

VERONA

Township of Verona, New Jersey



**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY**

**REPORT ON EXAMINATION OF ACCOUNTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**TOWNSHIP OF VERONA
COUNTY OF ESSEX, NEW JERSEY**

CONTENTS

<u>PART I</u>	<u>PAGE</u>
Independent Auditors' Report	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4

REGULATORY BASIS FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

A	Comparative Balance Sheets	6
A-1	Comparative Statements of Operations and Change in Fund Balance	8
A-2	Statement of Revenue.....	9
A-2a	Revenue - Miscellaneous Revenue Anticipated.....	10
A-2b	Revenue - Analysis of Other Licenses, Other Fees and Permits.....	11
A-2c	Revenue - Analysis of Realized Tax Collections.....	12
A-2d	Revenue - Analysis of Nonbudget Revenue	13
A-3	Statement of Expenditures	14

TRUST FUNDS

B	Comparative Balance Sheets	20
B-1	Statement of Fund Balance - General Trust Fund	21

GENERAL CAPITAL FUND

C	Comparative Balance Sheets	22
C-1	Statement of Fund Balance	23

WATER AND SEWER UTILITY

D	Comparative Balance Sheets	24
D-1	Comparative Statements of Operations and Change in Fund Balance - Operating Fund	26
D-2	Statement of Capital Fund Balance.....	27
D-3	Statement of Revenue.....	28
D-4	Statement of Expenditures	29

REGULATORY BASIS FINANCIAL STATEMENTS
(Continued)

<u>EXHIBIT</u>		<u>PAGE</u>
<u>SWIMMING POOL UTILITY</u>		
E	Comparative Balance Sheets	30
E-1	Comparative Statements of Operations and Changes in Fund Balance	31
E-2	Statement of Capital Fund Balance	32
E-3	Statement of Revenue	33
E-4	Statement of Expenditures	34
<u>PUBLIC ASSISTANCE TRUST FUND</u>		
F	Comparative Balance Sheets	35
<u>FREE PUBLIC LIBRARY</u>		
G	Comparative Balance Sheets	36
G-1	Statement of Operations and Change in Fund Balance	37
<u>PAYROLL FUND</u>		
H	Comparative Balance Sheets	38
<u>GENERAL FIXED ASSET ACCOUNT GROUP</u>		
I	Comparative Balance Sheets	39
	NOTES TO FINANCIAL STATEMENTS	40 - 73

SUPPLEMENTARY INFORMATION

PART II

CURRENT FUND

<u>EXHIBIT</u>		<u>PAGE</u>
A-4	Cash Receipts and Disbursements	74
A-5	Cash Disbursements – Collector - Treasurer	75
A-6	Change Funds	76
A-7	Petty Cash Funds	76
A-8	Due From (To) State of New Jersey - Veterans' and Senior Citizens' Tax Deductions.....	77
A-9	Taxes Receivable and Analysis of Property Tax Levy	78
A-10	Tax Title Liens	79
A-11	Property Acquired for Taxes at Assessed Valuation	79
A-12	Revenue Accounts Receivable.....	80
A-13	Deferred Charges – Special Emergencies and Emergencies	81
A-14	Interfunds (Payable) / Receivable	82
A-15	Appropriation Reserves	83
A-16	Reserve for Sale of Township-Owned Property	87
A-17	Reserve for Maintenance of Free Public Library with State Aid.....	88
A-18	Due to State of New Jersey - Marriage License and Building Fee Surcharge	88
A-19	Tax Overpayments	89
A-20	Local School District Tax	89
A-21	County Taxes.....	90
A-22	Accounts Payable	90
A-23	Prepaid Taxes.....	91
A-24	Municipal Open Space Taxes.....	92
A-25	Emergency Note Payable	93
A-26	Federal and State Grants Receivable	94
A-27	Interfunds (Payable) / Receivable	95
A-28	Appropriated Reserves for Federal and State Grants	96
A-29	Unappropriated Grant Reserves.....	97
A-30	Reserve for Revaluation	98
A-31	Reserve for Tax Appeals	99

TRUST FUNDS

B-2	Cash Receipts and Disbursements - Collector - Treasurer.....	100
B-3	Due from County of Essex (Community Development Block Grant).....	101
B-4	Interfunds Payable (Receivable)	102
B-5	Special Deposits	103
B-6	Unemployment Compensation Insurance Fund	104
B-7	Reserve for Community Development Block Grant.....	104
B-8	Reserve for Animal Control Fund Expenditures	105
B-9	Escrow Deposits	106
B-10	Due to State of New Jersey	107
B-11	Reserve for Open Space Trust.....	108
B-12	Prepaid Open Space Taxes	108

SUPPLEMENTARY INFORMATION
(Continued)

GENERAL CAPITAL FUND

<u>EXHIBIT</u>		<u>PAGE</u>
C-2	Cash Receipts and Disbursements - Treasurer	109
C-3	Cash Receipts and Disbursements - Investment Account	110
C-4	Analysis of Capital Cash and Investments	111
C-5	Due from State of New Jersey - Grants and Aid	113
C-6	Interfunds Payable (Receivable)	114
C-7	Deferred Charges to Future Taxation - Funded	115
C-8	Deferred Charges to Future Taxation - Unfunded	116
C-9	Capital Improvement Fund	117
C-10	Reserve for Payment of Debt Service	118
C-11	Reserve for Future Improvements	118
C-12	Reserve for State Grants and Aid Receivable	119
C-13	Improvement Authorizations	120
C-14	Reserve for Refunding Bond Sale Costs	121
C-15	Bond Anticipation Notes	122
C-16	Green Acres Loan Payable	123
C-17	Serial Bonds	124
C-18	Bonds and Notes Authorized but Not Issued	125

WATER/SEWER UTILITY

D-5	Cash Receipts and Disbursements - Collector - Treasurer	126
D-6	Cash – Investment Account	127
D-7	Analysis of Capital Cash	128
D-8	Water/Sewer Rents Receivable	129
D-9	Fixed Capital	130
D-10	Fixed Capital Authorized and Uncompleted	131
D-11	Appropriation Reserves	132
D-12	Accrued Interest on Bonds and Notes	133
D-13	Accrued Interest on Loans	134
D-14	Overpayments	135
D-15	Capital Improvement Fund	135
D-16	Reserve for Amortization	136
D-17	Deferred Reserve for Amortization	137
D-18	Improvement Authorizations	138
D-19	Waste Water Treatment Loans Payable	139
D-20	Serial Bonds	140
D-21	Bond Anticipation Notes	141
D-22	Bonds and Notes Authorized but Not Issued	142

SUPPLEMENTARY INFORMATION
(Continued)

EXHIBIT

PAGE

SWIMMING POOL UTILITY

E-5	Cash Receipts and Disbursements - Collector - Treasurer.....	143
E-6	Analysis of Capital Cash.....	144
E-7	Petty Cash Fund.....	145
E-8	Fixed Capital.....	146
E-9	Operating Fund - Interfunds Payable	147
E-10	Fixed Capital Authorized and Uncompleted.....	148
E-11	Appropriation Reserves.....	149
E-12	Accrued Interest on Bonds and Notes.....	150
E-13	Capital Improvement Fund.....	151
E-14	Reserve for Amortization	151
E-15	Deferred Reserve for Amortization	152
E-16	Improvement Authorizations.....	153
E-17	Serial Bonds	154
E-18	Bonds Anticipation Notes	155
E-19	Deferred Charges – Special Emergency.....	156
E-20	Capital Fund – Interfunds Receivable.....	157
E-21	Bonds and Notes Authorized but Not Issued	158

PUBLIC ASSISTANCE TRUST FUND

F-1	Cash Receipts and Disbursements	159
F-2	Reserve for Expenditures	160

FREE PUBLIC LIBRARY

G-2	Cash Receipts and Disbursements	161
-----	---------------------------------------	-----

PAYROLL FUND

H-1	Cash Receipts and Disbursements	162
-----	---------------------------------------	-----

SUPPLEMENTARY INFORMATION
(Continued)

PAGE

PART III

ROSTER OF OFFICIALS,
COMMENTS AND RECOMMENDATIONS

Roster of Officials and Report on Surety Bonds at December 31, 2021	163
General Comments	164
Recommendations	167

PART I
REPORT ON EXAMINATION
REPORT ON INTERNAL CONTROL
AND OTHER MATTERS
REGULATORY BASIS FINANCIAL STATEMENTS
AND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020



Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of Verona, New Jersey, ("Township") which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2021 and 2020, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statement of changes in fund balance, the statements of revenue and statements of expenditures for the year ended December 31, 2021 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government, State of New Jersey ("Division") described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2021 and 2020, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

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

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

Page 2

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. 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.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

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

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

Page 3

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

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Schedules - Supplementary Information Required by the Division and Part III – Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 30, 2022

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520



**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 Township Council
Township of Verona
Verona, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Township of Verona ("Township") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 30, 2022 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**The Honorable Mayor and Members
of the Township Council
Township of Verona
Verona, New Jersey**

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and by the Division.

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 results of that testing, and not to provide an opinion on the effectiveness of the Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 30, 2022

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 16,908,293.18	\$ 15,920,810.86
Cash - Change Funds	A-6	425.00	425.00
		<u>16,908,718.18</u>	<u>15,921,235.86</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	596,492.41	607,603.39
Tax Title Liens Receivable	A-10		53,072.66
Property Acquired for Taxes at Assessed Valuation	A-11	267,817.00	267,817.00
Revenue Accounts Receivable	A-12	29,863.14	16,317.74
Interfunds Receivable	A-14	169,015.66	102,611.66
		<u>1,063,188.21</u>	<u>1,047,422.45</u>
Deferred Charges:			
Emergency Authorizations	A-13	671,946.22	516,946.22
		<u>18,643,852.61</u>	<u>17,485,604.53</u>
<u>Federal and State Grant Fund</u>			
Federal and State Grants Receivable	A-26	46,124.77	234,977.87
Interfunds Receivable	A-27	904,904.06	134,436.38
		<u>951,028.83</u>	<u>369,414.25</u>
		<u>\$ 19,594,881.44</u>	<u>\$ 17,855,018.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Committed	A-3, A-15	\$ 437,955.23	\$ 398,130.48
Uncommitted	A-3, A-15	1,948,875.24	2,360,709.84
Due to State of New Jersey, Ch. 129, P.L. 1976	A-8	12,383.92	9,964.35
Reserve for Maintenance of Free Public Library	A-17	1,561.19	1,561.19
Due to State of New Jersey, Marriage License and Building Surcharge	A-18	2,872.32	913.32
Tax Overpayments	A-19	146,836.68	116,372.75
Local School District Tax	A-20	7,627,640.98	7,615,458.33
County Taxes Payable	A-21	26,271.08	15,350.68
Accounts Payable	A-22	104,367.04	67,143.98
Interfunds Payable	A-14	872,662.89	102,195.21
Prepaid Taxes	A-23	397,228.28	546,684.59
Reserve for Tax Appeals	A-31	95,121.46	95,121.46
Reserve for Revaluation	A-30	7,649.32	22,649.32
Emergency Note Payable	A-25	65,000.00	160,000.00
Reserve for Sale of Township-Owned Property	A-16	19,248.19	19,248.19
		<u>11,765,673.82</u>	<u>11,531,503.69</u>
 Reserve for Receivables		 1,063,188.21	 1,047,422.45
Fund Balance	A-1	<u>5,814,990.58</u>	<u>4,906,678.39</u>
		<u>18,643,852.61</u>	<u>17,485,604.53</u>
 <u>Federal and State Grant Fund</u>			
Appropriated Reserves for Federal and State Grants	A-28	189,132.86	353,127.33
Unappropriated Grant Reserves	A-29	761,895.97	16,286.92
		<u>951,028.83</u>	<u>369,414.25</u>
		<u>\$ 19,594,881.44</u>	<u>\$ 17,855,018.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020

A-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 3,150,000.00	\$ 3,025,000.00
Miscellaneous Revenue Anticipated	A-2	4,790,865.75	4,253,292.56
Receipts from Current Taxes	A-2c	70,039,606.50	68,044,705.57
Receipts from Delinquent Taxes	A-2c	632,100.68	520,723.40
Receipts from Tax Title Liens			
Nonbudget Revenue	A-2d	199,840.66	111,346.76
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	A-15	2,178,477.10	1,228,375.85
Cancellation of Grant Balances	A-26	0.48	
Prior Year Interfunds Returned			469,498.04
6% Delinquent Penalty	A-12	12,966.56	15,202.78
Tax Overpayments Canceled	A-19	16,549.58	166,382.63
		<u>81,020,407.31</u>	<u>77,834,527.59</u>
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		8,494,633.45	8,145,108.26
Other Expenses		9,694,851.08	9,243,180.56
Capital Improvements		150,000.00	150,000.00
Statutory Expenditures		2,174,339.00	1,553,730.00
Deferred Charges		80,000.00	350,000.00
Debt Service		<u>3,631,379.44</u>	<u>3,729,354.29</u>
	A-3	24,225,202.97	23,171,373.11
Prior Year Senior Citizens' Exemptions Disallowed	A-8	697.95	250.00
Interfunds Advanced	A-14	50,000.00	95,121.46
Local School District Taxes	A-20	39,971,905.00	38,453,949.00
County Taxes	A-21	12,486,855.12	12,373,962.38
Municipal Open Space Levy	A-24	<u>477,434.08</u>	<u>479,069.54</u>
		<u>77,212,095.12</u>	<u>74,573,725.49</u>
Excess in Revenue		3,808,312.19	3,260,802.10
Adjustment to Income before Fund Balance:			
Charges Which are by Statute Deferred			
Charges to Budgets of Succeeding Years'			
Emergency Authorization	A-13	<u>250,000.00</u>	<u>356,946.22</u>
Statutory Excess in Revenue		4,058,312.19	3,617,748.32
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>4,906,678.39</u>	<u>4,313,930.07</u>
		8,964,990.58	7,931,678.39
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>3,150,000.00</u>	<u>3,025,000.00</u>
Balance, End of Year	A	<u>\$ 5,814,990.58</u>	<u>\$ 4,906,678.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
MISCELLANEOUS REVENUE ANTICIPATED
YEAR ENDED DECEMBER 31, 2021

A-2a

	Ref.	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Licenses:				
Alcoholic Beverages	A-12	\$ 13,000.00	\$ 17,001.90	\$ 4,001.90
Other	A-2b	15,000.00	12,853.00	(2,147.00)
Fees and Permits	A-2b	63,000.00	98,065.05	35,065.05
Fines and Costs:				
Municipal Court	A-12	62,000.00	67,653.38	5,653.38
Parking Meters	A-12	20,000.00	30,888.72	10,888.72
Recreation Fees	A-12	200,000.00	194,280.00	(5,720.00)
Interest and Costs on Taxes	A-4	135,000.00	172,238.07	37,238.07
Interest on Investments and Deposits	A-12	100,000.00	35,601.66	(64,398.34)
Payments in Lieu of Taxes:				
Hilltop - I	A-12	385,000.00	397,993.19	12,993.19
Hilltop - II	A-12	405,000.00	440,150.89	35,150.89
Annin Lofts	A-12	325,000.00	318,769.29	(6,230.71)
Verona Place Urban Renewal	A-12	50,000.00	36,977.81	(13,022.19)
Children's Institute	A-12	16,785.00	17,624.00	839.00
Verona Senior Citizens' Associates HFA #661	A-12	175,000.00	259,217.41	84,217.41
Tower Lease	A-12	153,000.00	139,215.00	(13,785.00)
Community Center Rental	A-12	12,000.00	12,125.00	125.00
Uniform Fire Safety Act	A-12	15,000.00	14,380.02	(619.98)
Utility Operating Surplus of Prior Year	A-12	100,000.00	100,000.00	
General Capital Surplus	A-12	455,000.00	455,000.00	
Verizon - Franchise Fee	A-12	151,000.00	151,018.95	18.95
Comcast - Franchise Fee	A-12	83,000.00	79,990.36	(3,009.64)
Leaf Bag Sales	A-12	7,000.00	6,053.00	(947.00)
Uniform Construction Code Fees	A-12	250,000.00	350,487.00	100,487.00
Consolidated CMPTRA Allocation	A-12	1,159,622.00	1,159,622.00	
Interlocal Agreements - Roseland	A-12	133,734.00	136,409.00	2,675.00
Federal and State Grants:				
Municipal Alliance	A-26	12,225.00	12,225.00	
Distracted Driving	A-26	6,000.00	6,000.00	
Clean Communities	A-26	25,552.64	25,552.64	
Body Armor Replacement Fund	A-26	2,341.00	2,341.00	
Recycling Tonnage Grant	A-26	16,345.11	16,345.11	
Drunk Driving Enforcement	A-26	8,500.38	8,500.38	
Recycling Tonnage Grant	A-26	16,286.92	16,286.92	
	A-2	<u>\$ 4,571,392.05</u>	<u>\$ 4,790,865.75</u>	<u>\$ 219,473.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF OTHER LICENSES, OTHER FEES AND PERMITS
YEAR ENDED DECEMBER 31, 2021

A-2b

	<u>Ref.</u>		
Other Licenses:			
Township Clerk	A-12	\$ 1,845.00	
Construction Code Official	A-12	240.00	
Health Officer	A-12	10,540.00	
Registrar of Vital Statistics	A-12	<u>228.00</u>	
	A-2a		<u><u>\$ 12,853.00</u></u>
Fees and Permits:			
Miscellaneous	A-12	\$ 11,570.00	
Township Clerk	A-12	150.00	
Board of Adjustment	A-12	4,680.00	
Public Works	A-12	5,489.00	
Health Copies	A-12	2,950.00	
Medical Transport	A-12	5,320.00	
Marriage Donation	A-12	300.00	
Parking Permits	A-12	24,889.00	
Police Fees	A-12	3,534.05	
Fire Detectors	A-12	27,550.00	
Towing	A-12	1,608.00	
Rent Board	A-12	<u>10,025.00</u>	
	A-2a		<u><u>\$ 98,065.05</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2021

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-9, A-10	\$ 632,100.68	
Delinquent Tax Collections	A-1, A-2		<u>\$ 632,100.68</u>
<u>Allocation of Current Taxes</u>			
Due from State of New Jersey	A-9	\$ 61,000.00	
2020 Collections	A-9	546,684.59	
2021 Collections	A-9	<u>69,431,921.91</u>	
	A-1		\$ 70,039,606.50
Allocated to:			
Local School District Tax	A-1, A-9, A-20	39,971,905.00	
County Taxes	A-1, A-9, A-21	12,486,855.12	
Municipal Open Space Taxes	A-1, A-24	<u>477,434.08</u>	
			<u>52,936,194.20</u>
			17,103,412.30
Plus: Appropriation for "Reserve for Uncollected Taxes"			
	A-3		<u>1,775,000.00</u>
Amount for Support of Municipal Budget Appropriations			
	A-2		<u>\$ 18,878,412.30</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
YEAR ENDED DECEMBER 31, 2021

A-2d

	<u>Ref.</u>		
Duplicate Bills		\$	521.00
DMV Inspection Fees			100.00
Escheated Court Checks			179.00
Out of Town 200 ft. List			30.00
Essex County Reimbursement - Elections			8,934.24
Overpaid TD Debt			35.99
Homestead Mailing Fee			443.40
Street Sweeper Rental			7,000.00
2018 Grainger Refund			665.16
Atlantic Coast Fibers			17,130.08
BMED Dividend			107,596.00
Medical Transport			5,000.00
Bank Adjustment			0.05
FEMA Payment			6,300.57
Stage Rental			650.00
Unclaimed Property			3,097.60
2018 Capital Supply Refund			262.71
Other Receipts			41,848.30
Hurricane Relief Credit Card Reimbursement			46.56
	A-4		\$ 199,840.66
	A-1, A-2		\$ 199,840.66

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet # 1

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Manager's Office	\$ 193,411.00	\$ 188,411.00	\$ 173,808.08		\$ 14,602.92	
Mayor and Council	13,500.00	13,500.00	13,238.16		261.84	
Township Clerk	105,000.00	105,000.00	97,378.78		7,621.22	
Other Expenses	70,700.00	70,700.00	65,833.08	\$ 2,097.70	2,769.22	
Elections:						
Other Expenses	43,100.00	43,100.00	18,231.33	8,300.00	16,568.67	
Financial Administration:						
Annual Audit	65,000.00	65,000.00	60.00	41,000.00	23,940.00	
Administrative and Economic Development:						
Other Expenses	27,600.00	27,600.00	10,643.34	210.00	16,746.66	
Assessment of Taxes:						
Salaries and Wages	167,114.00	167,114.00	158,305.08		8,808.92	
Other Expenses	50,625.00	50,625.00	31,940.80		18,684.20	
Collection of Taxes:						
Salaries and Wages	254,103.00	220,303.00	174,317.32		45,985.68	
Other Expenses:						
Tax Sale Costs	1,000.00	1,000.00	120.00		880.00	
Miscellaneous Other Expenses	44,700.00	44,700.00	25,027.40	2,673.57	16,999.03	
Liquidation of Tax Title Liens	2,000.00	2,000.00			2,000.00	
Legal Services and Costs:						
Salaries and Wages	22,000.00	22,000.00	15,382.08		6,617.92	
Other Expenses	208,700.00	218,700.00	183,790.70	22,678.18	12,231.12	
Public Buildings and Grounds:						
Salaries and Wages	314,175.00	324,175.00	316,173.28		8,001.72	
Other Expenses	228,500.00	228,500.00	187,562.57	18,780.77	22,156.66	
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	12,000.00	10,000.00	2,884.14		7,115.86	
Other Expenses	14,950.00	14,950.00	11,522.70		3,427.30	
Board of Adjustment:						
Salaries and Wages	12,500.00	13,500.00	13,075.38		424.62	
Other Expenses	26,375.00	26,375.00	17,820.05		8,554.95	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet # 2

