.01	38,761.51	1,745.50
State:				
Fines and Costs	4,800.94	48,916.77	50,342.49	3,375.22
Conditional Discharge	107.00	698.00	805.00	
SPCA		1,000.00	1,000.00	
Interest/Credit Card Charges		2.85	2.85	
Bail	5,850.00	27,835.48	30,504.81	3,180.67
TOTAL	<u>\$ 24,302.00</u>	<u>\$ 237,345.38</u>	<u>\$ 247,297.71</u>	<u>\$ 14,349.67</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.

Outside Offices

During our review of the outside offices, we noted the Police Department's receipts were not always being turned over to the Treasurer within forty-eight hours of receipt. Some improvement was noted, however, it is recommended that the Police Department turn over receipts in a timely manner to ensure deposit within forty-eight hours.

Management's Response

Administration will ensure that receipts from the Police Department be turned over in a timely manner.



BOROUGH OF BUTLER  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Recreation Department

During our review of the Recreation Department records, we noted that cash receipt transactions were recorded daily in the aggregate and not by individual transaction. We also noted that various fee schedules were not maintained for audit inspection. It is recommended that a detailed cash receipt ledger be properly maintained and all fee schedules be maintained for audit inspection.

Management's Response

Administration will ensure that receipts are being properly recorded and all fee schedules will be maintained for audit inspection.

Status of Prior Year Recommendations

The Borough initiated a corrective action plan to resolve the comments and recommendations from the 2013 audit report. Prior year recommendations 1,3 and 4 were resolved. The Borough is in the process of implementing procedures to resolve the recommendation regarding police deposits.

BOROUGH OF BUTLER  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. The Police Department turn over receipts in a timely manner to ensure deposit within forty-eight hours.
2. A detailed cash receipt ledger be properly maintained and all fee schedules be maintained for audit inspection.

\* \* \* \* \*