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Rent Leveling Board:						
Salaries and Wages	\$ 3,000.00	\$ 4,000.00	\$ 2,887.51		\$ 1,112.49	
Other Expenses	12,750.00	12,750.00	7,352.18		5,397.82	
Shade Trees:						
Other Expenses	125,000.00	125,000.00	105,744.98		19,255.02	
Municipal Court:						
Salaries and Wages	176,500.00	176,500.00	141,214.08	\$ 1.00	35,284.92	
Other Expenses	15,150.00	15,150.00	5,383.41	78.20	9,688.39	
Insurance (N.J.S.A. 40a:4-45(00) P.L. 2003, C92 S-906):						
General Liability	406,000.00	406,000.00	368,539.98		37,460.02	
Employee Group Health	2,209,000.00	2,209,000.00	1,867,144.38	24,089.00	317,766.62	
Health Waivers	65,000.00	65,000.00	47,929.27		17,070.73	
	<u>4,889,453.00</u>	<u>4,870,653.00</u>	<u>4,063,310.06</u>	<u>119,908.42</u>	<u>687,434.52</u>	<u>\$ -</u>
<u>PUBLIC SAFETY</u>						
Fire:						
Other Expenses:						
Miscellaneous Other Expenses	136,850.00	147,350.00	134,013.82		13,336.18	
Fire Prevention:						
Salaries and Wages	95,000.00	95,000.00	68,940.75		26,059.25	
Other Expenses	8,000.00	8,000.00	1,271.89	1,400.00	5,328.11	
Police:						
Salaries and Wages	4,652,561.00	4,652,561.00	4,368,591.36		283,969.64	
Other Expenses	393,400.00	393,400.00	269,201.11	42,826.83	81,372.06	
Communications:						
Salaries and Wages	93,276.00	93,276.00	89,619.12		3,656.88	
Other Expenses	142,500.00	142,500.00	84,380.59	18,178.24	39,941.17	
Police Dispatchers:						
Salaries and Wages	293,516.00	293,516.00	287,915.45		5,600.55	
Parking Meter Maintenance:						
Other Expenses	3,000.00	3,000.00	1,863.31	563.48	573.21	
Rescue Squad:						
Other Expenses	65,000.00	65,000.00	65,000.00			
Emergency Management Services:						
Other Expenses	10,000.00	10,000.00	8,359.92		1,640.08	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet # 3

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 910,434.00	\$ 938,434.00	\$ 927,173.68		\$ 11,260.32	
Other Expenses	405,150.00	395,150.00	306,183.23	\$ 37,208.27	51,758.50	
Vehicle Maintenance	95,000.00	105,000.00	97,948.68	6,975.41	75.91	
	<u>7,303,687.00</u>	<u>7,342,187.00</u>	<u>6,710,462.91</u>	<u>107,152.23</u>	<u>524,571.86</u>	<u>\$ -</u>
<u>HEALTH AND WELFARE</u>						
Board of Health - Local Health Agency:						
Board of Health:						
Salaries and Wages	19,000.00	19,000.00	16,432.95		2,567.05	
Other Expenses	127,700.00	130,700.00	123,420.43	564.18	6,715.39	
Dog Licencing:						
Other Expenses	5,000.00	5,000.00			5,000.00	
	<u>151,700.00</u>	<u>154,700.00</u>	<u>139,853.38</u>	<u>564.18</u>	<u>14,282.44</u>	<u>-</u>
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages	655,013.00	618,013.00	461,351.39		156,661.61	
Other Expenses	172,250.00	172,250.00	90,840.76	36,570.33	44,838.91	
Field Maintenance	45,000.00	47,300.00	44,200.81	2,341.23	757.96	
Contribution to Senior Citizens' Center (N.J.S.A. 40:48-9.4):						
Salaries and Wages	30,500.00	30,500.00	20,504.25		9,995.75	
Other Expenses	6,000.00	6,000.00	2,854.40		3,145.60	
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	79,300.00	79,300.00	72,316.97	1,300.00	5,683.03	
	<u>988,063.00</u>	<u>953,363.00</u>	<u>692,068.58</u>	<u>40,211.56</u>	<u>221,082.86</u>	<u>-</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet # 4

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages	\$ 9,500.00	\$ 13,700.00	\$ 11,762.88		\$ 1,937.12	
Other Expenses	476,500.00	474,300.00	362,571.02	\$ 1,594.00	110,134.98	
Garbage and Trash Removal - Contractual	1,602,806.00	1,602,806.00	1,430,673.58	140,656.43	31,475.99	
Commercial Revitalization:						
Other Expenses	10,000.00	10,000.00	9,900.00		100.00	
	<u>2,098,806.00</u>	<u>2,100,806.00</u>	<u>1,814,907.48</u>	<u>142,250.43</u>	<u>143,648.09</u>	
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>						
<u>OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</u>						
State Uniform Construction Code/ Construction Official (Chief Administrator of Enforcement Agency):						
Salaries and Wages	412,601.00	412,601.00	386,988.37	798.00	24,814.63	
Other Expenses	27,925.00	37,925.00	24,342.50		13,582.50	
	<u>440,526.00</u>	<u>450,526.00</u>	<u>411,330.87</u>	<u>798.00</u>	<u>38,397.13</u>	
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	450,000.00	450,000.00	405,289.64		44,710.36	
Telephone, Internet, Cable	110,000.00	110,000.00	83,310.37		26,689.63	
Gasoline	140,000.00	140,000.00	103,504.52	15,688.07	20,807.41	
Salary and Wage Adjustment	20,000.00	20,000.00			20,000.00	
Compensated Absences Liability	50,000.00	50,000.00	50,000.00			
	<u>770,000.00</u>	<u>770,000.00</u>	<u>642,104.53</u>	<u>15,688.07</u>	<u>112,207.40</u>	
<u>CONTINGENT</u>	<u>35,000.00</u>	<u>35,000.00</u>			<u>35,000.00</u>	
Total Operations Within "CAPS"	<u>16,677,235.00</u>	<u>16,677,235.00</u>	<u>14,474,037.81</u>	<u>426,572.89</u>	<u>1,776,624.30</u>	\$ -
Detail:						
Salaries and Wages	8,474,204.00	8,474,204.00	7,809,706.97		684,926.48	
Other Expenses	8,203,031.00	8,203,031.00	6,664,330.84	426,572.89	1,091,697.82	-

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet # 5

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Deferred Charges:						
Contributions to:						
Public Employees' Retirement System	\$ 487,122.00	\$ 487,122.00	\$ 462,122.00		\$ 25,000.00	
Social Security System (OASI)	425,000.00	425,000.00	351,949.11		73,050.89	
Police and Firemen's Retirement System of N.J.	1,232,217.00	1,232,217.00	1,232,217.00			
Defined Contribution Retirement Plan	30,000.00	30,000.00	19,788.30		10,211.70	
Total Deferred Charges and Statutory Expenditures	<u>2,174,339.00</u>	<u>2,174,339.00</u>	<u>2,066,076.41</u>	<u>\$ -</u>	<u>108,262.59</u>	
Total Appropriations Within "CAPS"	<u>18,851,574.00</u>	<u>18,851,574.00</u>	<u>16,540,114.22</u>	<u>426,572.89</u>	<u>1,884,886.89</u>	
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	953,500.00	953,500.00	899,730.36	11,382.34	42,387.30	
Recycling - State Tax	12,764.00	12,764.00			12,764.00	
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00			
Tropical Storm Ida Response		350,000.00	250,000.00			\$ 100,000.00
	<u>1,041,264.00</u>	<u>1,391,264.00</u>	<u>1,224,730.36</u>	<u>11,382.34</u>	<u>55,151.30</u>	<u>100,000.00</u>
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of Roseland:						
Construction Code Official	86,725.00	86,725.00	77,887.95		8,837.05	
Construction Outside Contract Official	30,369.00	30,369.00	30,369.00			
Fire Sub-Code Official	16,640.00	16,640.00	16,640.00			
	<u>133,734.00</u>	<u>133,734.00</u>	<u>124,896.95</u>	<u>-</u>	<u>8,837.05</u>	
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Municipal Alliance Committee Fund - Grant Award						
Recycling Tonnage Grant	16,345.11	16,345.11	16,345.11			
Recycling Tonnage Grant - Unappropriated	16,286.92	16,286.92	16,286.92			
Body Armor Replacement Fund	2,341.48	2,341.48	2,341.48			
Drunk Driving Enforcement	8,500.38	8,500.38	8,500.38			
Municipal Alliance		12,225.00	12,225.00			
Distracted Driving		6,000.00	6,000.00			
Clean Communities - Ch. 187, P.L. 1986		25,552.64	25,552.64			
	<u>43,473.89</u>	<u>87,251.53</u>	<u>87,251.53</u>			
Total Operations Excluded from "CAPS"	<u>1,218,471.89</u>	<u>1,612,249.53</u>	<u>1,436,878.84</u>	<u>11,382.34</u>	<u>63,988.35</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet #6

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Detail:						
Other Expenses	\$ 1,218,471.89	\$ 1,612,249.53	\$ 1,436,878.84	\$ 11,382.34	\$ 63,988.35	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	2,710,000.00	2,710,000.00	2,710,000.00			
Interest on Bonds	601,777.00	601,777.00	581,547.50			\$ 20,229.50
Interest on Notes	265,000.00	265,000.00	216,105.97			48,894.03
Loan Repayments for Principal and Interest	122,190.00	122,190.00	122,189.97			0.03
Emergency Note Interest - Property Revaluation	6,500.00	6,500.00	1,536.00			4,964.00
	<u>3,705,467.00</u>	<u>3,705,467.00</u>	<u>3,631,379.44</u>			<u>74,087.56</u>
<u>DEFERRED CHARGES</u>						
Emergency Authorization: Revaluation	80,000.00	80,000.00	80,000.00			
Emergency Authorization: Pool Operating Deficit	50,000.00	50,000.00				50,000.00
	<u>130,000.00</u>	<u>130,000.00</u>	<u>80,000.00</u>			<u>224,087.56</u>
Total Appropriations Excluded from "CAPS"	<u>5,203,938.89</u>	<u>5,597,716.53</u>	<u>5,298,258.28</u>	<u>11,382.34</u>	<u>63,988.35</u>	<u>224,087.56</u>
Sub-Total	24,055,512.89	24,449,290.53	21,838,372.50	437,955.23	1,948,875.24	224,087.56
Reserve for Uncollected Taxes	1,775,000.00	1,775,000.00	1,775,000.00			
Total General Appropriations	<u>\$ 25,830,512.89</u>	<u>\$ 26,224,290.53</u>	<u>\$ 23,613,372.50</u>	<u>\$ 437,955.23</u>	<u>\$ 1,948,875.24</u>	<u>\$ 224,087.56</u>

	<u>Ref.</u>	Below	Below	Below	A	A	Below
Original Budget	Above, A-2		\$ 25,830,512.89				
Chapter 159 Budget Amendments	Above, A-2		43,777.64				
Storm Recovery Emergency Appropriation	Above		350,000.00				
Reserve for Uncollected Taxes	A-2c		(1,775,000.00)	\$ 1,775,000.00			
Emergency Appropriations	A-13			80,000.00			
Cash Expenditures	A-5			21,671,120.97			
Interfunds Payable	A-28			87,251.53			
Canceled	Above		(224,087.56)				
			<u>\$ 24,225,202.97</u>	<u>\$ 23,613,372.50</u>			

See accompanying notes to financial statements.

<u>Ref.</u>	A-1	Above
-------------	-----	-------

TOWNSHIP OF VERONA
TRUST FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	\$ 25,809.60	\$ 20,285.60
<u>Trust - Other Fund</u>			
Cash - Checking	B-2	2,351,894.03	2,614,315.44
Due from Essex County	B-3	189,840.00	204,272.00
		<u>2,541,734.03</u>	<u>2,818,587.44</u>
<u>Open Space Trust Fund</u>			
Cash - Checking	B-2	54,454.84	463,697.46
Prepaid Open Space	B-12	9,242.62	
		<u>63,697.46</u>	<u>463,697.46</u>
		<u>\$ 2,631,241.09</u>	<u>\$ 3,302,570.50</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Interfunds Payable	B-4	\$ 13,894.20	\$ 7,490.20
Reserve for Expenditures	B-8	11,915.40	12,795.40
		<u>25,809.60</u>	<u>20,285.60</u>
<u>Trust - Other Fund</u>			
Interfunds Payable	B-4	256,298.37	451,866.37
Special Deposits	B-5	1,535,948.51	1,626,144.13
Unemployment Compensation Insurance Fund	B-6	449,393.14	450,504.31
Reserve for Community Development Block Grant	B-7	189,841.00	204,273.00
Escrow Deposits	B-9	110,252.63	85,799.25
Fund Balance	B-1	0.38	0.38
		<u>2,541,734.03</u>	<u>2,818,587.44</u>
<u>Open Space Trust Fund</u>			
Interfunds Payable	B-4	63,697.46	463,697.46
		<u>\$ 2,631,241.09</u>	<u>\$ 3,302,570.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
TRUST FUND

STATEMENT OF FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020

B-1

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	B	<u>\$ 0.38</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2	\$ 278,609.34	\$ 527,430.31
Investment Account			<u>572,500.00</u>
	C-4	<u>278,609.34</u>	<u>1,099,930.31</u>
Due from State of New Jersey:			
Grants and Aid	C-5	1,093,992.33	43,992.33
Interfunds Receivable	C-6	192,633.20	788,201.20
Deferred Charges to Future Taxation:			
Funded	C-7	18,154,407.23	20,972,307.81
Unfunded	C-8	<u>27,952,307.75</u>	<u>22,990,650.38</u>
		<u>\$ 47,671,949.85</u>	<u>\$ 45,895,082.03</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-17	\$ 17,523,000.00	\$ 20,233,000.00
Bond Anticipation Notes	C-15	21,038,500.00	21,641,000.00
Green Acres Loan Payable	C-16	631,407.23	739,307.81
Capital Improvement Fund	C-9	262,566.19	152,066.19
Interfunds Payable	C-6	500,000.00	
Reserve for:			
Debt Service	C-10	1,149.73	1,149.73
Future Improvements	C-11	782,980.25	762,980.25
State Grants and Aid Receivable	C-12	1,093,992.33	43,992.33
Refunding Bond Sale Costs	C-14	5,651.24	5,651.24
Improvement Authorizations:			
Funded	C-13	406,318.64	364,502.00
Unfunded	C-13	5,159,089.26	1,263,710.61
Fund Balance	C-1	<u>267,294.98</u>	<u>687,721.87</u>
		<u>\$ 47,671,949.85</u>	<u>\$ 45,895,082.03</u>
 Bonds and Notes Authorized but Not Issued	 C-18	 <u>\$ 7,061,568.00</u>	 <u>\$ 2,099,910.63</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2021

C-1

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 687,721.87
Increased by:			
Premium on Note Issued	C-2	\$ 196,553.24	
Improvement Authorizations Canceled	C-13	<u>8,185.87</u>	
			<u>204,739.11</u>
			<u>892,460.98</u>
Decreased by:			
Utilized in Current Fund Budget	C-6	455,000.00	
Interfund Advanced	C-6	45,000.00	
Improvement Authorizations Funded	C-13	100,000.00	
Deferred Charges to Future Taxation - Unfunded	C-8	<u>25,166.00</u>	
			<u>625,166.00</u>
Balance, December 31, 2021	C		<u><u>\$ 267,294.98</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

D
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Operating Fund</u>			
Cash - Checking	D-5	\$ 1,357,417.08	\$ 1,870,244.54
Cash - Investment Account	D-6	690,000.00	690,000.00
		<u>2,047,417.08</u>	<u>2,560,244.54</u>
Change Fund		130.00	130.00
		<u>2,047,547.08</u>	<u>2,560,374.54</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-8	1,052,494.27	954,595.27
		<u>1,052,494.27</u>	<u>954,595.27</u>
		<u>3,100,041.35</u>	<u>3,514,969.81</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	1,143,014.43	1,214,923.69
		<u>1,143,014.43</u>	<u>1,214,923.69</u>
Fixed Capital	D-9	45,870,364.03	44,475,547.50
Fixed Capital Authorized and Uncompleted	D-10	7,136,819.11	6,919,151.81
		<u>54,150,197.57</u>	<u>52,609,623.00</u>
		<u>\$ 57,250,238.92</u>	<u>\$ 56,124,592.81</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Committed	D-4, D-11	\$ 141,142.50	\$ 309,086.70
Uncommitted	D-4, D-11	164,207.44	490,742.27
Accrued Interest on Bonds and Notes	D-12	81,940.83	81,940.83
Accrued Interest on Loans	D-13	6,861.96	6,861.96
Water/Sewer Overpayments	D-14	14,751.40	9,541.42
		<u>408,904.13</u>	<u>898,173.18</u>
Reserve for Receivables		1,052,494.27	954,595.27
Fund Balance	D-1	<u>1,638,642.95</u>	<u>1,662,201.36</u>
		<u>3,100,041.35</u>	<u>3,514,969.81</u>
<u>Capital Fund</u>			
Serial Bonds	D-20	2,563,000.00	3,202,000.00
Waste Water Treatment Loans Payable	D-19	400,181.03	579,689.35
Bond Anticipation Notes	D-21	2,908,500.00	2,908,500.00
Capital Improvement Fund	D-15	167,076.00	154,800.00
Reserve for:			
Amortization	D-16	44,426,718.28	43,526,209.96
Deferred Amortization	D-17	495,800.00	577,800.00
Improvement Authorizations:			
Funded	D-18	139,032.30	528,063.58
Unfunded	D-18	2,796,369.85	928,303.01
Fund Balance	D-2	253,520.11	204,257.10
		<u>54,150,197.57</u>	<u>52,609,623.00</u>
		<u>\$ 57,250,238.92</u>	<u>\$ 56,124,592.81</u>
Bonds and Notes Authorized but Not Issued	D-22	<u>\$ 2,505,500.00</u>	<u>\$ 600,500.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-1

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGES IN FUND BALANCE - OPERATING FUND
YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 800,000.00	\$ 750,000.00
Water/Sewer Rents	D-3	6,154,603.75	6,271,534.90
Miscellaneous	D-3	456,677.57	566,880.90
Interest on Investments	D-3	10,618.32	9,609.71
Capital Surplus			50,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-11	431,640.02	566,601.87
Cancel Prior Year Accrued Bond Interest			27,477.92
Cancel Prior Year Accrued Loan Interest			4,543.03
		<u>7,853,539.66</u>	<u>8,246,648.33</u>
 <u>Expenditures</u>			
Operating	D-4	5,602,075.00	5,439,261.00
Capital Improvements	D-4	52,276.00	20,000.00
Debt Service	D-4	981,792.07	1,067,318.91
Statutory Expenditures	D-4	440,955.00	415,955.00
Emergency Authorization			35,352.58
		<u>7,077,098.07</u>	<u>6,977,887.49</u>
 Excess in Revenue/Statutory Excess		 776,441.59	 1,268,760.84
 <u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>1,662,201.36</u>	<u>1,143,440.52</u>
		2,438,642.95	2,412,201.36
 Decreased by:			
Amount Utilized in Operating Budget	D-3	<u>800,000.00</u>	<u>750,000.00</u>
 Balance, End of Year	D	 <u>\$ 1,638,642.95</u>	 <u>\$ 1,662,201.36</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-2

STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 204,257.10
Increased by:		
Premium on Note Sale	D-5	<u>49,263.01</u>
		<u>253,520.11</u>
Balance, December 31, 2021	D	<u>\$ 253,520.11</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-3

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2021

<u>Revenue</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	D-1	\$ 800,000.00	\$ 800,000.00	
Rents	D-1, D-8	6,050,000.00	6,154,603.75	\$ 104,603.75
Interest on Investments	D-1, D-6		10,618.32	10,618.32
Miscellaneous	D-1, D-5	<u>250,000.00</u>	<u>456,677.57</u>	<u>206,677.57</u>
	D-4	<u>\$ 7,100,000.00</u>	<u>\$ 7,421,899.64</u>	<u>\$ 321,899.64</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-4

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

<u>Appropriations</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>	
				<u>Encumbered</u>	<u>Reserved</u>		
<u>Operating</u>							
Salaries and Wages	\$ 2,043,275.00	\$ 2,043,275.00	\$ 1,882,659.08		\$ 160,615.92		
Operating Surplus	100,000.00	100,000.00	100,000.00				
Other Expenses	3,458,800.00	3,458,800.00	3,314,065.98	\$ 141,142.50	3,591.52		
<u>Capital Improvements</u>							
Capital Improvement Fund	52,276.00	52,276.00	52,276.00				
<u>Debt Service</u>							
Payment of Bond Principal	639,000.00	639,000.00	639,000.00				
Interest on Bonds and Notes	160,169.00	160,169.00	150,845.00			\$ 9,324.00	
State of New Jersey:							
Loan Principal	184,056.00	184,056.00	184,056.00				
Loan Interest	21,469.00	21,469.00	7,891.07			13,577.93	
<u>Statutory Expenditures</u>							
Contribution to:							
Public Employees' Retirement System	275,000.00	275,000.00	275,000.00				
Social Security System (OASI)	150,955.00	150,955.00	150,955.00				
Unemployment Compensation Insurance	15,000.00	15,000.00	15,000.00				
Total Water/Sewer Utility Appropriations	\$ 7,100,000.00	\$ 7,100,000.00	\$ 6,771,748.13	\$ 141,142.50	\$ 164,207.44	\$ 22,901.93	
	<u>Ref.</u>	D-3		Below	D	D	Below
		<u>Ref.</u>					
Adopted Budget	D-3	\$ 7,100,000.00					
Cash Disbursed	D-5		\$ 6,513,012.06				
Operating Surplus due to Current Fund	D-5		100,000.00				
Accrued Interest on Bonds and Notes	D-13		150,845.00				
Accrued Interest on Loans	D-14		7,891.07				
Canceled	Above		(22,901.93)				
		<u>\$ 7,077,098.07</u>	<u>\$ 6,771,748.13</u>				
	<u>Ref.</u>	D-1		Above			

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Operating Fund</u>			
Cash - Checking Account	E-5	\$ 322,126.93	\$ 226,091.20
Deferred Charges:			
Special Emergency	E-19	300,000.00	300,000.00
		<u>622,126.93</u>	<u>526,091.20</u>
<u>Capital Fund</u>			
Cash - Checking Account	E-5	519,519.12	1,145,904.63
		<u>519,519.12</u>	<u>1,145,904.63</u>
Interfunds Receivable	E-9	500,000.00	
Fixed Capital	E-8	4,837,919.52	4,733,041.27
Fixed Capital Authorized and Uncompleted	E-10	948,000.00	1,056,750.00
		<u>6,805,438.64</u>	<u>6,935,695.90</u>
		<u>\$ 7,427,565.57</u>	<u>\$ 7,461,787.10</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-11	\$ 5,758.01	\$ 2,889.25
Uncommitted	E-4, E-11	91,423.74	83,618.42
Accrued Interest on Bonds and Notes	E-12	24,146.67	24,398.75
		<u>121,328.42</u>	<u>110,906.42</u>
Interfunds Payable	E-9	60,000.00	
Fund Balance	E-1	440,798.51	415,184.78
		<u>622,126.93</u>	<u>526,091.20</u>
<u>Capital Fund</u>			
Serial Bonds	E-17	774,000.00	914,000.00
Bond Anticipation Notes	E-18	813,000.00	813,000.00
Capital Improvement Fund	E-13	66,925.00	121,925.00
Reserve for Amortization	E-14	4,033,219.52	3,898,341.27
Deferred Reserve for Amortization	E-15	165,000.00	163,750.00
Improvement Authorizations:			
Funded	E-16	154,266.09	177,746.82
Unfunded	E-16	755,468.81	756,015.61
Fund Balance	E-2	43,559.22	90,917.20
		<u>6,805,438.64</u>	<u>6,935,695.90</u>
		<u>\$ 7,427,565.57</u>	<u>\$ 7,461,787.10</u>
Bonds and Notes Authorized but Not Issued	E-21	\$ -	\$ 700.00

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020

E-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 115,000.00	\$ 185,000.00
Membership Fees	E-3	486,106.31	208,610.00
Miscellaneous	E-3	57,406.02	34,496.86
Pool Capital Surplus	E-3	130,000.00	10,000.00
Appropriation Reserves Lapsed	E-11	84,129.32	81,262.56
		<u>872,641.65</u>	<u>519,369.42</u>
 <u>Expenditures</u>			
Operating	E-4	528,550.00	442,045.25
Capital Improvements	E-4	10,000.00	10,000.00
Debt Service	E-4	182,477.92	180,012.33
Statutory Expenditures and Deferred Charges	E-4	11,000.00	
		<u>732,027.92</u>	<u>632,057.58</u>
Excess (Deficit) in Revenue		140,613.73	(112,688.16)
Adjustment to Income before Fund Balance: Charges Which are by Statute Deferred Charges to Budgets of Succeeding Years Special Emergency- COVID-19		<u>140,613.73</u>	<u>300,000.00</u> <u>187,311.84</u>
 <u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>415,184.78</u>	<u>412,872.94</u>
		555,798.51	600,184.78
Decreased by: Amount Utilized in Operating Budget	Above	<u>115,000.00</u>	<u>185,000.00</u>
Balance, End of Year	E	<u>\$ 440,798.51</u>	<u>\$ 415,184.78</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2021

E-2

	<u>Ref.</u>	
Balance, December 31, 2020	E	\$ 90,917.20
Increased by:		
Improvement Authorizations Canceled	E-16	68,871.75
Premium on Sale of Notes	E-5	<u>13,770.27</u>
		173,559.22
Decreased by:		
Budget Appropriation	E-5	<u>130,000.00</u>
Balance, December 31, 2021	E	<u><u>\$ 43,559.22</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2021

E-3

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 115,000.00	\$ 115,000.00	
Membership Fees	E-1, E-5	380,000.00	486,106.31	\$ 106,106.31
Pool Capital Surplus	E-1,E-5	130,000.00	130,000.00	
Miscellaneous	E-1, E-5	75,000.00	57,406.02	(17,593.98)
Deficit Funded by Current Fund		<u>50,000.00</u>		<u>(50,000.00)</u>
	E-4	<u>\$ 750,000.00</u>	<u>\$ 788,512.33</u>	<u>\$ 38,512.33</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

E-4

<u>Appropriations</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>Operating</u>						
Salaries and Wages	\$ 349,500.00	\$ 349,500.00	\$ 262,180.32		\$ 87,319.68	
Other Expenses	179,050.00	179,050.00	170,187.93	\$ 5,758.01	3,104.06	
<u>Capital Improvements</u>						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
<u>Debt Service</u>						
Payment of Bond Principal	140,000.00	140,000.00	140,000.00			
Interest on Bonds and Notes	60,450.00	60,450.00	42,477.92			\$ 17,972.08
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (OASI)	10,000.00	10,000.00	10,000.00			
Unemployment Compensation Insurance (N.J.S.A. 43:54-3 et seq)	1,000.00	1,000.00			1,000.00	
Total Appropriations	\$ 750,000.00	\$ 750,000.00	\$ 634,846.17	\$ 5,758.01	\$ 91,423.74	\$ 17,972.08
<u>Ref.</u>	E-3	Below	Below	E	E	Below
	<u>Ref.</u>					
Budget Appropriation Canceled	E-3	\$ 750,000.00				
Cash Disbursed	Above E-5	(17,972.08)	\$ 582,368.25			
Interfunds	E-9		10,000.00			
Accrued Interest on Bonds	E-12		42,477.92			
		<u>\$ 732,027.92</u>	<u>\$ 634,846.17</u>			
<u>Ref.</u>		E-1	Above			

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash - Checking	F-1	<u>\$ 3,074.25</u>	<u>\$ 3,074.13</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Expenditures	F-2	<u>\$ 3,074.25</u>	<u>\$ 3,074.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

G

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash - Fees Account	G-2	\$ 67,514.74	\$ 62,950.95
Cash - Memorial Account	G-2	142,939.11	142,631.02
Cash - Landsberger Account (CD)	G-2	<u>10,585.66</u>	<u>10,566.42</u>
		<u>\$ 221,039.51</u>	<u>\$ 216,148.39</u>
<u>FUND BALANCE</u>			
Fund Balances:			
Fees Account	G-1	\$ 67,514.74	\$ 62,950.95
Memorial Account	G-1	142,939.11	142,631.02
Landsberger Account	G-1	<u>10,585.66</u>	<u>10,566.42</u>
		<u>\$ 221,039.51</u>	<u>\$ 216,148.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2021 AND 2020

G-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Increased by:			
Miscellaneous Library Revenue	G-2	\$ 23,384.63	\$ 17,541.12
Interest in Investments and Savings Account	G-2	521.03	1,244.62
		<u>23,905.66</u>	<u>18,785.74</u>
Decreased by:			
Expenditures:			
Purchases of Books, Magazine Subscriptions, Records, etc.	G-2	19,014.54	19,497.41
		<u>19,014.54</u>	<u>19,497.41</u>
Excess/(Deficit) in Revenue		4,891.12	(711.67)
<u>Fund Balance</u>			
Balance, Beginning of Year		<u>216,148.39</u>	<u>216,860.06</u>
Balance, End of Year	G	<u>\$ 221,039.51</u>	<u>\$ 216,148.39</u>
Fees Account	G	\$ 67,514.74	\$ 62,950.95
Memorial Account	G	142,939.11	142,631.02
Landsberger Account	G	<u>10,585.66</u>	<u>10,566.42</u>
Above		<u>\$ 221,039.51</u>	<u>\$ 216,148.39</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

H

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash - Checking Account	H-1	<u>\$ 4,989.44</u>	<u> </u>
		<u>\$ 4,989.44</u>	<u>\$ -</u>
 <u>LIABILITIES AND RESERVES</u>			
Bank Overdraft			\$ 73.34
Payroll Taxes and Deductions Payable	H-1	<u>\$ 4,989.44</u>	<u>(73.34)</u>
		<u>\$ 4,989.44</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
GOVERNMENTAL FIXED ASSETS

!

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

<u>GOVERNMENTAL FIXED ASSETS</u>	<u>2021</u>	<u>2020</u>
Land, Buildings, and Site Improvements	\$ 46,540,354.08	\$ 46,540,354.08
Fixed and Movable Equipment	<u>12,692,046.19</u>	<u>12,571,166.19</u>
	<u>\$ 59,232,400.27</u>	<u>\$ 59,111,520.27</u>
 <u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 59,232,400.27</u>	<u>\$ 59,111,520.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. **REPORTING ENTITY**

The Township of Verona, Essex County, New Jersey (the "Township") is organized as a Council-Manager municipality under the provisions of N.J.S.A. 40:69A-81 et seq. The Township is governed by an elected Council and by an appointed Municipal Manager, and by such other officers and employees as may be duly appointed. The Council shall consist of five members elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of July next following their election and that the Mayor shall be elected by the members of the Council.

Each member of the Council carries a legislative vote.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S.A. 40A:5-5.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework other than accounting principles generally accepted in the United States of America ("GAAP"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the separate funds, which differ from the fund structure in accordance with GAAP.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with GAAP.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The Township has the following funds and account groups:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Utilities Funds - Water and Sewer and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity. The Water and Sewer Utilities were consolidated into one fund beginning with calendar year 1996. Budget appropriations are combined, but separate records are maintained for rents receivable and capital activity.

Free Public Library (the "Library") - Budget Appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purposes. Interest on investments, Library fines and other revenue are retained by the Library and expended therefrom.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Township which are not covered under the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Payroll Fund - Net salaries, payroll deductions and social security contributions of municipal and utility operations are deposited into the bank account of the Payroll Fund. A Payroll Fund does not exist under GAAP.

General Fixed Asset Account Group - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

Basis of Accounting

The Township follows the regulatory-basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

Property Taxes and Other Revenue

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.

The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale.

The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible.

US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenue to be recognized in the accounting period when they become subject to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

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

Interfunds Receivable/Payable

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

Inventories of Supplies

The cost of inventories for all funds are recorded as expenditures at the time individual items are purchased.

Governmental Fixed Assets

General:

In accordance with the Administrative Code, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Township has developed a fixed asset accounting and reporting system.

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost. Depreciation of assets is not recorded as an operating expense of the Township.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer and Swimming Pool Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the Township and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

Long-term Debt

The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 12 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB Statement No. 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. Refer to Note 9 for these disclosures. The latest available reports as of the issuance date of this report was June 30, 2021 for the Public Employees' Retirement System and June 30, 2020 for the Police and Fireman's Retirement System.

Other Post-Employment Benefits Other Than Pensions

The requirements of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, GASB Statement No. 75 did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB Statement. See Notes 10 and 11 for these disclosures.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Township maintains a sole-employer OPEB Plan. However, the Township also participates in a special funding situation with the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 75 financial information related to the State Plan to be incorporated into the audited financial statements and only requires one year to be disclosed.

Length of Service Awards Program (LOSAP)

Financial reporting standards established by the DLGS/Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Township's LOSAP Program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the volunteers, is not reported as part of the Township's basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Township's basic financial statements.

Basic Financial Statements

The GASB also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements, which are required by the Division and differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

Use of Estimates

The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

Deposits

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

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Township considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

3. DEPOSITS AND INVESTMENTS (continued)

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or;

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2021 and 2020, the book values of the deposits of the Township consisted of the following:

	Book Balance	
	December 31, 2021	December 31, 2020
Cash (Demand Accounts)	\$ 23,880,241.75	\$ 25,485,352.91
Change Funds (On-Hand)	555.00	555.00
	\$ 23,880,796.75	\$ 25,485,907.91

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDP A. At least five percent of the Township's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Township. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

At December 31, 2021 and 2020 the Township had the following depository accounts. All deposits are carried at cost. \$71,188.81 and \$84,288.51 held in agency and payroll accounts for the years ended December 31, 2021 and 2020, respectively, are not covered by GUDPA.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

3. DEPOSITS AND INVESTMENTS (continued)

<u>Depository Account</u>	Bank Balance	
	December 31, 2021	December 31, 2020
FDIC Insured	\$ 972,066.51	\$ 968,857.74
GUDPA Insured	23,009,200.07	24,282,408.73
Uninsured	71,188.81	84,288.51
	\$ 24,052,455.39	\$ 25,335,554.98

Investments

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury Bills, Notes and Bonds
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Utility Capital Funds is assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the financial statement measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels as follows:

- Level 1 – unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date
- Level 2 – quoted prices other than those included within Level 1 and other inputs that are observable for an asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for an asset or liability

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3. When the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level that is significant to the entire measurement. Investments consisted of one-year certificates of deposit, which are considered Level 2 Investments.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey Statutes. The Township may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections:

Comparative Schedule of Tax Rates

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.957</u>	<u>\$ 2.864</u>	<u>\$ 2.770</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.724	\$ 0.706	\$ 0.668
Library	0.036	0.036	0.034
County	0.522	0.516	0.507
School	<u>1.675</u>	<u>1.606</u>	<u>1.561</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2021	\$ 2,387,170,400.00
2020	2,395,347,700.00
2019	2,397,145,100.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 70,737,287.52	\$ 70,039,606.50	99.01%
2020	68,687,943.98	68,044,705.57	99.06
2019	66,507,662.38	65,824,504.12	98.97

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

4. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

Delinquent Taxes and Tax Title Liens

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
2021	\$ -	\$ 596,492.41	\$ 596,492.41	0.84%
2020	53,072.66	607,603.39	660,676.05	0.96%
2019	44,409.25	551,344.04	595,753.29	0.90%

5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens, based on the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 267,817.00
2020	267,817.00
2019	267,817.00

6. CONSUMER ACCOUNTS RECEIVABLE

The Township maintains a Utility fund for the billing and collection of water/sewer rents. The Township is divided into three sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water/Sewer billings and collections for the past three years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2021	\$ 6,251,361.77	\$ 6,154,603.75
2020	6,976,841.45	6,271,534.90
2019	5,961,143.02	6,033,125.39

*Collections of prior year balances are included in the above sum amounts.

7. SWIMMING POOL MEMBERSHIP FEES

A comparison of Swimming Pool Membership Fees for the past three years are as follows:

<u>Year</u>	<u>Collections</u>
2021	\$ 486,106.31
2020	208,610.00
2019	480,385.59

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

8. FUND BALANCES APPROPRIATED

Year	Current Fund		Water and Sewer Utility Operating Fund		Swimming Pool Utility Operating Fund	
	Balance	Utilized in Budget of Succeeding	Balance	Utilized in Budget of Succeeding	Balance	Utilized in Budget of Succeeding
	<u>Dec. 31st</u>	<u>Year</u>	<u>Dec. 31st</u>	<u>Year</u>	<u>Dec. 31st</u>	<u>Year</u>
2021	\$ 5,814,990.58	\$ 3,450,000.00	\$ 1,638,642.95	\$ 800,000.00	\$ 440,798.51	\$ 146,130.00
2020	4,906,678.39	3,150,000.00	1,662,201.36	800,000.00	415,184.78	115,000.00
2019	4,313,930.07	3,025,000.00	1,143,440.52	750,000.00	412,872.94	185,000.00

9. PENSION PLANS

Public Employees' Retirement System

The Public Employees' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan as defined in *GASB Statement No. 68*. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

	<u>2021</u>
Inactive plan members or beneficiaries	
currently receiving benefits	184,775
Inactive plan members entitled to	
but not yet receiving benefits	877
Active plan members	<u>246,776</u>
Total	<u><u>432,428</u></u>

Contributing Employers – 1,691

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. PENSION PLANS (continued)

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2021, the Township's total payroll for all employees was \$11,127,489.46. Total PERS covered payroll was \$4,734,739.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions is based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Township payments to PERS for the year ending December 31, 2021 consisted of the following:

	<u>2021</u>
Total Regular Billing	<u>\$ 697,039.00</u>

The Township recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PERS:

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

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

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

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2021, the PERS reported a net pension liability of \$11,972,782,878.00 for its Non-State Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was \$7,580,886.00 or 0.0639926238%, which was an increase of 0.0002749696% from its proportion measured as of June 30, 2020. The pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

At December 31, 2021, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 119,560.00	\$ 54,270.00
Changes in assumptions	39,481.00	2,698,844.00
Net difference between projected and actual earnings on pension plan investments		1,997,004.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	797,709.00	827,712.00
Township contributions subsequent to the measurement date	749,428.00	
	<u>\$ 1,706,178.00</u>	<u>\$ 5,577,830.00</u>

\$749,728.00 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>December 31,</u>	<u>Amount</u>
2022	\$ (2,066,043.00)
2023	(1,253,887.00)
2024	(679,499.00)
2025	(623,025.00)
2026	<u>1,374.00</u>
Total	<u>\$ (4,621,080.00)</u>

Actuarial Assumptions- The total collective pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2021</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% based on years of service
Thereafter	3.00 - 7.00% based on years of service

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.20% adjustment for males and 101.40% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.40% adjustment for males and 99.70% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.70% adjustment for males and 117.20% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

Best estimates of arithmetic rates of return for each major asset allocation as of June 30, 2021 are summarized in the following table:

	2021	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Market Equities	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	0.50%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2021 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78.00% of the actuarially determined contributions for the State employer and 100.00% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 10,323,629.00	\$ 7,580,886.00	\$ 5,253,279.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2020 was \$35,707,804,636.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2021 was \$28,386,785,177.00.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

Additional Information

Collective balances at June 30, 2021 are as follows:

Collective deferred outflows of resources	\$ 1,164,738,169.00
Collective deferred inflows of resources	\$ 8,339,123,762.00
Collective net pension liability - Local group	\$ 11,972,782,878.00
Township's Proportion	0.0639926238%

Collective Local Group pension expense for the Local Group for the measurement periods ended June 30, 2021 was \$1,599,674,464.00.

The average of the expected remaining service lives of all plan members is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25.00% by September 30, at least 50.00% by December 31, at least 75.00% by March 31, and at least 100.00% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2020 was \$1,207,896,120.00.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in *GASB Statement No. 68*. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers - Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2020:

	2020
Inactive plan members or beneficiaries currently receiving benefits	45,537
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	42,520
Total	88,122
Contributing Employers – 582	

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

9. PENSION PLANS (continued)

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System monthly.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2020, the Township's total payroll for all employees was \$10,579,399.08. Total PFRS covered payroll was \$3,611,125.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

Township payments to PFRS for the year ending December 31, 2020 consisted of the following:

	<u>2020</u>
Total Regular Billing	<u>\$ 949,688.00</u>

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

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

The following represents the membership tiers for PFRS:

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

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory-basis of accounting which is basis for the preparation of the Township’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable. At June 30, 2020, the PFRS reported a net pension liability of \$14,926,648,722.00 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$13,686,719.00, or 0.1059235475% which was an increase of 0.0119053277% from its proportion measured as of June 30, 2019. The pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

At December 31, 2020, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources; if GASB 68 were recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 137,985.00	\$ 49,120.00
Changes in assumptions	34,443.00	3,669,328.00
Net difference between projected and actual earnings on pension plan investments	802,516.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	2,136,670.00	84,281.00
Township contributions subsequent to the measurement date	1,183,347.00	
	\$ 4,294,961.00	\$ 3,802,729.00

\$1,183,347.00 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2021	\$ (759,648.00)
2022	(332,892.00)
2023	83,553.00
2024	200,863.00
2025	117,009.00
Total	\$ (691,115.00)

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

Discount Rate – The discount rates used to measure the total pension liability as of June 30, 2020 and was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78.00% of the actuarially determined contributions for the State employer and 100.00% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS	\$ 18,200,519.00	\$ 13,686,719.00	\$ 9,937,663.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2020 was \$27,412,127,845.00. . The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2020 was \$25,993,331,725.

Additional Information

Collective balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$ 1,601,195,680.00
Collective deferred inflows of resources	\$ 4,191,274,402.00
Collective net pension liability - Local group	\$ 14,926,648,722.00
Township's Proportion	0.1059235475%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2020 and \$949,220,570.00. The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

Actuarial Assumptions- The total collective pension liability in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2020
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	
Through All Future Years	3.25% - 15.25%
	based on years of service

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.60% adjustment for males and 102.50% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.70% adjustment for males and 96.00% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.00% adjustment for males and 109.30% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

	2020	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equities	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

9. PENSION PLANS (continued)

State Contribution Payable Dates

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25.00% by September 30, at least 50.00% by December 31, at least 75.00% by March 31, and at least 100.00% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2020 was \$1,194,176,430.00.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

Special Funding Situation

Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2020 for police and fire is 0.1059235475%. The non-employer contributing entities' contribution for the year ended June 30, 2020 was \$163,450.00. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2020 was \$2,124,116.00.

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in *GASB Statement No. 68*. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000.00 annually. The maximum wage limit for 2021 is \$142,800.00 and is subject to annual adjustment. Members who earn in excess of the annual maximum wage will be enrolled in the DCRP in addition to the PERS. The minimum salary increased to \$8,400.00 for the period ended June 30, 2020.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

9. PENSION PLANS (continued)

At June 30, 2020, the membership in the DCRP, based on the information within the Division's database, was 60,336.

Contribution Requirement and Benefit *Provisions* - State and local government employers contribute 3.00% of the employees' base salary. Active members contribute 5.50% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10.00% for PFRS and 5.50% for DCRP of employees' base wages.

10. TOWNSHIP - OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB)-OTHER THAN PENSIONS

The Township has a defined benefit post retirement Employee Health Benefits Program authorized pursuant to ordinance(s) to provide medical benefits to retired employees. The Township joined the Bergen Municipal Employee Benefits Fund (BMED) as a cost-effective source for providing quality health benefits to their employees. The Township provides medical insurance to all regular permanent full-time employees upon their successful retirement.

This valuation covers only administrative employees of the Township and their dependents. Operations employees are covered under the New Jersey State Health Benefits Plan at retirement and their actuarial obligations are measured and included as part of that plan.

The net OPEB liability at December 31, 2021 and 2020 was \$40,299,021.00 and \$49,035,672.00, respectively.

Net OPEB Liability, January 1, 2020	\$ 46,667,901.00	Net OPEB Liability, January 1, 2021	\$ 49,035,672.00
Service Cost	192,234.00	Service Cost	192,234.00
Interest	1,272,218.00	Interest	1,033,400.00
Change in Assumptions	1,760,936.00	Change in Assumptions	(8,997,063.00)
Benefit Payments	<u>(857,617.00)</u>	Benefit Payments	<u>(965,222.00)</u>
Net OPEB Liability, December 31, 2020	<u>\$ 49,035,672.00</u>	Net OPEB Liability, December 31, 2021	<u>\$ 40,299,021.00</u>

The OPEB liability above in the amount of \$40,299,021.00 consisted of \$13,639,702.00 in active members and \$26,659,319.00 in retirees. This net OPEB liability was calculated using a discount rate of 2.06% per annum and the plan provisions in effect on December 31, 2021. There are no plan assets to offset the liability. The GASB 75 OPEB expense as of December 31, 2021 is \$1,084,984.00, based upon a discount rate of 2.06%, per annum and the plan provisions in effect on December 31, 2021.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

10. TOWNSHIP - OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

The annual discount rate was based on the December 31, 2021 Bond Buyer 20 Index. Preretirement mortality rates were based on the RP-2000 Healthy Mortality Rates. The medical costs aging factor was based on the NJ SHBP Medical Morbidity rates. Other actuarial assumptions included CPI increase of 2.50%, salary increases of 2.50%, and assumed retirement age.

The following represents sensitivity of the Township's net OPEB liability to changes in the discount rate currently 2.06% in 2021.

	1% Decrease (1.06%)	At Current Discount Rate (2.06%)	1% Increase (3.06%)
Net OPEB Liability	\$ 47,541,345	\$ 40,299,021	\$ 34,680,677

The following represents sensitivity of the Township's net OPEB liability to changes in the discount rate currently 2.12% in 2020.

	1% Decrease (1.12%)	At Current Discount Rate (2.12%)	1% Increase (3.12%)
Net OPEB Liability	\$ 54,570,050	\$ 49,035,672	\$ 44,384,144

The following represents sensitivity of the Township's net OPEB liability to changes in the medical trend rates currently 5.50-7.00% in 2021:

	1% Decrease	Health Care Trend Rates	1% Increase
Net OPEB Liability	\$ 34,939,727	\$ 40,299,021	\$ 47,008,033

The following represents sensitivity of the Township's net OPEB liability to changes in the medical trend rates currently 5.60-9.00% in 2020.

	1% Decrease	Health Care Trend Rates	1% Increase
Net OPEB Liability	\$ 44,172,788	\$ 49,035,672	\$ 54,948,329

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

10. TOWNSHIP - OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

The valuation has been conducted as of December 31, 2021, based upon census, plan design and cost information provided by the Fund. Census includes 92 retirees and spouses currently receiving retiree benefits, and 33 active participants of whom 14 are eligible to retire as of the valuation date. The average age of the active population is 43 and the average age of the retired population is 70.

New Jersey Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees' Retirement System. For purposes of this valuation and for conservatism, it is assumed that future retiree contributions percentage rates will not increase. Thus, it is assumed that a future retiree will contribute his/her current contribution as reported by the Township increased annually by the rate of the medical trend. For the year ended December 31, 2021 employer contributions for retiree benefits as reported by the Township were \$965,222.00.

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within 10 years and 5 months or retired by the issuance of bonds.

The Township's debt as of December 31, 2021 and 2020 is summarized as follows:

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2021</u>	<u>2020</u>
<u>Issued</u>		
General Capital:		
Bonds, Notes and Loans	\$ 39,192,907.23	\$ 42,613,307.81
Water/Sewer Utility Capital:		
Bonds, Notes and Loans	5,871,681.03	6,690,189.35
Swimming Pool Utility Capital:		
Bonds and Notes	1,587,000.00	1,727,000.00
	46,651,588.26	51,030,497.16
Less:		
Reserve to Pay Debt Service:		
General	1,149.73	1,149.73
	1,149.73	1,149.73
Net Debt Issued	46,650,438.53	51,029,347.43
<u>Authorized but Not Issued</u>		
General Capital:		
Bonds and Notes	7,061,568.00	2,099,910.63
Water/Sewer Utility Capital:		
Bonds and Notes	2,505,500.00	600,500.00
Swimming Pool Utility Capital:		
Bonds and Notes		700.00
Total Authorized but Not Issued	9,567,068.00	2,701,110.63
Net Bonds and Notes Issued and Authorized but Not Issued	\$ 56,217,506.53	\$ 53,730,458.06

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

11. MUNICIPAL DEBT (continued)

The summarized statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.776% at December 31, 2021:

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
Local School District	\$ 54,456,000.00	\$ 54,456,000.00	
Utility Debt	9,964,181.03	9,964,181.03	
General Debt	<u>46,418,317.86</u>		\$ 46,418,317.86
	<u>\$ 110,838,498.89</u>	<u>\$ 64,420,181.03</u>	<u>\$ 46,418,317.86</u>

Net debt, \$46,418,317.86 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,613,791,059.33 equals 1.776%.

Summary of Statutory Debt Condition - Annual Debt Statement Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 ½% of Equalized Valuation Basis	\$ 91,482,687.08
Net Debt	<u>46,418,317.86</u>
Remaining Borrowing Power	<u><u>\$ 45,064,369.22</u></u>

School Debt Deductions

School debt is deductible up to the extent of 4.00% of the Average Equalized Assessed Valuations of real property for the Local District.

Calculation of "Self-Liquidating Purposes" Water/Sewer Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 7,421,899.64
Deductions:		
Operating and Maintenance Costs	\$ 6,043,030.00	
Debt Service per Water/Sewer Utility	<u>981,792.07</u>	
		<u>7,024,822.07</u>
Excess in Revenue		<u><u>\$ 397,077.57</u></u>

As there is an excess in revenue, all Water and Sewer Utility Debt is deductible for Debt Statement purposes.

Calculation of "Self-Liquidating Purposes" Swimming Pool Utility Per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 788,512.03
Deductions:		
Operating and Maintenance Costs	\$ 539,550.00	
Debt Service per Swimming Pool Utility Operating Fund	<u>182,477.92</u>	
		<u>722,027.92</u>
Excess in Revenue		<u><u>\$ 66,484.11</u></u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

11. MUNICIPAL DEBT (continued)

As there is an excess in revenue, all Swimming Pool Utility Debt is deductible for Debt Statement purposes.

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

General Capital Improvement Bonds

As of December 31, 2021 and 2020 Township's long-term debt is as follows:

	2021	2020
<u>General Obligation Bonds</u>		
\$6,827,000, 2008 Bonds due in annual installments of \$600,000 through May 2023, interest ranging from 3.650% to 3.700%	\$ 1,200,000.00	\$ 1,800,000.00
\$8,665,000, 2010 Bonds due in annual installments of \$640,000 to \$750,000 through November 2023, interest ranging from 3.125% to 3.250%	1,390,000.00	2,140,000.00
\$6,558,000, 2013 Bonds due in annual installments of \$500,000 to \$528,000 through July 2027, at an interest rate of 3.00%	3,028,000.00	3,528,000.00
\$14,355,000 2017 Bonds due in annual installments of \$880,000 to \$1,060,000 through February 2033, interest ranging from 2.00% to 3.00%	11,905,000.00	12,765,000.00
	\$ 17,523,000.00	\$ 20,233,000.00
<u>Water and Sewer Utility Bonds</u>		
\$2,886,000, 2008 Bonds due in annual installments of \$200,000 to \$220,000 through May 2023, interest ranging from 3.65% to 3.70%	\$ 420,000.00	\$ 640,000.00
\$1,819,000, 2010 Bonds due in one annual installment of \$169,000 paid November 2021, at an interest rate of 3.00%		169,000.00
\$2,043,000, 2013 Bonds due in annual installments of \$118,000 to \$150,000 through July 2028, at an interest rate of 3.00%	1,018,000.00	1,168,000.00
\$1,505,000 2017 Bonds due in annual installments of \$100,000 to \$130,000 through February 2031, interest ranging from 2.00% to 3.00%	1,125,000.00	1,225,000.00
	\$ 2,563,000.00	\$ 3,202,000.00
<u>Swimming Pool Utility Bonds</u>		
\$1,379,000, 2013 Bonds due in annual installments of \$124,000 to \$130,000 through July 2026, at an interest rate of 3.00%	\$ 644,000.00	\$ 774,000.00
\$171,000, 2017 Bonds due in annual installments of \$10,000 to \$15,000 through February 2030, interest ranging from 2.00% to 3.00%	130,000.00	140,000.00
	\$ 774,000.00	\$ 914,000.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

11. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

The Township's long-term debt activity for December 31, 2021 and 2020 is as follows:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021
Bonds Payable				
General Capital Fund	\$ 20,233,000.00		\$ 2,710,000.00	\$ 17,523,000.00
Water and Sewer Utility Capital Fund	3,202,000.00		639,000.00	2,563,000.00
Swimming Pool Utility Capital Fund	914,000.00		140,000.00	774,000.00
Total Bonds Payable	24,349,000.00		3,489,000.00	20,860,000.00
Green Acres Loan Payable				
General Capital Fund	739,307.81		107,900.58	631,407.23
Environmental Infrastructure Loans Payable				
Water and Sewer Utility Capital Fund	579,689.35		179,508.32	400,181.03
Total Long-Term Debt	\$ 25,667,997.16	\$ -	\$ 3,776,408.90	\$ 21,891,588.26

	Balance, December 31, 2019	Additions	Reductions	Balance, December 31, 2020
Bonds Payable				
General Capital Fund	\$ 23,063,000.00		\$ 2,830,000.00	\$ 20,233,000.00
Water and Sewer Utility Capital Fund	3,867,000.00		665,000.00	3,202,000.00
Pool Utility Capital Fund	1,054,000.00		140,000.00	914,000.00
Total Bonds Payable	27,984,000.00		3,715,000.00	24,349,000.00
Green Acres Loan Payable				
General Capital Fund	845,082.31		105,774.50	739,307.81
Environmental Infrastructure Loans Payable				
Water and Sewer Utility Capital Fund	762,627.66		182,938.31	579,689.35
Total Long-Term Debt	\$ 29,591,709.97	\$ -	\$ 4,003,712.81	\$ 25,667,997.16

A schedule of annual debt service for future principal and interest for bonded debt is as follows:

Year	Cash Basis						Total
	General		Water/Sewer Utility		Swimming Pool Utility		
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 2,730,000.00	\$ 508,890.00	\$ 470,000.00	\$ 74,107.00	\$ 140,000.00	\$ 23,020.00	\$ 3,946,017.00
2023	2,635,000.00	426,177.00	450,000.00	59,392.00	145,000.00	18,795.00	3,734,364.00
2024	1,420,000.00	351,732.00	255,000.00	48,117.00	145,000.00	14,445.00	2,234,294.00
2025	1,440,000.00	308,832.00	255,000.00	40,467.00	145,000.00	10,095.00	2,199,394.00
2026	1,465,000.00	265,257.00	260,000.00	0.00	139,000.00	5,745.00	2,135,002.00
2027-2031	5,713,000.00	728,905.00	873,000.00	58,734.00	60,000.00	3,600.00	7,437,239.00
2032-2033	2,120,000.00	63,600.00		60,684.00			2,244,284.00
	\$ 17,523,000.00	\$ 2,653,393.00	\$ 2,563,000.00	\$ 341,501.00	\$ 774,000.00	\$ 75,700.00	\$23,930,594.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

11. MUNICIPAL DEBT (continued)

A schedule of annual debt service for future principal and interest for Green Acres debt is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,069.37	\$ 12,120.59	\$ 122,189.96
2023	112,281.77	9,908.20	122,189.97
2024	114,538.64	7,651.34	122,189.98
2025	116,840.87	5,349.11	122,189.98
2026	119,189.36	3,000.60	122,189.96
2027	58,487.22	3,605.50	62,092.72
	<u>\$ 631,407.23</u>	<u>\$ 41,635.34</u>	<u>\$ 673,042.57</u>

Waste Water Treatment Loans:

Loan Number 3:

On November 1, 2002, loan agreements were entered into by the Township for the construction of potable ground wells and other improvements. Loans payable in the amount of \$1,435,250.00 were originally authorized detailed as follows:

Environmental Infrastructure Loan #3:

Fund Share	\$ 700,000.00
Trust Share	735,250.00

Loan Number 4:

On November 1, 2004, loan agreements were entered into by the Township for the continued construction of potable ground wells and other improvements. Loans payable in the amount of \$1,714,348.00 were originally authorized detailed as follows:

Environmental Infrastructure Loan #4:

Fund Share	\$ 864,348.00
Trust Share	850,000.00

Schedules of future annual principal and interest payments remaining for the two combined loans are detailed as follows:

<u>Year</u>	<u>Loan Number 3</u>		<u>Loan Number 4</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 90,059.38	\$ 2,538.34	\$ 102,107.99	\$ 7,611.89	\$ 202,317.60
2023			104,973.25	4,730.32	109,703.57
2024			103,040.41	2,362.30	105,402.71
	<u>\$ 90,059.38</u>	<u>\$ 2,538.34</u>	<u>\$ 310,121.65</u>	<u>\$ 14,704.51</u>	<u>\$ 417,423.88</u>

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

11. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

As of December 31, 2021 and 2020 Township's bond anticipation notes payable were as follows:

	Balance, December 31, 2020	Additions	Reductions	Balance December 31, 2021
Bond Anticipation Notes				
General Capital Fund	\$ 21,641,000.00	\$ 21,038,500.00	\$ 21,641,000.00	\$ 21,038,500.00
Water/Sewer Utility Capital Fund	2,908,500.00	2,908,500.00	2,908,500.00	2,908,500.00
Pool Utility Capital Fund	813,000.00	813,000.00	813,000.00	813,000.00
Total	<u>\$ 25,362,500.00</u>	<u>\$ 24,760,000.00</u>	<u>\$ 25,362,500.00</u>	<u>\$ 24,760,000.00</u>
	Balance, December 31, 2019	Additions	Reductions	Balance December 31, 2020
Bond Anticipation Notes				
General Capital Fund	\$ 5,653,000.00	\$ 21,641,000.00	\$ 5,653,000.00	\$ 21,641,000.00
Water/Sewer Utility Capital Fund	2,908,500.00	2,908,500.00	2,908,500.00	2,908,500.00
Pool Utility Capital Fund	63,000.00	750,000.00		813,000.00
Total	<u>\$ -</u>	<u>\$ 8,624,500.00</u>	<u>\$ -</u>	<u>\$ 25,362,500.00</u>

Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
General Capital Fund:		
General Improvements	<u>\$ 7,061,568.00</u>	<u>\$ 2,099,910.63</u>
Water/Sewer Utility Capital Fund:		
General Improvements	<u>\$ 2,505,500.00</u>	<u>\$ 600,500.00</u>
Swimming Pool Utility Capital Fund:		
General Improvements	<u>\$ -</u>	<u>\$ 700.00</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2021 and 2020, interfund receivables and payables that resulted from various interfund transactions were as follows:

Fund	2021		2020	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 169,015.66	\$ 872,662.89	\$ 102,611.66	\$ 102,195.21
Federal and State Grant Fund	904,904.06		134,436.38	
General Trust Fund		256,298.37		451,866.37
Open Space Trust Fund		63,697.46		463,697.46
Animal Trust Fund		13,894.20		7,490.20
General Capital Fund	192,633.20	500,000.00	788,201.20	
Swimming Pool Operating Fund		60,000.00		
Swimming Pool Capital Fund	500,000.00			
	<u>\$ 1,766,552.92</u>	<u>\$ 1,766,552.92</u>	<u>\$ 1,025,249.24</u>	<u>\$ 1,025,249.24</u>

13. DEFERRED SCHOOL TAX

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Balance Dec. 31, 2021	Balance Dec. 31, 2020	Increase
*Balance of Tax	\$ 16,861,911.24	\$ 16,849,728.59	\$ 12,182.65
Amount of Deferred	<u>9,234,270.26</u>	<u>9,234,270.26</u>	<u>-</u>
Total Payable (Cash Liability)	<u>\$ 7,627,640.98</u>	<u>\$ 7,615,458.33</u>	<u>\$ 12,182.65</u>
	Balance Dec. 31, 2020	Balance Dec. 31, 2019	Increase
*Balance of Tax	\$ 16,849,728.59	\$ 16,447,586.81	\$ 402,141.78
Amount of Deferred	<u>9,234,270.26</u>	<u>9,234,270.26</u>	<u>-</u>
Total Payable (Cash Liability)	<u>\$ 7,615,458.33</u>	<u>\$ 7,213,316.55</u>	<u>\$ 402,141.78</u>

*Required for school operations for the six-month period following December 31st.

14. RISK MANAGEMENT

The Township is a member of the North Jersey Intergovernmental Insurance Fund for various insurance coverages.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

15. CONTINGENT LIABILITIES

a. Compensated Absences

The Township permits its employees to accrue unused vacation and sick pay, which may be taken as compensatory time off or paid at a later date, at an agreed upon rate. It is estimated that the sum of \$1,825,391.89 and \$1,706,506.43, is due and payable to employees and officials of the Township as of December 31, 2021 and 2020, respectively upon their retirements or other separations. This amount was not verified by audit.

The Township has set aside a reserve of \$298,366.90 and \$377,203.76 in the General Trust Fund to fund a portion of the liability for the years ended December 31, 2021 and 2020, respectively.

b. Tax Appeals

At December 31, 2021, the Township Attorney indicated that there were numerous State Tax Appeals pending before the New Jersey Tax Court and Essex County Tax Board matters.

Judgments, adverse to the Township, would apply to the year of appeal plus at least two subsequent years. Refunds or tax credits, including statutory interest thereon, would be chargeable to operations or future budget appropriations.

County taxes paid on the reductions in assessed valuations are subject to credits against County Tax Levy of the year subsequent to the year in which appeals were adjudicated.

c. Federal Awards and State Financial Assistance

The Township participates in several Federal and State grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Township has not complied with the rules and regulations governing the grant, refunds of any money received may be required and the collectability of any related receivable at December 31, 2021 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Litigation

The Township is involved in claims incidental to its operation which has been referred to and are being handled by the Township's liability insurance carrier. No claims are in excess of insurance coverage limits.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance December 31, 2021</u>	<u>Amount to be Raised in 2022</u>	<u>Balance to be Raised in Succeeding Years</u>
<u>Current Fund:</u>			
Tax Revaluation Special Emergency	\$ 65,000.00	\$ 65,000.00	
COVID-19 Special Emergency	356,946.22	71,389.24	\$ 285,556.98
Tropical Storm Ida Emergency	250,000.00	250,000.00	
Total Deferred Charges	<u>\$ 671,946.22</u>	<u>\$ 136,389.24</u>	<u>\$ 285,556.98</u>
<u>Swimming Pool Utility Fund:</u>			
COVID-19 Special Emergency	<u>\$ 300,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 240,000.00</u>

The tax revaluation special emergency declared in the year ended December 31, 2017 in the original amount of \$400,000.00 was necessary to pay for the costs of the revaluation of residential and commercial properties to adequately assess the correct property tax. The final remaining deferred charge of \$65,000.00 will be raised in the Township's 2022 budget.

The COVID-19 special emergency declared for the years ended December 31, 2021 and 2020 in the amounts of \$686,946.22 and \$300,000.00 in the current fund and swimming pool utility fund, respectively was raised to cover anticipated revenue deficits in both the current fund and the swimming pool utility funds as a direct result of the expected revenue losses impacted by the global pandemic, COVID-19. One fifth of these deferred charges will be raised in the Township's current fund and pool utility fund 2022-2026 budgets.

In September of 2021, a Tropical Storm occurred for which no adequate provision was made in the 2021 budget; therefore, \$250,000.000 was raised in the current fund to cover storm related costs. \$250,000.00 will be raised in the 2022 budget.

17. GASB 77 TAX ABATEMENTS

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Township's most significant tax abatement agreements:

<u>Entity Name</u>	<u>Commencement Date</u>	<u>Termination Date</u>	<u>Pilot Billing</u>	<u>Taxes If Billed In Full</u>	<u>Abated Taxes</u>
Hilltop Pilot 1	March 28, 2007	March 28, 2041	\$ 418,940.20	\$ 535,799.53	\$ 116,859.33
Hilltop Pilot 2	August 11, 2011	August 11, 2045	463,316.73	784,361.99	321,045.26
Children's Institute	August 6, 1996	Not Available	17,624.00	281,190.00	263,566.00
Verona Urban Renewal	July 16, 2015	July 16, 2050	259,217.41	677,951.39	418,733.98
Verona Place Urban Renewal Housing Anin Lofts	September 10, 2015 Not Available	Not Available Not Available	38,924.01 335,546.62	135,137.86 840,527.25	96,213.85 504,980.63
Total			<u>\$1,533,568.97</u>	<u>\$3,254,968.02</u>	<u>\$1,721,399.05</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

18. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2021 and 2020:

General Fixed Assets

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>
Land and Site Improvements	\$ 46,540,354.08			\$ 46,540,354.08
Improvements				
Fixed and Movable Equipment	<u>12,571,166.19</u>	<u>\$ 120,880.00</u>		<u>12,692,046.19</u>
	<u>\$ 59,111,520.27</u>	<u>\$ 120,880.00</u>	<u>\$ -</u>	<u>\$ 59,232,400.27</u>
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>
Land and Site Improvements	\$ 36,240,900.00	\$ 10,299,454		\$ 46,540,354.08
Improvements				
Fixed and Movable Equipment	<u>11,236,216.35</u>	<u>\$ 1,334,949.84</u>		<u>12,571,166.19</u>
	<u>\$ 47,477,116.35</u>	<u>\$ 11,634,403.92</u>	<u>\$ -</u>	<u>\$ 59,111,520.27</u>

The following is a summary of changes in the Water and Sewer Utility Fund Fixed Assets as of December 31, 2021 and 2020:

Water and Sewer Utility Fund

Water and Sewer Fund

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>
Land and Site Improvements	\$ 44,475,547.50	\$ 1,394,816.53		\$ 45,870,364.03
	<u>\$ 44,475,547.50</u>	<u>\$ 1,394,816.53</u>	<u>\$ -</u>	<u>\$ 45,870,364.03</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 6,919,151.81</u>	<u>\$ 1,905,000.00</u>	<u>\$ 1,687,332.70</u>	<u>\$ 7,136,819.11</u>
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>
Land and Site Improvements	\$ 44,360,547.50	\$ 115,000.00		\$ 44,475,547.50
	<u>\$ 44,360,547.50</u>	<u>\$ 115,000.00</u>	<u>\$ -</u>	<u>\$ 44,475,547.50</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 6,919,151.81</u>	<u>\$ 115,000.00</u>	<u>\$ 115,000.00</u>	<u>\$ 6,919,151.81</u>

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

18. FIXED ASSETS (continued)

The following is a summary of changes in the Swimming Pool Utility Fund Fixed Assets as of December 31, 2021 and 2020:

Swimming Pool Utility Fixed Assets

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>
Land and Site Improvements	\$ 4,274,626.18	\$ 104,878.25		\$ 4,379,504.43
Buildings and Building Improvements	<u>458,415.09</u>			<u>458,415.09</u>
	<u>\$ 4,733,041.27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,837,919.52</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 1,056,750.00</u>	<u>\$ 65,000.00</u>	<u>\$ 173,750.00</u>	<u>\$ 948,000.00</u>
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>
Land and Site Improvements	\$ 4,274,626.18			\$ 4,274,626.18
Buildings and Building Improvements	<u>458,415.09</u>			<u>458,415.09</u>
	<u>\$ 4,733,041.27</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,733,041.27</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 1,056,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,056,750.00</u>

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2021 through the date of August 30, 2022, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent event has occurred which requires disclosure in the financial statements.

The Township issued a bond anticipation note in the amount of \$8,640,000.00 dated March 3, 2022, maturing March 4, 2023 and bearing an interest rate of 2.00% payable at maturity. The proceeds from this note issuance will be utilized to either partially or fully pay existing note obligations due to mature during the year ended December 31, 2022.

PART II

SUPPLEMENTARY INFORMATION

TOWNSHIP OF VERONA
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		<u>Regular Fund</u>
Balance, December 31, 2020	A		\$ 15,920,810.86
Increased by:			
Interest and Cost on Taxes	A-2a	\$ 172,238.07	
Miscellaneous Revenue Not Anticipated	A-2d	199,840.66	
Petty Cash Fund Returned	A-7	500.00	
Due from State of New Jersey - Senior Citizens' and Veterans' Tax Deductions	A-8	62,721.62	
Taxes Receivable	A-9	70,010,949.93	
Tax Title Liens	A-10	53,072.66	
Revenue Accounts Receivable	A-12	4,544,343.19	
Appropriation Reserves Refunds	A-15	4,190.50	
Due to State of New Jersey	A-18	22,444.00	
Tax Overpayments	A-19	47,013.51	
Accounts Payable	A-22	101,575.54	
Interfunds Payable	A-14	937,801.48	
Prepaid Taxes	A-23	397,228.28	
		76,553,919.44	
		92,474,730.30	
Decreased by:			
Disbursements per Schedule	A-5		75,566,437.12
Balance, December 31, 2021	A		\$ 16,908,293.18

TOWNSHIP OF VERONA
CURRENT FUND

CASH DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2021

A-5

	<u>Ref.</u>	
Budget Appropriations	A-3	\$ 21,671,120.97
Petty Cash Funds	A-7	500.00
Appropriation Reserves	A-15	584,553.72
Due to State of New Jersey	A-18	20,485.00
Local School District Tax	A-20	39,959,722.35
County Taxes	A-21	12,475,934.72
Municipal Open Space Taxes	A-24	477,434.08
Accounts Payable	A-22	64,352.48
Interfunds Payable	A-14	217,333.80
Note Payable	A-25	<u>95,000.00</u>
	A-4	<u>\$ 75,566,437.12</u>

TOWNSHIP OF VERONA
CURRENT FUND
 CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2021

A-6

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$ 425.00</u>
 <u>Analysis of Balance</u>		
Municipal Court		\$ 100.00
Tax Collector		75.00
Library		75.00
Recreation		50.00
Clerk		25.00
Construction Code Official		50.00
Public Works		<u>50.00</u>
	A	<u>\$ 425.00</u>

PETTY CASH FUNDS
DECEMBER 31, 2021

A-7

	<u>Ref.</u>	
Increased by:		
Petty Cash Funds Advanced:		
Administration		\$ 200.00
Pool Utility		100.00
Library		100.00
Recreation		<u>100.00</u>
	A-5	\$ 500.00
Decreased by:		
Petty Cash Funds Returned	A-4	<u>500.00</u>
		<u>\$ -</u>

TOWNSHIP OF VERONA
CURRENT FUND

A-8

DUE TO STATE OF NEW JERSEY
VETERANS AND SENIOR CITIZENS TAX DEDUCTIONS
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020 (Due To)	A		\$ (9,964.35)
Increased by:			
Tax Deductions per Tax Duplicate:			
Senior Citizens		\$ 59,750.00	
Veterans		1,000.00	
Allowed by Tax Collector:			
Senior Citizens		<u>250.00</u>	
	A-9		<u>61,000.00</u>
			<u>51,035.65</u>
Decreased by:			
Collections	A-4	62,721.62	
Disallowed by Tax Collector:			
Senior Citizens	A-1, A-9	197.95	
Veterans	A-1, A-9	<u>500.00</u>	
			<u>63,419.57</u>
Balance, December 31, 2021 (Due To)	A		<u>\$ (12,383.92)</u>

TOWNSHIP OF VERONA
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2021

A-9

Year	Balance	2021 Levy	Added Taxes	Collected		Due from State of New Jersey	Canceled	Balance Dec. 31, 2021
	Dec. 31, 2020			2020	2021			
2020	\$ 607,603.39				\$ 579,028.02		\$ 11,774.52	\$ 16,800.85
2021		\$ 70,736,477.12	\$ 697.95	\$ 546,684.59	69,431,921.91	\$ 61,000.00	117,877.01	579,691.56
	<u>\$ 607,603.39</u>	<u>\$ 70,736,477.12</u>	<u>\$ 697.95</u>	<u>\$ 546,684.59</u>	<u>\$ 70,010,949.93</u>	<u>\$ 61,000.00</u>	<u>\$ 129,651.53</u>	<u>\$ 596,492.41</u>
<u>Ref.</u>	A	Below	A-8	A-2c, A-23	A-2c, A-4	A-2c, A-8	Reserve	A

ANALYSIS OF 2021 PROPERTY TAX LEVY

Ref.

Tax Yield

General Purpose Tax:

Tax Levy

Added Taxes

\$ 70,587,821.41
148,655.71

Above

\$ 70,736,477.12

Tax Levy

Local School District Tax (Abstract)

County Taxes:

County Tax (Abstract)

Due County for Added Taxes

(N.J.S.A. 54:4-63.1)

A-2c, A-20 \$ 39,971,905.00

A-2c, A-21 12,460,583.85

A-21, Above
A-2c 26,271.27

\$ 52,458,760.12

Local Tax for Municipal Purpose (Budget)

Municipal Open Space

Plus: Additional Taxes Levied

A-2 17,677,898.48

A-24 477,434.08

Above 122,384.44

18,277,717.00

Above

\$ 70,736,477.12

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2021

A-10

	<u>Ref</u>	
Balance, December 31, 2020	A	\$ 53,072.66
Decreased by:		
Cash Receipts	A-2c, A-4	<u>53,072.66</u>
Balance, December 31, 2021	A	<u>\$ -</u>

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
DECEMBER 31, 2021

A-11

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$ 267,817.00</u>

Analysis of Balance

<u>Block</u>	<u>Lot</u>	
42	51	\$ 6,800.00
86	106	6,300.00
58	15	10,200.00
62	100.01	69,563.00
62	100.04	12,004.00
68	12	7,200.00
112	87	3,600.00
127	8	4,350.00
128	22	103,000.00
39	43	11,700.00
42	48	25,500.00
42	52	3,000.00
59	8	1,500.00
86	106	2,100.00
88-01	9	<u>1,000.00</u>
		<u>\$ 267,817.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-12

<u>Ref.</u>	<u>Balance</u> <u>December 31, 2020</u>	<u>Accrued</u>	<u>Collections</u> <u>2021</u>	<u>Balance</u> <u>December 31, 2021</u>
Township Clerk:				
Alcoholic Beverage Licenses		\$ 17,001.90	\$ 17,001.90	
Fees and Permits		1,845.00	1,845.00	
Other Licenses		1,758.00	1,758.00	
Construction Code Official:				
Building Fees and Permits		350,487.00	350,487.00	
Other Licenses		240.00	240.00	
Rent Control:				
Fees and Permits		10,025.00	10,025.00	
Health Department:				
Health Licenses		10,540.00	10,540.00	
Health Transport Fees		5,320.00	5,320.00	
Fire Department:				
State of New Jersey Rebate		14,380.02	14,380.02	
Fire Detectors		27,550.00	27,550.00	
Registrar of Vital Statistics:				
Marriage Licenses		11,870.00	11,870.00	
Fees and Permits		3,178.00	3,178.00	
Tax Collector:				
6% Delinquent Penalty	\$ 15,126.18	19,261.46	12,966.56	\$ 21,421.08
Interest on Investments and Deposits		35,601.66	35,601.66	
Public Works Department:				
Fees and Permits		5,489.00	5,489.00	
Leaf Bag Sales		6,053.00	6,053.00	
Police Department:				
Fees and Permits		3,534.05	3,534.05	
Parking Permits		24,889.00	24,889.00	
Parking Meters		30,888.72	30,888.72	
Board of Adjustment:				
Fees and Permits		4,680.00	4,680.00	
Recreation Department:				
Fees and Permits		194,280.00	194,280.00	
Community Center Rental		12,125.00	12,125.00	
Municipal Court:				
Fines and Costs	1,191.56	74,903.88	67,653.38	8,442.06
Treasurer:				
Payments in Lieu of Taxes:				
Hilltop - I		397,993.19	397,993.19	
Hilltop - II		440,150.89	440,150.89	
Annin Lofts		318,769.29	318,769.29	
Verona Place Urban Renewal		36,977.81	36,977.81	
Children's Institute		17,624.00	17,624.00	
Verona Senior Citizens' HFA		175,000.00	259,217.41	
Comcast Franchise Fee		79,990.36	79,990.36	
Verizon Franchise Fee		151,018.95	151,018.95	
Utility Operating Surplus of Prior Year		100,000.00	100,000.00	
General Capital Surplus		455,000.00	455,000.00	
Tower Lease		139,215.00	139,215.00	
Interlocal Agreements:				
Borough of Roseland		136,409.00	136,409.00	
State of New Jersey:				
Energy Receipts Tax		1,159,622.00	1,159,622.00	
	<u>\$ 16,317.74</u>	<u>\$ 4,473,671.18</u>	<u>\$ 4,544,343.19</u>	<u>\$ 29,863.14</u>
<u>Ref.</u>	A	Reserve	A-4	A

TOWNSHIP OF VERONA
CURRENT FUND

DEFERRED CHARGES SPECIAL EMERGENCIES AND EMERGENCIES
YEAR ENDED DECEMBER 31, 2021

A-13

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>Balance December 31, 2020</u>	<u>Authorization</u>	<u>Decrease</u>	<u>Cancellation</u>	<u>Balance December 31, 2021</u>
June 19, 2017	Tax Revaluation	\$ 400,000.00	\$ 160,000.00		\$ 80,000.00	\$ 15,000.00	\$ 65,000.00
December 27, 2020	COVID-19	450,000.00	356,946.22				356,946.22
September 22, 2021	Tropical Storm Ida	350,000.00		\$ 250,000.00			250,000.00
			<u>\$ 516,946.22</u>	<u>\$ 250,000.00</u>	<u>\$ 80,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 671,946.22</u>
	<u>Ref.</u>		A	A-1, A-3	A-3	A-30	A

TOWNSHIP OF VERONA
CURRENT FUND

INTERFUNDS RECEIVABLE/(PAYABLE)
YEAR ENDED DECEMBER 31, 2021

A-14

<u>Interfund Account</u>	<u>Balance</u> <u>December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31, 2021</u>
Swimming Pool Operating Fund		\$ 60,000.00		\$ 60,000.00
Animal Control Fund	\$ 7,490.20	6,404.00		13,894.20
Federal/State Grant Fund	(77,691.47)	167,333.80	\$ 937,801.48	(848,159.15)
Other Trust Fund	95,121.46			95,121.46
Open Space Trust Fund		477,434.08	477,434.08	
General Capital Fund	<u>(24,503.74)</u>			<u>(24,503.74)</u>
	<u>\$ 416.45</u>	<u>\$ 711,171.88</u>	<u>\$ 1,415,235.56</u>	<u>\$ (703,647.23)</u>
<u>Ref.</u>	A	Below	Below	A

	Ref.		
Open Space Municipal Levy	A-24	\$	477,434.08
Cash Receipts	A-4		<u>937,801.48</u>
	Ref.	Above	<u>\$ 1,415,235.56</u>
Cash Disbursements	A-5	\$	167,333.80
Animal Control Statutory Excess	Above		6,404.00
Pool Deficit due Back to Current	A-5		50,000.00
Budget Appropriation	A-3		10,000.00
Open Space Municipal Levy	A-24		<u>477,434.08</u>
	Above	\$	<u>711,171.88</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND
 APPROPRIATION RESERVES
 YEAR ENDED DECEMBER 31, 2021

A-15
Sheet #1

Appropriation	Balance December 31, 2020		Balance After Transfers	Cash Receipts	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Manager's Office		\$ 16,642.72	\$ 16,642.72		\$ 275.00	\$ 16,367.72
Mayor and Council		261.84	261.84			261.84
Township Clerk		977.50	977.50			977.50
Other Expenses	\$ 2,627.15	23,145.68	15,772.83		1,843.26	13,929.57
Administrative and Economic Development:						
Other Expenses	2,497.98	15,988.33	18,486.31		2,543.80	15,942.51
Elections:						
Other Expenses	794.79	25,539.57	26,334.36			26,334.36
Financial Administration						
Annual Audit		66,875.00	66,875.00		41,000.00	25,875.00
Collection of Taxes:						
Salaries and Wages		49,284.03	49,284.03			49,284.03
Other Expenses:						
Tax Sale Costs		685.00	685.00			685.00
Miscellaneous Other Expenses	4,164.04	20,514.55	24,678.59	\$ 60.00	2,052.89	22,685.70
Liquidation of Tax Title Liens		2,000.00	2,000.00			2,000.00
Assessment of Taxes:						
Salaries and Wages		8,565.96	8,565.96			8,565.96
Other Expenses	2,524.97	23,585.03	26,110.00		2,916.47	23,193.53
Legal Services and Costs:						
Salaries and Wages		5,717.92	5,717.92			5,717.92
Other Expenses	34,017.35	1,232.53	65,249.88		57,018.54	8,231.34
Public Buildings and Grounds:						
Salaries and Wages		7,610.55	7,610.55		1,357.63	6,252.92
Other Expenses	15,989.15	2,739.49	28,728.64		28,125.36	603.28
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages		9,163.96	9,163.96			9,163.96
Other Expenses	8.06	4,810.57	4,818.63		8.06	4,810.57
Board of Adjustment:						
Salaries and Wages		70.66	70.66			70.66
Other Expenses		14,764.33	14,764.33		553.83	14,210.50
Rent Leveling Board:						
Salaries and Wages	662.50	3,500.08	5,279.93		4,812.50	467.43
Other Expenses		1,117.35				

TOWNSHIP OF VERONA
CURRENT FUND
 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-15
 Sheet #2

Appropriation	Balance December 31, 2020		After Transfers	Cash Receipts	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Shade Trees:						
Other Expenses	\$ 24,555.00	\$ 2,987.17	\$ 27,542.17		\$ 23,250.00	\$ 4,292.17
Municipal Court:						
Salaries and Wages		39,034.62	39,034.62		540.00	38,494.62
Other Expenses	1,792.48	10,572.93	12,365.41		1,467.56	10,897.85
Insurance:						
Other Expenses:						
General Liability		28,027.78	28,027.78			28,027.78
Health Waivers		15,079.13	15,079.13			15,079.13
Employee Group Health		248,697.55	248,697.55			248,697.55
<u>PUBLIC SAFETY</u>						
Fire:						
Other Expenses	3,135.48	20,907.21	34,042.69		19,232.58	14,810.11
Fire Prevention:						
Salaries and Wages		32,903.51	32,903.51		7,553.30	25,350.21
Other Expenses	720.88	5,894.18	6,615.06		720.88	5,894.18
Police:						
Salaries and Wages		490,380.70	490,380.70	\$ 760.00	29,632.63	461,508.07
Other Expenses	40,001.10	2,075.85	42,076.95	1,545.50	30,575.16	13,047.29
Communications:						
Salaries and Wages		1,951.51	1,951.51			1,951.51
Other Expenses	2,316.72	37,839.90	40,156.62		7,944.35	32,212.27
Parking Meter Maintenance:						
Other Expenses		2,610.63	2,610.63			2,610.63
Police Dispatchers:						
Salaries and Wages		61,002.82	61,002.82		6,937.85	54,064.97
Office of Emergency Management:						
Other Expenses		2,000.08	2,000.08			2,000.08
Road Repairs and Maintenance:						
Salaries and Wages		161,887.81	161,887.81		29,571.25	132,316.56
Other Expenses	67,908.85	119,333.28	137,242.13		58,692.07	78,550.06
Vehicle Maintenance:						
Other Expenses	6,369.79	687.71	17,057.50		7,660.00	9,397.50

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-15
Sheet #3

<u>Appropriation</u>	<u>Balance December 31, 2020</u>		<u>Balance After Transfers</u>	<u>Cash Receipt</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>HEALTH AND WELFARE</u>						
(Board of Health - Local Health Agency):						
Board of Health:						
Salaries and Wages		\$ 9,392.00	\$ 9,392.00		\$ 390.00	\$ 9,002.00
Other Expenses	\$ 2,913.42	2,090.87	5,004.29		3,293.42	1,710.87
Dog Licensing:						
Other Expenses		5,000.00	5,000.00			5,000.00
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages		164,646.35	164,646.35		4,797.80	159,848.55
Other Expenses	13,161.87	64,712.07	47,873.94	\$ 825.00	4,909.77	43,789.17
Field Maintenance:						
Other Expenses	131.67	28,250.61	28,382.28			28,382.28
Contribution to Senior Citizens' Center:						
Salaries and Wages		5,687.00	5,687.00		1,809.00	3,878.00
Other Expenses		5,030.00	5,030.00		75.00	4,955.00
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses		43,711.89	43,711.89			43,711.89
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages		526.12	526.12		526.12	
Other Expenses	15,725.46	43,451.17	59,176.63		16,880.35	42,296.28
<u>MISCELLANEOUS AND OTHER</u>						
Garbage and Trash Removal - Contractual	118,225.94		148,225.94		136,387.72	11,838.22
Commercial Revitalization:						
Other Expenses		10,000.00	10,000.00			10,000.00
State Uniform Construction Code:						
Construction Official (Chief Administrator of Enforcement Agency):						
Salaries and Wages		21,475.72	21,475.72		420.00	21,055.72
Other Expenses	6,004.24	3,704.76	9,709.00		6,152.16	3,556.84
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	2,647.57	56,742.19	59,389.76		18,026.66	41,363.10
Telephone, Internet, Cable	5,836.60	19,542.10	25,378.70		5,854.36	19,524.34
Gasoline	11,789.72	70,502.52	82,292.24		862.60	81,429.64
<u>CONTINGENT</u>						
		17,782.00	17,782.00	1,000.00		18,782.00

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-15
Sheet #4

Appropriation	Balance December 31, 2020		Balance After Transfers	Cash Receipt	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Social Security System (OASI)		\$ 40,646.66	\$ 40,646.66			\$ 40,646.66
Defined Contribution Retirement Plan		16,668.51	16,668.51		\$ 1,207.73	15,460.78
Total Appropriations Within "CAPS"	\$ 386,522.78	2,218,229.56	2,604,752.34	\$ 4,190.50	567,877.66	2,041,065.18
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	11,404.53	88,978.37	100,382.90		16,508.06	83,874.84
Recycling - State Tax		12,764.00	12,764.00			12,764.00
Reserve for Tax Appeals		25,000.00	25,000.00			25,000.00
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of Roseland:						
Construction Code Official	203.17	15,737.91	15,941.08		168.00	15,773.08
Total Appropriations Excluded from "CAPS"	11,607.70	142,480.28	154,087.98		16,676.06	137,411.92
Total Appropriations	\$ 398,130.48	\$ 2,360,709.84	\$ 2,758,840.32	\$ 4,190.50	\$ 584,553.72	\$ 2,178,477.10
Reference	A	A		A-4	A-5	A-1
		Ref.				

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR SALE OF TOWNSHIP-OWNED PROPERTY
YEAR ENDED DECEMBER 31, 2021

A-16

	Ref.	
Balance, December 31, 2021 and 2020	A	<u>\$ 19,248.19</u>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR MAINTENANCE OF FREE PUBLIC LIBRARY
WITH STATE AID
YEAR ENDED DECEMBER 31, 2021

A-17

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$ 1,561.19</u>

DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSES AND BUILDING FEE SURCHARGE
YEAR ENDED DECEMBER 31, 2021

A-18

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 913.32
Increased by:		
Cash Received	A-4	<u>22,444.00</u>
		23,357.32
Decreased by:		
Cash Disbursed	A-5	<u>20,485.00</u>
Balance, December 31, 2021	A	<u>\$ 2,872.32</u>

TOWNSHIP OF VERONA
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

A-19

	<u>Ref.</u>		
Balance, December 31, 2020	A	\$	116,372.75
Increased by:			
Cash Receipts	A-4		47,013.51
			<u>163,386.26</u>
Decreased by:			
Cancel Overpayments by Resolution	A-1		16,549.58
			<u>16,549.58</u>
Balance, December 31, 2021	A	\$	<u>146,836.68</u>

LOCAL SCHOOL DISTRICT TAX
YEAR ENDED DECEMBER 31, 2021

A-20

	<u>Ref.</u>	<u>School Tax Payable</u>	<u>Deferred School Tax</u>
Balance, December 31, 2020	A	\$ 7,615,458.33	\$ 9,234,270.26
Increased by:			
Levy for Fiscal Year 2021-2022	A-1, A-2c, A-9	39,971,905.00	
		<u>47,587,363.33</u>	<u>9,234,270.26</u>
Decreased by:			
Cash Disbursed	A-5	39,959,722.35	
		<u>39,959,722.35</u>	
Balance, December 31, 2021	A	<u>\$ 7,627,640.98</u>	<u>\$ 9,234,270.26</u>

TOWNSHIP OF VERONA
CURRENT FUND

COUNTY TAXES
YEAR ENDED DECEMBER 31, 2021

A-21

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 15,350.68
Increased by:			
General Levy	A-9	\$ 12,068,936.32	
County Open Space	A-9	391,647.53	
Due County for Added Taxes per N.J.S.A. 54:4-63.1 et seq.	A-9	<u>26,271.27</u>	
	A-1, A-2c		<u>12,486,855.12</u>
			<u>12,502,205.80</u>
Decreased by:			
Cash Disbursed	A-5		<u>12,475,934.72</u>
Balance, December 31, 2021	A		<u>\$ 26,271.08</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-22

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 67,143.98
Increased by:			
Cash Received		\$ 62,836.37	
Cancellation of Escheated Checks		<u>38,739.17</u>	
	A-4		<u>101,575.54</u>
			<u>168,719.52</u>
Decreased by:			
Cash Disbursed	A-5		<u>64,352.48</u>
Balance, December 31, 2021	A, Below		<u>\$ 104,367.04</u>
<u>Analysis of Balance</u>			
Other			\$ 38,739.17
County of Essex - 5% PILOT			<u>65,627.87</u>
	Above		<u>\$ 104,367.04</u>

TOWNSHIP OF VERONA
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2021

A-23

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 546,684.59
Increased by:		
Collections	A-4	<u>397,228.28</u>
		943,912.87
Decreased by:		
Applied to Taxes Receivable	A-9	<u>546,684.59</u>
Balance, December 31, 2021	A	<u><u>\$ 397,228.28</u></u>

TOWNSHIP OF VERONA
CURRENT FUND
MUNICIPAL OPEN SPACE TAXES
YEAR ENDED DECEMBER 31, 2021

A-24

	<u>Ref.</u>	
Increased by:		
Open Space Tax Levy	A-1, A-2c, A-9, A-14	<u>\$ 477,434.08</u>
Decreased by:		
Cash Disbursed to Open Space Trust Fund	A-1, A-5, A-14	<u>477,434.08</u>
Balance, December 31, 2021	A	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-25

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 160,000.00
Decreased by:		
Cash Disbursed	A-5	<u>95,000.00</u>
Balance, December 31, 2021	A	<u>\$ 65,000.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-26

	<u>Balance</u> <u>December 31, 2020</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Collections</u>	<u>Adjustment/</u> <u>Cancelation</u>	<u>Balance</u> <u>December 31, 2021</u>
Recycling Tonnage	\$ 16,287.72	\$ 32,632.03	\$ 32,632.03		\$ 16,287.72
Municipal Alliance on Alcoholism and Drug Abuse		12,225.00	12,224.56		0.44
Click It Or Ticket	55.00				55.00
Clean Communities Program	26,620.80	25,552.64	25,552.64		26,620.80
Body Armor Grant	2,163.79	2,341.48	2,341.48	\$ 0.48	2,163.31
Pedestrian Safety	997.50				997.50
NJDOT South Prospect and Park Avenue Rehabilitation	188,853.06			188,853.06	
Distracted Driving Enforcement Fund		8,500.38	8,500.38		
Highway Traffic and Safety Distracted Driving		6,000.00	6,000.00		
	<u>\$ 234,977.87</u>	<u>\$ 87,251.53</u>	<u>\$ 87,251.09</u>	<u>\$ 188,853.54</u>	<u>\$ 46,124.77</u>
<u>Ref.</u>	A	A-28	Below	Below	A
		<u>Ref.</u>			
Due from Current Fund		A-27	\$ 70,964.17		
Unappropriated Grant Reserves		A-29	<u>16,286.92</u>		
		Above	<u>\$ 87,251.09</u>		
Appropriated Reserve for Federal & State Grants		A-28		\$ 171,163.25	
Fund Balance		A-1		0.48	
Interfunds		A-27		<u>17,689.81</u>	
		Above		<u>\$ 188,853.54</u>	

TOWNSHIP OF VERONA
FEDERAL/STATE GRANT FUND

INTERFUNDS (PAYABLE) / RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-27

	<u>Ref.</u>		<u>Federal and State Grant Fund</u>
Balance, December 31, 2020	A		\$ 134,436.38
Increased by:			
Grants Receivable	A-26	\$ 70,964.17	
Cancelation of Grants Receivable Adjustment	A-14	17,689.81	
	A-1, A-26	0.48	
Unappropriated Revenue	A-29	<u>761,895.97</u>	<u>850,550.43</u>
			<u>984,986.81</u>
Decreased by:			
Expenses Paid Through Current Fund	A-28		<u>80,082.75</u>
Balance, December 31, 2021	A		<u>\$ 904,904.06</u>
<u>Analysis of Balance</u>			
Due from Current Fund	A		\$ 848,159.15
Due from General Trust Fund	A		<u>56,744.91</u>
			<u>\$ 904,904.06</u>

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATED RESERVES FOR FEDERAL & STATE GRANTS
YEAR ENDED DECEMBER 31, 2021

A-28

<u>Grant</u>	<u>Balance</u> <u>December 31, 2020</u>	<u>Transferred</u> <u>from Budget</u> <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>December 31, 2021</u>
Assistance to Firefighters Grant	\$ 674.00				\$ 674.00
Body Worn Camera	15,000.00				15,000.00
Clean Communities Program	15,203.74	\$ 25,552.64	\$ 12,955.83		27,800.55
Click It or Ticket	55.00				55.00
DEA Equitable Sharing	30,292.67				30,292.67
Drunk Driving Enforcement Fund	8,439.16	8,500.38	2,273.77		14,665.77
Environmental Grant	952.70				952.70
Medical Transport	28,337.51				28,337.51
Municipal Alliance Committee - DARE	39,527.71	12,225.00	22,280.43		29,472.28
NJDOT South Prospect and Park Avenue Rehabilitation	187,012.43		15,849.18	\$ 171,163.25	
Pedestrian Grant	1,598.82				1,598.82
Police Body Armor Grant	21,606.83	2,341.48	16,848.06		7,100.25
Recycling Tonnage Grant	30.64	32,632.03	3,875.48		28,787.19
Shaping New Jersey	28.04				28.04
United Way Medical Transport	4,368.08				4,368.08
Highway and Traffic Safety Distracted Driving		6,000.00	6,000.00		
	<u>\$ 353,127.33</u>	<u>\$ 87,251.53</u>	<u>\$ 80,082.75</u>	<u>\$ 171,163.25</u>	<u>\$ 189,132.86</u>
<u>Ref.</u>	A	A-3, A-26	A-27	A-26	A

TOWNSHIP OF VERONA
CURRENT FUND

UNAPPROPRIATED GRANT RESERVES
YEAR ENDED DECEMBER 31, 2021

A-29

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 16,286.92
Increased by:		
Due from Current Fund	A-27	<u>761,895.97</u> <u>778,182.89</u>
Decreased by:		
Realized as Revenue	A-26	<u>16,286.92</u>
Balance, December 31, 2021	A	<u>\$ 761,895.97</u>
 <u>Analysis of Balance</u>		
American Rescue Plan		\$ 700,755.97
Body Worn Camera		<u>61,140.00</u>
		<u>\$ 761,895.97</u>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2021

A-30

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 22,649.32
Decreased by:		
Cancellation	A-13	<u>15,000.00</u>
Balance, December 31, 2021	A	<u><u>\$ 7,649.32</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2021

A-31

Ref.

Balance, December 31, 2021 and 2020	A	<u>\$ 95,121.46</u>
-------------------------------------	---	---------------------

TOWNSHIP OF VERONA
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2021

B-2

Ref.	Animal Control Trust Fund	General Trust Fund	Open Space Trust Fund
Balance, December 31, 2020	B \$ 20,285.60	\$ 2,614,315.44	\$ 463,697.46
Increased by Receipts:			
Taxes Levied	B-11		\$ 477,434.08
Special Deposits	B-5	\$ 754,516.14	
State Unemployment Compensation Insurance Fund	B-6	13,925.08	
State Fees Collected	B-10	\$ 1,014.00	
Dog and Cat License Fees	B-8	6,150.00	
Essex County CDBG	B-3	104,432.00	
Escrow Deposits	B-9	51,098.42	
	7,164.00	923,971.64	477,434.08
	27,449.60	3,538,287.08	941,131.54
Decreased by Disbursements:			
Interfunds	B-4	300,000.00	877,434.00
Prepaid Expenses	B-12		9,242.70
Paid to State of New Jersey	B-10	1,014.00	
Special Deposits	B-5	844,711.76	
Reserve for Unemployment Insurance	B-6	15,036.25	
Expenditures Under R.S. 41:19-15.11	B-8	626.00	
Escrow Refunds	B-9	26,645.04	
	1,640.00	1,186,393.05	886,676.70
	\$ 25,809.60	\$ 2,351,894.03	\$ 54,454.84
Balance, December 31, 2021	B		

TOWNSHIP OF VERONA
TRUST FUNDS

DUE FROM ESSEX COUNTY
(COMMUNITY DEVELOPMENT BLOCK GRANT)
YEAR ENDED DECEMBER 31, 2021

B-3

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 204,272.00
Increased by:		
Grant Award	B-7	<u>90,000.00</u> 294,272.00
Decreased by:		
Cash Received	B-2	<u>104,432.00</u>
Balance, December 31, 2021	B	<u><u>\$ 189,840.00</u></u>
 <u>Analysis of Balance:</u>		
CDBG FY2020 - ADA Ramp Installation		\$ 99,840.00
CDBG FY2021 - ADA Curb Ramps		<u>90,000.00</u>
	Above	<u><u>\$ 189,840.00</u></u>

TOWNSHIP OF VERONA
TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

B-4

	Ref.	Total	Animal Control	Open Space	Trust Other		
			Fund	Fund	Federal/State Grant Fund	Current Fund	General Capital Fund
			Current Fund	General Capital Fund			
Balance, December 31, 2020	B	\$ 923,054.03	\$ 7,490.20	\$ 463,697.46	\$ 56,744.91	\$ 95,121.46	\$ 300,000.00
Increased by:							
Statutory Excess	B-8	6,404.00	6,404.00				
CDBG Award	B-7	104,432.00					104,432.00
		<u>110,836.00</u>	<u>6,404.00</u>	<u>463,697.46</u>	<u>56,744.91</u>	<u>95,121.46</u>	<u>404,432.00</u>
Decreased by:							
Expenditures Paid On Behalf of General Capital Fund	B-2	300,000.00					300,000.00
Due from General Capital	B-2	400,000.00		400,000.00			
Balance, December 31, 2021	B	<u>\$ 333,890.03</u>	<u>\$ 13,894.20</u>	<u>\$ 63,697.46</u>	<u>\$ 56,744.91</u>	<u>\$ 95,121.46</u>	<u>\$ 104,432.00</u>

TOWNSHIP OF VERONA
TRUST FUNDS

B-5

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2021

	<u>Balance</u>		<u>Balance</u>
	<u>Dec. 31, 2020</u>	<u>Increase</u>	<u>Dec. 31, 2021</u>
Senior Citizens - Donations	\$ 16,322.57		\$ 16,322.57
Law Enforcement Escrow	13,674.78	\$ 157.17	13,831.95
Public Defender	12,330.00	850.00	13,180.00
Crime Prevention	1,765.55		1,765.55
Childrens Fund	82,330.27	1,225.00	\$ 82,800.27
9/11 Fund	2,865.33		800.00
Firemans Pension	90,470.00		22,310.00
Terminal Leave	377,203.76	65,000.00	143,836.86
Fire Code Penalty	13,787.18		2,036.02
Environmental Commission	1,727.52		1,727.52
Reserve for Recreation	73,649.71	52,029.50	51,719.21
Recycling	71,805.99		71,805.99
Reserve for Snow Removal	107,394.97	99,321.86	102,060.80
Reserve for MAC	6,031.11	288.00	6,319.11
Parking Adjudication	12,908.20	434.00	13,342.20
General Liability	23,849.92	8,940.45	6,127.52
TTL Premiums and Redemptions	375,037.41	359,236.69	403,836.69
Reserve for Tax Appeals		75,000.00	10,404.55
Tree Replacement Fund	7,600.00	16,800.00	400.00
Community Garden Trust		22,013.88	18,183.69
Flexible Savings Account	1,568.58	10,000.00	1,672.65
Police Special Duty	51,114.51	37,644.28	21,011.47
COAH	282,706.77	5,575.31	59,557.30
	<u>\$ 1,626,144.13</u>	<u>\$ 754,516.14</u>	<u>\$ 844,711.76</u>
	<u>\$ 1,626,144.13</u>	<u>\$ 754,516.14</u>	<u>\$ 844,711.76</u>
<u>Ref.</u>	B	B-2	B-2
			B

TOWNSHIP OF VERONA
TRUST FUNDS

UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
		<u>B-6</u>
Balance, December 31, 2020	B	\$ 450,504.31
Increased by:		
Employee Deductions	B-2	13,925.08
		<u>464,429.39</u>
Decreased by:		
Payments:		
Quarterly Premiums and Claims	B-2	15,036.25
		<u>15,036.25</u>
Balance, December 31, 2021	B	<u>\$ 449,393.14</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
		<u>B-7</u>
Balance, December 31, 2020	B	\$ 204,273.00
Increased by:		
Grant Award	B-3	90,000.00
		<u>204,273.00</u>
Decreased by:		
Interfund Payable	B-4	104,432.00
		<u>104,432.00</u>
Balance, December 31, 2021	B	<u>\$ 189,841.00</u>

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-8

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 12,795.40
Increased by:		
License Fees:		
2021 Collections	B-2	6,150.00
		<u>18,945.40</u>
Decreased by:		
Due to Current Fund	B-4	6,404.00
Expenditures Under R.S. 4:19-15.11	B-2	626.00
		<u>7,030.00</u>
Balance, December 31, 2021	B	<u>\$ 11,915.40</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 6,917.00
2020	<u>4,998.40</u>
	<u>\$ 11,915.40</u>

Note: R.S. 4:19-15.11

"....there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TOWNSHIP OF VERONA
TRUST FUNDS

ESCROW DEPOSITS
YEAR ENDED DECEMBER 31, 2021

B-9

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 85,799.25
Increased by:		
Deposits	B-2	<u>51,098.42</u>
		136,897.67
Decreased by:		
Refunds	B-2	<u>26,645.04</u>
Balance, December 31, 2021	B	<u><u>\$ 110,252.63</u></u>

TOWNSHIP OF VERONA
ANIMAL CONTROL TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>B-10</u>
Balance, December 31, 2020	B	\$ -
Increased by:		
Receipts	B-2	<u>1,014.00</u>
		1,014.00
Decreased by:		
Disbursements	B-2	<u>1,014.00</u>
Balance, December 31, 2021	B	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR OPEN SPACE TRUST
YEAR ENDED DECEMBER 31, 2021

B-11

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ -
Increased by:		
2021 Levy	B-2, B-4	477,434.08
		<u>477,434.08</u>
Decreased by:		
Interfund Payable	B-4	477,434.08
		<u>477,434.08</u>
Balance, December 31, 2021		<u><u>\$ -</u></u>

PREPAID OPEN SPACE TAXES
YEAR ENDED DECEMBER 31, 2021

B-12

Balance, December 31, 2020	B	\$ -
Increased by:		
Prepaid Expenses	B-2	9,242.62
		<u>9,242.62</u>
Balance, December 31, 2021	B	<u><u>\$ 9,242.62</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2021

C-2

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 527,430.31
Increased by Collections:			
Premium on Sale of Notes	C-1	\$ 196,553.24	
Transferred from Investment Account	C-3	572,500.00	
Current Fund Budget Appropriation	C-9	150,000.00	
Reserve for Future Improvements	C-11	20,000.00	
Prior Year Interfunds Returned	C-6	700,000.00	
			1,639,053.24
			2,166,483.55
Decreased by Disbursements:			
Improvement Authorizations	C-13	1,285,374.21	
Bond Anticipation Notes Matured	C-15	602,500.00	
			1,887,874.21
Balance, December 31, 2021	C		\$ 278,609.34

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENT ACCOUNT
YEAR ENDED DECEMBER 31, 2021

C-3

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 572,500.00
Increased by Collections:			
Interest Earned	C-3		<u>2,073.17</u>
			574,573.17
Decreased by Disbursements:			
Transferred to Current Fund	C-3	\$ 2,073.17	
Transfer to Treasurer's Account	C-2	<u>572,500.00</u>	<u>574,573.17</u>
Balance, December 31, 2021	C		<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2021

C-4
Sheet # 1

	Ordinance Number	Balance December 31, 2020	Disbursements		Transfers		Balance December 31, 2021
			Receipts	Improvement Authorizations	Other	From	
<u>Improvement Authorizations - General</u>							
Various Capital Improvements	2-10	\$ 54.00				\$ 54.00	
Various Capital Improvements	7-11	50,432.83					\$ 50,432.83
Various Capital Improvements	3-12	8,640.98		\$ 1,980.00		6,660.98	
Various Capital Improvements	1-13	(25,166.00)					\$ 25,166.00
Construction of Hilltop Park - II	3-13	197,680.27					197,680.27
Various Capital Improvements	6-15	0.01				0.01	
Various Capital Improvements	15-15	15,919.20		1,814.58		70.00	14,034.62
Various Capital Improvements	7-16	1,400.88				1,400.88	
Various Capital Improvements	15-16	904.00					904.00
Various Capital Improvements	18-16	317,072.44		17,099.58			299,972.86
Various Improvements, Equipment and Repairs	26-18	16,047.64					16,047.64
Roof Replacement	29-18	104,430.37		20,266.58			84,163.79
Acquisition of Real Property	34-18	49,659.45		42,474.65			7,184.80
Purchase of Sprinkler System	19-03	2,400.00					2,400.00
Various Roadway, Curb and Walkway Improvements	19-11	6,405.30					6,405.30
Purchase of Various Equipment	19-12	536.09					536.09
Acquisition of Ambulance and Fire Engine	19-17	(957,924.28)		59,817.88			(1,017,742.16)
Various Capital Improvements	19-21	(457,777.77)		17,222.23			(475,000.00)
Reconstruction of Linn Drive	19-22	(297,020.55)					(297,020.55)
Community Center HVAC	20-05	50,000.00		13,996.11			36,003.89
Sidewalk Repair and Replacement	20-11	30,000.00					30,000.00
Acquisition of Real Property - Cameco	20-12	253,042.20		200,869.60			52,172.60
Acquisition of Real Property - Kuvant	20-17	161,564.92		36,046.45			125,518.47
ADA Improvements Community Center	21-04			181,344.17			(76,912.17)
Reconstruction of Lynwood Road	21-05			606,220.75			(606,220.75)
Various Capital Improvements	21-06			32,757.07			27,242.93
ADA Improvements Town	21-13			609.60			(609.60)
Update Master Plan	21-18			3,017.00			9,900.00
Upgrades to 911 System	21-19			24,020.65			12,000.00
Engineering Services Reconstruction of Derwent Ave.	21-22			24,708.75			40,000.00
Various Capital Improvements	21-26			1,108.56			18,500.00
							17,391.44

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2021

C-4
Sheet # 2

	Balance		<u>Disbursements</u>		<u>Transfers</u>		Balance
	December 31, 2020	Receipts	Improvement Authorizations	Other	From	To	December 31, 2021
<u>General Accounts</u>							
Fund Balance	\$ 687,721.87	\$ 196,553.24			\$ 625,166.00	\$ 8,185.87	\$ 267,294.98
Due from Other Trust Fund	(300,000.00)	300,000.00			104,432.00		(104,432.00)
Due from Open Space Trust Fund	(463,697.46)	400,000.00					(63,697.46)
Due to/from Pool Capital Fund						500,000.00	500,000.00
Due to/from Current Fund	(24,503.74)						(24,503.74)
Capital Improvement Fund	152,066.19	150,000.00			39,500.00		262,566.19
Reserve for Debt Service	1,149.73						1,149.73
Reserve for Future Improvements	762,980.25	20,000.00					782,980.25
Reserve for Refunding Bond Sale Costs	5,651.24						5,651.24
Excess Bond Anticipation Notes	750,260.25			\$ 602,500.00			147,760.25
	<u>\$ 1,099,930.31</u>	<u>\$ 1,066,553.24</u>	<u>\$ 1,285,374.21</u>	<u>\$ 602,500.00</u>	<u>\$ 777,283.87</u>	<u>\$ 777,283.87</u>	<u>\$ 278,609.34</u>
<u>Ref.</u>	C	C-2	C-2	C-2	Contra	Contra	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY GRANTS AND AID
YEAR ENDED DECEMBER 31, 2021

C-5

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 43,992.33
Increased by:		
2021 Grant Awards	C-13	<u>1,050,000.00</u>
Balance, December 31, 2021	C, Below	<u>\$ 1,093,992.33</u>

Analysis of Balance:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
4-15	Department of Transportation - Reconstruction of Section III of Linden Avenue	\$ 6,199.60
18-16	Department of Transportation - Reconstruction of Durrell Street from Grove Street to Fairview Avenue	37,792.73
21-05	Department of Transportation - Reconstruction of Lynwood Road	525,000.00
21-16	Department of Transportation - Various Capital Improvements	525,000.00
		<u>\$ 1,093,992.33</u>
	<u>Ref.</u>	Above

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE/(PAYABLE)
YEAR ENDED DECEMBER 31, 2021

C-6

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Swimming Pool Utility Capital Fund</u>	<u>Open Space Trust Fund</u>	<u>General Trust Fund</u>
Balance, December 31, 2020	C	\$ 788,201.20	\$ 24,503.74		\$ 463,697.46	\$ 300,000.00
Increased by:						
Interfund Advanced	C-1	(500,000.00)		\$ (500,000.00)		
CDBG Awards	C-6	104,432.00				\$ 104,432.00
		<u>(395,568.00)</u>	<u>24,503.74</u>	<u>(500,000.00)</u>	<u>463,697.46</u>	<u>404,432.00</u>
Decreased by:						
Cash Receipts	C-2	<u>700,000.00</u>			<u>400,000.00</u>	<u>300,000.00</u>
Balance, December 31, 2021	C	<u>\$ (307,366.80)</u>	<u>\$ 24,503.74</u>	<u>\$ (500,000.00)</u>	<u>\$ 63,697.46</u>	<u>\$ 104,432.00</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2021

C-7

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 20,972,307.81
Decreased by:			
Serial Bonds Redeemed	C-17	\$ 2,710,000.00	
Green Acres Loan Paid	C-16	<u>107,900.58</u>	
			<u>2,817,900.58</u>
Balance, December 31, 2021	C		<u>\$ 18,154,407.23</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2021

C-8

Improvement Description	Ordinance					Analysis of Balance December 31, 2021			
	Number	Date	Balance December 31, 2020	2021 Authorizations	Canceled	Balance December 31, 2021	Bond Anticipation Notes	Expended	Unexpended Balance of Improvement Authorizations
Various Capital Improvements	1-13	3-04-13	\$ 59,410.63		\$ 59,410.63				
Various Capital Improvements	4-15	3-02-15	6,039.67			6,039.67	6,039.67		
Various Capital Improvements	15-15	11-16-15	809,154.18			809,154.18	809,154.18		
Various Capital Improvements	18-16	7-11-16	727,545.90			727,545.90	727,545.90		
Various Capital Improvements	28-16	12-05-16	223,000.00			223,000.00	223,000.00		
Roof Replacement	29-18	11-11-18	333,000.00			333,000.00	333,000.00		
Acquisition of Real Property	34-18	12-27-18	2,952,000.00			2,952,000.00	2,952,000.00		
Acquisition of Ambulance/Fire Engine	19-17	6-27-19	1,199,000.00			1,199,000.00		\$ 1,017,742.16	\$ 181,257.84
Various Improvements	19-21	10-3-19	475,000.00			475,000.00		475,000.00	
Reconstruction of Linn Drive	19-22	10-3-19	366,500.00			366,500.00		297,020.55	69,479.45
Various Improvements	20-12	7-2-20	3,650,000.00			3,650,000.00	3,650,000.00		
Reconstruction of Linn Drive	20-17	10-13-20	12,190,000.00			12,190,000.00	12,190,000.00		
ADA Improvements Community Center	21-04	4-1-21		\$ 95,568.00		95,568.00		76,912.17	18,655.83
Reconstruction of Lynwood Road	21-05	4-1-21		975,000.00		975,000.00		606,220.75	368,779.25
ADA Improvements Town Hall	21-13	5-27-21		195,000.00		195,000.00		609.60	194,390.40
Update Master Plan	21-18	7-15-21		176,000.00		176,000.00			176,000.00
Upgrades to 911 System	21-19	7-15-21		233,000.00		233,000.00		12,020.65	220,979.35
Various Capital Improvements	21-26	9-20-21		3,346,500.00		3,346,500.00			3,346,500.00
			\$ 22,990,650.38	\$ 5,021,068.00	\$ 59,410.63	\$ 27,952,307.75	\$ 20,890,739.75	\$ 2,485,525.88	\$ 4,576,042.12
	<u>Ref.</u>	C		C-13		C	Below	C-4	Below
				Improvement Authorizations C-13	34,244.63				
				Fund Balance C-1	25,166.00				
				Above, C-18	\$ 59,410.63				
				Bond Anticipation Notes Issued		C-15	\$ 21,038,500.00		
				Excess Notes Issued		C-4	147,760.25		
						Above	\$ 20,890,739.75	<u>Ref.</u>	
						Improvement Authorizations - Unfunded		C-13	\$ 5,159,089.26
						Less: Unexpended Proceeds of Bond Anticipation Notes Issued		Ord. 15-15	14,034.62
								Ord. 18-16	299,972.86
								Ord. 29-18	84,163.79
								Ord. 34-18	7,184.80
								Ord. 12-20	52,172.60
								Ord. 17-20	125,518.47
									\$ 4,576,042.12

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

C-9

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>								
Balance, December 31, 2020	C		\$ 152,066.19						
Increased by:									
Current Fund Budget Appropriation	C-2		<u>150,000.00</u>						
			302,066.19						
Decreased by:									
Appropriation to Finance Improvement Authorizations	C-13	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Ord. #21-18</td> <td style="text-align: right;">\$ 9,000.00</td> </tr> <tr> <td style="padding-left: 20px;">Ord. #21-19</td> <td style="text-align: right;">12,000.00</td> </tr> <tr> <td style="padding-left: 20px;">Ord. #21-26</td> <td style="text-align: right;"><u>18,500.00</u></td> </tr> </table>	Ord. #21-18	\$ 9,000.00	Ord. #21-19	12,000.00	Ord. #21-26	<u>18,500.00</u>	39,500.00
Ord. #21-18	\$ 9,000.00								
Ord. #21-19	12,000.00								
Ord. #21-26	<u>18,500.00</u>								
			<u>39,500.00</u>						
Balance, December 31, 2021	C		<u><u>\$ 262,566.19</u></u>						

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2021

C-10

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	C	<u>\$ 1,149.73</u>

RESERVE FOR FUTURE IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2021

C-11

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 762,980.25
Increased by:		
Cash Receipts	C-2	<u>20,000.00</u>
Balance, December 31, 2021	C	<u>\$ 782,980.25</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANTS AND AID RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

C-12

	<u>Ref.</u>		
Balance, December 31, 2020	C	\$	43,992.33
Increased by:			
NJDOT Award - Reconstruction of Lynwood Road Ord. 21-05	C-5	\$ 525,000.00	
NJDOT Award - Various Capital Improvements Ord. 21-26	C-5	<u>525,000.00</u>	<u>1,050,000.00</u>
Balance, December 31, 2021	C	\$	<u><u>1,093,992.33</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

C-13

Improvement Description:	Ordinance		Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2021	
	Number	Date	Amount	Funded				Unfunded	Funded
Various Capital Improvements	2-10	3-15-10	\$ 2,984,500.00	\$ 54.00			\$ 54.00		
Various Capital Improvements	7-11	8-15-11	434,500.00	50,432.83				\$ 50,432.83	
Various Capital Improvements	3-12	5-21-12	2,592,000.00	8,640.98		\$ 1,980.00	6,660.98		
Various Capital Improvements	1-13	3-04-13	1,512,000.00		\$ 34,244.63		34,244.63		
Construction of Hilltop Park - II	3-13	4-15-13	5,125,000.00	197,680.27				197,680.27	
Various Capital Improvements	6-15	7-1-15	115,000.00	0.01			0.01		
Various Capital Improvements	15-15	11-16-15	1,898,000.00		15,919.20	1,814.58	70.00		\$ 14,034.62
Various Capital Improvements	7-16	3-21-16	925,000.00	1,400.88			1,400.88		
Various Capital Improvements	15-16	6-20-16	20,000.00	904.00				904.00	
Various Capital Improvements	18-16	7-11-16	1,107,500.00		317,072.44	17,099.58			299,972.86
Various Improvements, Equipment and Repairs	26-18	10-24-18	98,000.00	16,047.64				16,047.64	
Roof Replacement	29-18	11-11-18	350,000.00		104,430.37	20,266.58			84,163.79
Acquisition of Real Property	34-18	12-27-18	3,100,000.00		49,659.45	42,474.65			7,184.80
Purchase of Sprinkler System	19-03	2-18-19	25,000.00	2,400.00				2,400.00	
Various Roadway, Curb and Walkway Improvements	19-11	5-15-19	250,000.00	6,405.30				6,405.30	
Purchase of Various Equipment	19-12	5-15-19	75,000.00	536.09				536.09	
Acquisition of Ambulance and Fire Engine	19-17	6-27-19	1,260,000.00		241,075.72	59,817.88			181,257.84
Various Capital Improvements	19-21	10-3-19	499,235.00		17,222.23	17,222.23			
Reconstruction of Linn Drive	19-22	10-3-19	385,000.00		69,479.45				69,479.45
Community Center HVAC	20-05	3-2-20	50,000.00	50,000.00		13,996.11		36,003.89	
Sidewalk Repair and Replacement	20-11	7-2-20	30,000.00	30,000.00				30,000.00	
Acquisition of Real Property - Cameco	20-12	7-2-20	6,750,000.00		253,042.20	200,869.60			52,172.60
Acquisition of Real Property - Kuvant	20-17	10-13-20	12,800,000.00		161,564.92	36,046.45			125,518.47
ADA Improvements Community Center	21-04	4-1-21	200,000.00			181,344.17			18,655.83
Reconstruction of Lynwood Road	21-05	4-1-21	975,000.00			606,220.75			368,779.25
Various Capital Improvements	21-06	3-28-21	60,000.00			32,757.07		27,242.93	
ADA Improvements Town	21-13	5-27-21	195,000.00		195,000.00	609.60			194,390.40
Update Master Plan	21-18	7-15-21	185,000.00		185,000.00	3,017.00		5,983.00	176,000.00
Upgrades to 911 System	21-19	7-15-21	245,000.00		245,000.00	24,020.65			220,979.35
Engineering Services Reconstruction of Derwent Ave.	21-22	8-02-21	40,000.00		40,000.00	24,708.75		15,291.25	
Various Capital Improvements	21-26	9-20-21	3,365,000.00		3,365,000.00	1,108.56		17,391.44	3,346,500.00
			<u>\$ 364,502.00</u>	<u>\$ 1,263,710.61</u>	<u>\$ 5,265,000.00</u>	<u>\$ 1,285,374.21</u>	<u>\$ 42,430.50</u>	<u>\$ 406,318.64</u>	<u>\$ 5,159,089.26</u>
	<u>Ref.</u>		C	C	Below	C-2	Below	C	C
				<u>Ref.</u>			<u>Ref.</u>		
Due from Trust Fund - CDBG				C-6	\$ 104,432.00				
Deferred Charges to Future Taxation - Unfunded				C-8	5,021,068.00				
Fund Balance				C-1	100,000.00		C-1	\$ 8,185.87	
Capital Improvement Fund				C-9	39,500.00		C-8	34,244.63	
				Above	<u>\$ 5,265,000.00</u>		Above	<u>\$ 42,430.50</u>	

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR REFUNDING BOND SALE COSTS
YEAR ENDED DECEMBER 31, 2021

C-14

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	C	<u>\$ 5,651.24</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

C-15

<u>Number</u>	<u>Ordinance Date</u>	<u>Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance December 31, 2020</u>	<u>Notes Issued</u>	<u>Decrease</u>	<u>Balance December 31, 2021</u>
04-15	03-02-15	Various Improvements	3-4-21	3-4-22	2.0000 %	\$ 207,000.00	\$ 5,799.92	\$ 207,000.00	\$ 5,799.92
15-15	11-16-15	Various Improvements	3-4-21	3-4-22	2.0000	884,000.00	809,154.18	884,000.00	809,154.18
18-16	7-11-16	Various Improvements	3-4-21	3-4-22	2.0000	1,054,000.00	727,545.90	1,054,000.00	727,545.90
28-16	12-05-16	Various Improvements	3-4-21	3-4-22	2.0000	223,000.00	223,000.00	223,000.00	223,000.00
29-18	11-11-18	Roof Replacement	3-4-21	3-4-22	2.0000	333,000.00	333,000.00	333,000.00	333,000.00
34-18	12-27-18	Acquisition of Real Property	3-4-21	3-4-22	2.0000	2,952,000.00	2,952,000.00	2,952,000.00	2,952,000.00
20-12	7-2-20	Acquisition of Real Property - Caneco	10-29-21	10-29-22	1.0000	3,798,000.00	3,798,000.00	3,798,000.00	3,798,000.00
20-17	10-13-20	Acquisition of Real Property - Kuvant	10-29-21	10-29-22	1.0000	12,190,000.00	12,190,000.00	12,190,000.00	12,190,000.00
						<u>\$ 21,641,000.00</u>	<u>\$ 21,038,500.00</u>	<u>\$ 21,641,000.00</u>	<u>\$ 21,038,500.00</u>
					<u>Ref.</u>	C	C-8	Below	C
							Required Paydown C-2	\$ 602,500.00	
							Renewals C-8	<u>21,038,500.00</u>	
							Above	<u>\$ 21,641,000.00</u>	

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2021

C-16

<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Loan Paid</u>	<u>Balance December 31, 2021</u>
9-18-07	\$ 1,965,000.00	2.00 %	<u>\$ 739,307.81</u>	<u>\$ 107,900.58</u>	<u>\$ 631,407.23</u>
		<u>Ref.</u>	C	C-7	C

TOWNSHIP OF VERONA
GENERAL CAPITAL BONDS

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2021

C-17

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance December 31, 2020	Bonds Redeemed	Balance December 31, 2021
			Date	Amount				
General Bonds of 2008	5-01-08	\$ 6,827,000.00	5-01-22	\$ 600,000.00	3.65 %	\$ 1,800,000.00	\$ 600,000.00	\$ 1,200,000.00
			5-01-23	600,000.00	3.70			
General Bonds of 2010	11-01-10	8,665,000.00	11-01-22	750,000.00	3.125	2,140,000.00	750,000.00	1,390,000.00
			11-01-23	640,000.00	3.25			
General Bonds of 2013	7-15-13	6,558,000.00	7-15-22/26	500,000.00	3.00	3,528,000.00	500,000.00	3,028,000.00
			7-15-27	528,000.00	3.00			
General Bonds of 2017	6-28-17	14,355,000.00	2-15-22	880,000.00	2.00	12,765,000.00	860,000.00	11,905,000.00
			2-15-23	895,000.00	3.00			
			2-15-24	920,000.00	3.00			
			2-15-25	940,000.00	3.00			
			2-15-26	965,000.00	3.00			
			2-15-27	990,000.00	3.00			
			2-15-28	1,020,000.00	3.00			
			2-15-29	1,055,000.00	3.00			
			2-15-30/33	1,060,000.00	3.00			
						\$ 20,233,000.00	\$ 2,710,000.00	\$ 17,523,000.00
<u>Ref.</u>						C	C-7	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

C-18

<u>General Improvements</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Debt Authorized</u>	<u>Balance December 31, 2020</u>	<u>2021 Authorizations</u>	<u>Grant Receipts</u>	<u>Canceled</u>	<u>Balance December 31, 2021</u>
Various Improvements	01-13	3-04-13	\$ 1,470,000.00	\$ 59,410.63			\$ 59,410.63	
Acquisition of Ambulance/Fire Engine	19-17	6-27-19	1,199,000.00	1,199,000.00				\$ 1,199,000.00
Various Improvements	19-21	10-3-19	475,000.00	475,000.00				475,000.00
Reconstruction of Linn Drive	19-22	10-3-19	365,000.00	366,500.00				366,500.00
ADA Improvements Community Center	21-04	4-1-21	200,000.00		\$ 200,000.00	\$ 104,432.00		95,568.00
Reconstruction of Lynwood Road	21-05	4-1-21	975,000.00		975,000.00			975,000.00
ADA Improvements Town	21-13	5-27-21	195,000.00		195,000.00			195,000.00
Update Master Plan	21-18	7-15-21	176,000.00		176,000.00			176,000.00
Upgrades to 911 System	21-19	7-15-21	233,000.00		233,000.00			233,000.00
Various Capital Improvements	21-26	9-20-21	3,346,500.00		3,346,500.00			3,346,500.00
				<u>\$ 2,099,910.63</u>	<u>\$ 5,125,500.00</u>	<u>\$ 104,432.00</u>	<u>\$ 59,410.63</u>	<u>\$ 7,061,568.00</u>
	<u>Ref.</u>		C		Below	C-6	C-8	C
				Deferred Charges to Future Taxation - Unfunded	C-8	\$ 5,021,068.00		
				Due from Trust Fund	C-6	104,432.00		
				Above		<u>\$ 5,125,500.00</u>		

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-5

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2020	D	\$ 1,870,244.54	\$ 1,214,923.69
Increased by Receipts:			
Premium on Sale of Notes	D-2		\$ 49,263.01
Miscellaneous Revenue	D-3	\$ 467,295.89	
Rents Receivable	D-8	6,154,603.75	
Utility Rent Overpayments	D-15	5,209.98	
Bond Anticipation Notes Issued	D-22		2,908,500.00
Capital Improvement Fund	D-7, D-16		<u>52,276.00</u>
		<u>6,627,109.62</u>	<u>3,010,039.01</u>
		8,497,354.16	4,224,962.70
Decreased by Disbursements:			
Budget Appropriations	D-4	6,513,012.06	
Anticipated in Current Fund	D-4	100,000.00	
Appropriation Reserves	D-12	368,188.95	
Payment of Interest on Bonds and Notes	D-13	150,845.00	
Payment of Interest on Loans	D-14	7,891.07	
Improvement Authorizations	D-7, D-19		173,448.27
Bond Anticipation Notes Redeemed	D-22		<u>2,908,500.00</u>
		<u>7,139,937.08</u>	<u>3,081,948.27</u>
Balance, December 31, 2021	D	<u><u>\$ 1,357,417.08</u></u>	<u><u>\$ 1,143,014.43</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-6

CASH - INVESTMENT ACCOUNT
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Operating</u>
Balance, December 31, 2020	D	\$ 690,000.00
Increased by:		
Interest Earned	D-3	<u>2,073.17</u>
		692,073.17
Decreased by:		
Due to Current Fund	D-5	<u>2,073.17</u>
Balance, December 31, 2021	D	<u><u>\$ 690,000.00</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-7

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2021

	Balance December 31, 2020	Receipts	Disbursements	Transfers		Balance December 31, 2021
			Improvement Authorizations	From	To	
Fund Balance	\$ 204,257.10	\$ 49,263.01				\$ 253,520.11
Capital Improvement Fund	154,800.00	52,276.00		\$ 40,000.00		167,076.00
<u>Water and Sewer Improvements</u>						
Ordinance #06-08	6,870.73					6,870.73
Ordinance #06-09	4,350.00					4,350.00
Ordinance #07-09	21,144.34					21,144.34
Ordinance #07-10	21,701.67					21,701.67
Ordinance #08-10	48,003.72					48,003.72
Ordinance #08-11	(500.00)					(500.00)
Ordinance #09-11	223,368.11					223,368.11
Ordinance #05-14	126,081.58		\$ 14,812.61			111,268.97
Ordinance #06-14	91.45		91.45			
Ordinance #16-16	29,399.25		422.60			28,976.65
Ordinance #01-17	117,095.25		422.61			116,672.64
Ordinance #28-17	794.40					794.40
Ordinance #21-18	51,249.03					51,249.03
Ordinance #30-18	611,692.76		422.61			611,270.15
Ordinance #19-15	(520,475.70)		22,303.57			(542,779.27)
Ordinance #20-18	115,000.00		106,800.00			8,200.00
Ordinance #21-23			14,902.50		\$ 40,000.00	25,097.50
Ordinance #21-24			12,840.00			(12,840.00)
Ordinance #21-27			430.32			(430.32)
	<u>\$ 1,214,923.69</u>	<u>\$ 101,539.01</u>	<u>\$ 173,448.27</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 1,143,014.43</u>
<u>Ref.</u>	D	D-5	D-5, D-19	Contra	Contra	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-8

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 954,595.27
Increased by:		
Billings	Reserve	6,251,361.77
Collector's Adjustments	Reserve	<u>1,140.98</u>
		<u>7,207,098.02</u>
Decreased by:		
Collections	D-3, D-5	<u>6,154,603.75</u>
Balance, December 31, 2021	D	<u><u>\$ 1,052,494.27</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-9

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 44,475,547.50
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	D-10	<u>1,394,816.53</u>
Balance, December 31, 2021	D	<u>\$ 45,870,364.03</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-10

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2020	Increase	Cancellation	Transfer to Fixed Capital	Balance December 31, 2021
		Date	Amount					
<u>Water/Sewer Improvements</u>								
06-08	Improvement of Water System	6-02-08	\$ 410,000.00	\$ 97,953.73				\$ 97,953.73
06-09	Improvement of Water System	6-01-09	445,000.00	361,923.97				361,923.97
07-09	Various Sewer Capital Improvements	6-01-09	274,000.00	116,357.13		\$ 21,144.34	\$ 95,212.79	
07-10	Improvement of Water System	6-21-10	660,000.00	61,201.67			61,201.67	
08-10	Various Sewer Capital Improvements	6-21-10	764,500.00	695,263.59		48,003.72	647,259.87	
08-11	Improvement of Water System	8-15-11	209,000.00	104,234.28			104,234.28	
09-11	Various Sewer Capital Improvements	8-15-11	723,800.00	710,276.03		223,368.11	486,907.92	
5-14	Various Sewer Capital Improvements	7-14-14	1,255,000.00	1,090,725.41				1,090,725.41
6-14	Improvement of Water System	7-14-14	143,000.00	1,216.00				1,216.00
16-16	Acquisition of Water Meters and Equipment	8-03-16	525,000.00	525,000.00				525,000.00
01-17	Various Water/Sewer Capital Improvements	2-21-17	825,000.00	825,000.00				825,000.00
28-18	Various Sewer Equipment	1-8-18	115,000.00	115,000.00				115,000.00
21-18	Rehabilitation of Fairview Well	6-11-18	175,000.00	175,000.00				175,000.00
30-18	Improvement of Fairview Avenue Tank	12-17-18	1,325,000.00	1,325,000.00				1,325,000.00
19-13	Utility Equipment	5-15-19	35,000.00					
19-05	Mechanical Bar Screen	5-30-19	600,000.00	600,000.00				600,000.00
20-18	Rehab of Primary Clarifier Pump Station	9-17-20	115,000.00	115,000.00				115,000.00
21-23	Engineering Costs For Water Distribution Project	8-20-21	40,000.00					
21-24	Preliminary Planning Expenses For Improvements At Fairview Ave	8-20-21	50,000.00		\$ 500,000.00			500,000.00
21-27	Various Water/Sewer Capital Improvements	10-8-21	1,405,000.00		1,405,000.00			1,405,000.00
				\$ 6,919,151.81	\$ 1,905,000.00	\$ 292,516.17	\$ 1,394,816.53	\$ 7,136,819.11
<u>Ref.</u>				D	D-18	D-18	D-9	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-11

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

<u>Appropriation</u>	Balance December 31, 2020		<u>Balance After Transfers</u>	<u>Expenditures</u>	<u>Balance Lapsed</u>
	Committed	Uncommitted			
<u>Operating</u>					
Salaries and Wages		\$ 159,407.97	\$ 159,407.97	\$ 13,134.54	\$ 146,273.43
Other Expenses	\$ 309,086.70	265,379.30	574,466.00	355,054.41	219,411.59
<u>Statutory Expenditures</u>					
Unemployment Compensation Insurance		15,000.00	15,000.00		15,000.00
Social Security System		50,955.00	50,955.00		50,955.00
	<u>\$ 309,086.70</u>	<u>\$ 490,742.27</u>	<u>\$ 799,828.97</u>	<u>\$ 368,188.95</u>	<u>\$ 431,640.02</u>
<u>Ref.</u>	D	D	D	D-5	D-1

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-12

ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 81,940.83
Increased by:		
Budget Appropriation	D-4	150,845.00
		<u>232,785.83</u>
Decreased by:		
Payments	D-1	150,845.00
		<u>150,845.00</u>
Balance, December 31, 2021	D	<u>\$ 81,940.83</u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Bonds:</u>						
5-1-2008	\$ 220,000.00	3.65%	11-1-21	12-31-21	2.00 Months	\$ 1,338.33
	200,000.00	3.70%	11-1-21	12-31-21	2.00 Months	1,233.33
7-15-2013	1,018,000.00	3.00%	7-15-21	12-31-21	5.50 Months	13,997.50
6-28-2017	<u>1,125,000.00</u>	3.00%	8-15-21	12-31-21	5.50 Months	<u>15,468.75</u>
	<u>\$ 2,563,000.00</u>					<u>32,037.92</u>
<u>Bond Anticipation Notes:</u>						
3-7-2019	<u>\$ 2,908,500.00</u>	2.00%	3-5-21	12-31-21	300 Days	<u>48,475.00</u>
Total						\$ 80,512.92
					Excess to be used in future years	<u>1,427.91</u>
						<u>\$ 81,940.83</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-13

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 6,861.96
Increased by:		
Budget Appropriation	D-4	4,229.26
		<u>11,091.22</u>
Decreased by:		
Payments	D-1	4,229.26
		<u>4,229.26</u>
Balance, December 31, 2021	D	<u><u>\$ 6,861.96</u></u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance Due February 2022</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
11-01-02	\$ 1,269.18	8-01-21	12-31-21	5 Months	\$ 1,057.65
11-01-04	3,805.95	8-01-21	12-31-21	5 Months	<u>3,171.61</u>
					4,229.26
			To be utilized in future year's budgets		<u>2,632.70</u>
					<u><u>\$ 6,861.96</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-14

OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 9,541.42
Increased by:		
Cash Received	D-5	<u>5,209.98</u>
Balance, December 31, 2021	D	<u>\$ 14,751.40</u>

D-15

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 154,800.00
Increased by:		
Budget Appropriation - Cash Received	D-5	<u>52,276.00</u>
		207,076.00
Decreased by:		
Fund Improvement Authorizations	D-18	<u>40,000.00</u>
Balance, December 31, 2021	D	<u>\$ 167,076.00</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-16

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$ 43,526,209.96
Increased by:			
Repayment of State Loan and Adjustments	D-19	\$ 179,508.32	
Serial Bonds Redeemed	D-21	639,000.00	
Funded Improvement Authorizations Completed	D-17	<u>82,000.00</u>	
			<u>900,508.32</u>
Balance, December 31, 2021	D		<u>\$ 44,426,718.28</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

D-17

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2020</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance December 31, 2021</u>
	<u>Water/Sewer Improvements</u>				
6-09	Various Water Improvements	6-01-09	\$ 23,000.00		\$ 23,000.00
7-09	Various Sewer Improvements	6-01-09	14,000.00	\$ 14,000.00	
7-10	Various Water Improvements	6-21-10	32,000.00		32,000.00
8-10	Various Sewer Improvements	6-21-10	37,500.00	37,500.00	
8-11	Various Water Improvements	8-15-11	30,500.00	30,500.00	
9-11	Various Sewer Improvements	8-15-11	35,800.00		35,800.00
28-17	Various Sewer Equipment	1-8-18	115,000.00		115,000.00
21-18	Fairview Well Restoration	6-25-18	175,000.00		175,000.00
20-18	Rehab of Primary Clarifier Pump Station	9-17-20	115,000.00		115,000.00
			<u>\$ 577,800.00</u>	<u>\$ 82,000.00</u>	<u>\$ 495,800.00</u>
		<u>Ref.</u>	D	D-16	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

D-18

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2020</u>		<u>2021</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Cancelations</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	
	<u>Number</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
<u>Water/Sewer Improvements</u>									
Various Water Capital Improvements	06-08	\$ 410,000.00	\$ 6,870.73					\$ 6,870.73	
Various Water Capital Improvements	06-09	445,000.00	4,350.00					4,350.00	
Various Sewer Capital Improvements	07-09	274,000.00	21,144.34				\$ 21,144.34		
Various Water Capital Improvements	07-10	660,000.00	21,701.67					21,701.67	
Various Sewer Capital Improvements	08-10	764,500.00	48,003.72				48,003.72		
Various Sewer Capital Improvements	09-11	723,800.00	223,368.11				223,368.11		
Various Sewer Capital Improvements	05-14	1,255,000.00	35,581.58	\$ 90,500.00		\$ 14,812.61		20,768.97	\$ 90,500.00
Various Water Capital Improvements	06-14	143,000.00		91.45		91.45			
Acquisition of Water Meters and Equipment	16-16	525,000.00		29,399.25		422.60			28,976.65
Various Water/Sewer Capital Improvements	01-17	825,000.00		117,095.25		422.61			116,672.64
Various Sewer Equipment	28-17	115,000.00		794.40				794.40	
Rehabilitation of Fairview Well	21-18	175,000.00	51,249.03					51,249.03	
Improvement of Fairview Avenue Tank	30-18	1,325,000.00		611,692.76		422.61			611,270.15
Mechanical Bar Screen	19-15	600,000.00		79,524.30		22,303.57			57,220.73
Rehab of Primary Clarifier Pump Station	20-18	115,000.00	115,000.00			106,800.00		8,200.00	
Engineering Costs For Water Distribution Project	21-23	40,000.00			\$ 40,000.00	14,902.50		25,097.50	
Preliminary Planning Expenses For Improvements At Fairview Ave	21-24	500,000.00				500,000.00			487,160.00
Various Water/Sewer Capital Improvements	21-27	1,405,000.00				1,405,000.00			1,404,569.68
			<u>\$ 528,063.58</u>	<u>\$ 928,303.01</u>	<u>\$ 1,945,000.00</u>	<u>\$ 173,448.27</u>	<u>\$ 292,516.17</u>	<u>\$ 139,032.30</u>	<u>\$ 2,796,369.85</u>
	<u>Ref.</u>		D	D		D-5	D-2	D	D
				Capital Improvement Fund	<u>Ref.</u>				
				Bonds and Notes Authorized but Not Issued	D-15	\$ 40,000.00			
					D-22	1,905,000.00			
					Above	<u>\$ 1,945,000.00</u>			

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

WASTE WATER TREATMENT LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2021

D-19

	<u>Original Issue</u>		<u>Balance December 31, 2020</u>	<u>Decrease</u>	<u>Balance December 31, 2021</u>
	<u>Date</u>	<u>Amount</u>			
New Jersey Waste Water Treatment Loan Program:					
Loan Number 3:					
Trust Share	11-01-02	\$ 700,000.00	\$ 99,986.00	\$ 47,599.43	\$ 52,386.57
Fund Share	11-01-02	735,250.00	73,710.67	36,037.86	37,672.81
Loan Number 4:					
Trust Share	11-01-04	850,000.00	228,740.97	52,852.71	175,888.26
Fund Share	11-01-04	864,348.00	<u>177,251.71</u>	<u>43,018.32</u>	<u>134,233.39</u>
			<u>\$ 579,689.35</u>	<u>\$ 179,508.32</u>	<u>\$ 400,181.03</u>
	<u>Ref.</u>		D	D-16	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-20

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2021		Interest Rate	Balance December 31, 2020	Bonds Redeemed	Balance December 31, 2021
			Date	Amount				
Water/Sewer Improvements	5-01-08	\$ 2,886,000.00	5-01-22	\$ 220,000.00	3.65 %	\$ 640,000.00	\$ 220,000.00	\$ 420,000.00
			5-01-23	200,000.00	3.70			
Water/Sewer Improvements	11-01-10	1,819,000.00				169,000.00	169,000.00	
Water/Sewer Improvements	7-15-13	2,043,000.00	01-15-22/27	150,000.00	3.00	1,168,000.00	150,000.00	1,018,000.00
			01-15-28	118,000.00	3.00			
Water/Sewer Improvements	6-28-17	1,505,000.00	2-15-21/22	100,000.00	2.00	1,225,000.00	100,000.00	1,125,000.00
			2-15-23	100,000.00	3.00			
			2-15-24/25	105,000.00	3.00			
			2-15-26	110,000.00	3.00			
			2-15-27/28	115,000.00	3.00			
			2-15-29	120,000.00	3.00			
			2-15-30	125,000.00	3.00			
			2-15-31	130,000.00	3.00			
						<u>\$ 3,202,000.00</u>	<u>\$ 639,000.00</u>	<u>\$ 2,563,000.00</u>
						Ref. D	D-16	D

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-21

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance	Increased	Decreased	Balance
		Amount	Date				December 31, 2020			December 31, 2021
5-14	Various Sewer Improvements	\$ 90,500.00	3/6/2019	3/4/2021	3/5/2022	2.0000%	\$ 90,500.00	\$ 90,500.00	\$ 90,500.00	\$ 90,500.00
6-14	Various Water Improvements	143,000.00	3/6/2019	3/4/2021	3/5/2022	2.0000%	143,000.00	143,000.00	143,000.00	143,000.00
16-16	Acquisition of Water Meters and Equipment	525,000.00	3/6/2019	3/4/2021	3/5/2022	2.0000%	525,000.00	525,000.00	525,000.00	525,000.00
17-01	Various Water/Sewer Improvements	825,000.00	3/6/2019	3/4/2021	3/5/2022	2.0000%	825,000.00	825,000.00	825,000.00	825,000.00
18-30	Water Improvement Fairway Avenue Tank	1,325,000.00	3/6/2019	3/4/2021	3/5/2022	2.0000%	<u>1,325,000.00</u>	<u>1,325,000.00</u>	<u>1,325,000.00</u>	<u>1,325,000.00</u>
							<u>\$ 2,908,500.00</u>	<u>\$ 2,908,500.00</u>	<u>\$ 2,908,500.00</u>	<u>\$ 2,908,500.00</u>
							D	D-5	D-5	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-22

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

Authorizations	<u>Ordinance</u>		Balance	Authorizations	Balance
	Number	Date	December 31, 2020		December 31, 2021
Various Sewer Improvements	8-11	8-15-11	\$ 500.00		\$ 500.00
Mechanical Bar Screen	19-05	5-30-19	600,000.00		600,000.00
Preliminary Planning Expenses For Improvements At Fairview Ave	21-24	8-16-21		\$ 500,000.00	500,000.00
Various Water/Sewer Capital Improvements	21-27	9-20-21		1,405,000.00	1,405,000.00
			<u>\$ 600,500.00</u>	<u>\$ 1,905,000.00</u>	<u>\$ 2,505,500.00</u>
		<u>Ref.</u>	D	D-18	D

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2021

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2020	E	\$ 226,091.20	\$ 1,145,904.63
Increased by Receipts:			
Premium on Sale of Notes	E-2		\$ 13,770.27
Membership Fees	E-3	\$ 486,106.31	
Miscellaneous Revenue	E-3	57,406.02	
Petty Cash Returned	E-7	200.00	
Interfunds	E-9	50,000.00	
Capital Fund Balance	E-2, E-3	130,000.00	
Capital Improvement Fund	E-13		10,000.00
Bond Anticipation Notes Issued	E-18		813,000.00
		<u>723,712.33</u>	<u>836,770.27</u>
		949,803.53	1,982,674.90
Decreased by Disbursements:			
Budget Appropriations	E-4	582,368.25	
Interfunds	E-20		500,000.00
Appropriation Reserves	E-11	2,378.35	
Interest on Bonds and Notes	E-12	42,730.00	
Improvement Authorizations	E-16		20,155.78
Bond Anticipation Notes Redeemed	E-18		813,000.00
Capital Fund Balance	E-2		130,000.00
Petty Cash Advanced	E-7	200.00	
		<u>627,676.60</u>	<u>1,463,155.78</u>
Balance, December 31, 2021	E	<u>\$ 322,126.93</u>	<u>\$ 519,519.12</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2021

E-6

	Ordinance Number	Balance December 31, 2020	Receipts	Disbursements	Transfers		Balance December 31, 2021
					From	To	
<u>Improvement Authorizations - General</u>							
Improvements to Pool Facility	8-09	\$ (700.00)					\$ (700.00)
Improvements to Pool Facility	2-13	51,430.86			\$ 51,430.86		
Improvements to Pool Facility	7-14	5,991.15		\$ 522.34			5,468.81
Improvements to Pool Facility	13-15	17,440.89			17,440.89		
Improvements to Pool Facility	17-16	24.46		24.46			
Construction of Splash Park	19-08	9,475.07		9,475.07			
Improvements to Pool Facility	19-33	849,400.00		10,133.91			839,266.09
Improvements to Water Slides	21-28					\$ 65,000.00	65,000.00
<u>General Accounts</u>							
Fund Balance		90,917.20	\$ 13,770.27	130,000.00		68,871.75	43,559.22
Capital Improvement Fund		121,925.00	10,000.00		65,000.00		66,925.00
Due from General Capital Fund				500,000.00			(500,000.00)
		<u>\$ 1,145,904.63</u>	<u>\$ 23,770.27</u>	<u>\$ 650,155.78</u>	<u>\$ 133,871.75</u>	<u>\$ 133,871.75</u>	<u>\$ 519,519.12</u>
<u>Ref.</u>		E	E-5	E-5	Contra	Contra	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

PETTY CASH FUND
YEAR ENDED DECEMBER 31, 2021

E-7

	<u>Ref.</u>	<u>Operating</u>
Increased by:		
Petty Cash Funds Advanced	E-5	\$ 200.00
Decreased by:		
Petty Cash Funds Returned	E-5	<u>200.00</u>
		<u>\$ -</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2021

E-8

	<u>Ref.</u>	
Balance, December 31, 2020	E	\$ 4,733,041.27
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	E-10	<u>104,878.25</u>
Balance, December 31, 2021	E	<u>\$ 4,837,919.52</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

INTERFUND PAYABLE
POOL UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2021

E-9

	<u>Ref.</u>		<u>Due to Current Fund</u>
Balance, December 31, 2020	E		\$ -
Decreased by:			
Budget Appropriation	E-4	\$ 10,000.00	
Cash Receipt	E-5	<u>50,000.00</u>	
			<u>60,000.00</u>
Balance, December 31, 2021	E		<u><u>\$ 60,000.00</u></u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021

E-10

	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u> <u>December 31, 2020</u>	<u>2021</u> <u>Authorizations</u>	<u>Decrease</u>	<u>Balance</u> <u>December 31, 2021</u>
	<u>Number</u>	<u>Date</u>					
<u>General Improvements</u>							
Improvements to Municipal Pool	2-13	2-19-13	\$ 78,750.00	\$ 78,750.00		\$ 78,750.00	
Improvements to Municipal Pool	7-14	7-14-14	33,000.00	33,000.00			\$ 33,000.00
Improvements to Municipal Pool	13-15	11-16-15	35,000.00	35,000.00		35,000.00	
Construction of Splash Park	19-08	3-25-19	60,000.00	60,000.00		60,000.00	
Improvements to Pool Facility	19-33	10-21-19	850,000.00	850,000.00			850,000.00
Improvements to Water Slides	21-28	10-28-21	65,000.00		\$ 65,000.00		65,000.00
				<u>\$ 1,056,750.00</u>	<u>\$ 65,000.00</u>	<u>\$ 173,750.00</u>	<u>\$ 948,000.00</u>
			<u>Ref.</u>	E	E-16	E-8	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

E-11

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2020</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Expenditures</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Uncommitted</u>			
<u>Operating</u>					
Salaries and Wages		\$ 43,978.57	\$ 43,978.57		\$ 43,978.57
Other Expenses	\$ 2,889.25	39,639.85	42,529.10	\$ 2,378.35	40,150.75
	<u>\$ 2,889.25</u>	<u>\$ 83,618.42</u>	<u>\$ 86,507.67</u>	<u>\$ 2,378.35</u>	<u>\$ 84,129.32</u>
<u>Ref.</u>	E	E		E-5	E-1

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2021

E-12

	<u>Ref.</u>	
Balance, December 31, 2020	E	\$ 24,398.75
Increased by:		
Budget Appropriation	E-4	<u>42,477.92</u>
		66,876.67
Decreased by:		
Payments	E-5	<u>42,730.00</u>
Balance, December 31, 2021	E	<u><u>\$ 24,146.67</u></u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2021</u>	<u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Bonds:</u>						
07-15-13	\$ 644,000.00	3.00 %	7-15-21	12-31-21	5.5 Months	\$ 8,855.00
7-20-17	10,000.00	2.00	7-15-21	12-31-21	5.5 Months	91.67
7-20-17	<u>120,000.00</u>	3.00	7-15-21	12-31-21	5.5 Months	<u>1,650.00</u>
	<u><u>\$ 774,000.00</u></u>					<u>10,596.67</u>
<u>Bond Anticipation Notes:</u>						
3-4-21	\$ 63,000.00	2.00 %	3-5-21	12-31-21	300 Days	1,050.00
3-4-21	<u>750,000.00</u>	2.00	3-5-21	12-31-21	300 Days	<u>12,500.00</u>
	<u><u>\$ 813,000.00</u></u>					<u>13,550.00</u>
						<u><u>\$ 24,146.67</u></u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

E-13

Balance, December 31, 2020	E		\$ 121,925.00
Increased by:			
Budget Appropriation	E-5		10,000.00
			131,925.00
Decreased by:			
Improvement Authorization Funded	E-16		65,000.00
			65,000.00
Balance, December 31, 2021	E		\$ 66,925.00

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

E-14

	<u>Ref.</u>		
Balance, December 31, 2020	E		\$ 3,898,341.27
Increased by:			
Bonds Redeemed	E-17	\$ 140,000.00	
Transferred from Deferred Reserve for Amortization	E-15	8,569.14	
			148,569.14
			4,046,910.41
Decreased by:			
Funded Improvement Authorizations Canceled	E-16		13,690.89
			13,690.89
Balance, December 31, 2021	E		\$ 4,033,219.52

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>E-15</u>
Balance, December 31, 2020	E	\$ 163,750.00
Increased by:		
Appropriations from the Capital Improvement Fund	E-13	65,000.00
		<u>228,750.00</u>
Decreased by:		
Transferred to Reserve for Amortization	E-14	63,750.00
		<u>63,750.00</u>
Balance, December 31, 2021	E	<u>\$ 165,000.00</u>

Analysis of Balance

<u>Improvement</u>	<u>Ordinance Number</u>	<u>Amount</u>
Improvements to Pool Facility	2019-33	\$ 100,000.00
Improvement to Water Slides	2021-28	65,000.00
		<u>65,000.00</u>
	Above	<u>\$ 165,000.00</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

E-16

<u>Improvement</u>	<u>Ordinance</u>			<u>Balance</u> <u>Dec. 31, 2020</u>		<u>2021</u> <u>Authorizations</u>	<u>Paid or</u> <u>Charged</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
<u>General Improvements</u>										
Improvements to Pool Facility	2-13	2-19-13	\$ 78,750.00	\$ 51,430.86				\$ 51,430.86		
Improvements to Pool Facility	7-14	7-14-14	33,000.00		\$ 5,991.15		\$ 522.34			\$ 5,468.81
Improvements to Pool Facility	13-15	11-16-15	35,000.00	17,440.89				17,440.89		
Improvements to Pool Facility	17-16	8-3-16	30,000.00		24.46		24.46			
Construction of Splash Park	19-08	3-25-19	60,000.00	9,475.07			9,475.07			
Improvements to Pool Facility	19-33	10-21-19	850,000.00	99,400.00	750,000.00		10,133.91		\$ 89,266.09	750,000.00
Improvements to Water Slides	21-28	10-28-21	65,000.00			\$ 65,000.00			65,000.00	
				<u>\$ 177,746.82</u>	<u>\$ 756,015.61</u>	<u>\$ 65,000.00</u>	<u>\$ 20,155.78</u>	<u>\$ 68,871.75</u>	<u>\$ 154,266.09</u>	<u>\$ 755,468.81</u>
	<u>Ref.</u>			E	E	E-13	E-5	E-2	E	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2021

E-17

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Bonds Redeemed</u>	<u>Balance December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Pool Facilities	7-15-13	\$ 1,379,000.00	7-15-22/25	\$ 130,000.00	3.00 %	\$ 774,000.00	\$ 130,000.00	\$ 644,000.00
			7-15-26	124,000.00	3.00			
Improvements to Pool Facilities	7-20-17	171,000.00	2-15-22	10,000.00	2.00	140,000.00	10,000.00	130,000.00
			2-15-23/30	15,000.00	3.00			
						<u>\$ 914,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 774,000.00</u>
<u>Ref.</u>						E	E-14	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

E-18

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
7-14	Various Pool Improvements	3-4-21	3-5-22	2.00 %	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00
17-16	Various Pool Improvements	3-4-21	3-5-22	2.00	30,000.00	30,000.00	30,000.00	30,000.00
19-33	Improvements to Pool Facility	3-4-21	3-5-22	2.00	<u>750,000.00</u>	<u>750,000.00</u>	<u>750,000.00</u>	<u>750,000.00</u>
					<u>\$ 813,000.00</u>	<u>\$ 813,000.00</u>	<u>\$ 813,000.00</u>	<u>\$ 813,000.00</u>
				<u>Ref.</u>	E	E-5	E-5	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

DEFERRED CHARGES - N.J.S.A. 40A:4-53(m) SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2021

E-19

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2020</u>	<u>Balance December 31, 2021</u>
12-27-2020	COVID-19 Deficit	\$ 300,000.00	<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>
		<u>Ref.</u>	E	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

INTERFUNDS RECEIVABLE
POOL UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2021

E-20

	<u>Ref.</u>	<u>Due from General Capital Fund</u>
Balance, December 31, 2020	E	\$ -
Increased by:		
Cash Disbursement	E-5	<u>500,000.00</u>
Balance, December 31, 2021	E	<u>\$ 500,000.00</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

E-21

<u>Authorizations</u>	<u>Ordinance</u>		<u>Debt Authorized</u>	<u>Balance December 31, 2020</u>	<u>Canceled</u>	<u>Balance December 31, 2021</u>
	<u>Number</u>	<u>Date</u>				
Various Pool Improvements	8-09	6-1-2009	\$ 94,000.00	\$ 700.00	\$ 700.00	\$ -
				\$ 700.00	\$ 700.00	\$ -
			<u>Ref.</u>	E		E

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

F-1

	<u>Ref.</u>	
Balance, December 31, 2020	F	\$ 3,074.13
Increased by Receipts:		
Interest on Deposits	F-2	<u>0.12</u>
Balance, December 31, 2021	F	<u>\$ 3,074.25</u>

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

F-2

	<u>Ref.</u>	
Balance December 31, 2020	F	\$ 3,074.13
Increased by:		
Interest on Deposits	F-1	<u>0.12</u>
Balance December 31, 2021	F	<u>\$ 3,074.25</u>

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

CASH RECEIPT AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

G-2

	<u>Ref.</u>	<u>Fees Account</u>	<u>Memorial Account</u>	<u>Landsberger Account</u>
Balance, December 31, 2020	G	\$ 62,950.95	\$ 142,631.02	\$ 10,566.42
Increased by Receipts:				
Fees and Fines	G-1	\$ 1,344.41		
State Aid	G-1	7,316.00		
Donations	G-1	11,320.00		
Book Sales	G-1	1,946.75		
Printing	G-1	477.70		
Lost Book Fees	G-1	485.09		
Miscellaneous	G-1	494.68		
Interest on Landsberger Account	G-1			\$ 19.24
Interest on Fees Account	G-1	193.70		
Interest on Memorial Account	G-1		\$ 308.09	
		<u>23,578.33</u>	<u>308.09</u>	<u>19.24</u>
		86,529.28	142,939.11	10,585.66
Decreased by Disbursements:				
Books, Compact Discs, Supplies, Dues, Registrations, Refunds, Postage, Subscriptions and Programs	G-1	<u>19,014.54</u>		
		19,014.54		
Balance, December 31, 2021	G	<u><u>\$ 67,514.74</u></u>	<u><u>\$ 142,939.11</u></u>	<u><u>\$ 10,585.66</u></u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

H-1

	Balance December 31, 2020	Gross Payroll	Disbursements	Balance December 31, 2021
Net Salaries and Wages		\$ 11,127,489.46	\$ 11,127,489.46	
Federal and State Taxes		2,333,599.13	2,333,599.13	
Health Benefits		533,368.79	533,368.79	
FSA Contributions		13,583.08	13,583.08	
State Unemployment Compensation Insurance		14,027.89	14,027.89	
Public Employees' Retirement System	\$ (73.50)	433,660.74	433,596.49	\$ (9.25)
Police and Firemen's Retirement System	0.15	443,000.84	442,998.96	2.03
Defined Contribution Retirement	0.01	29,807.06	29,807.07	
457(B) Mass Mutual + Roth		354,668.64	354,668.64	
BlackRock 529 College Plan		450.00	450.00	
Garnishments		26,436.24	26,436.24	
OPEIU (Union Dues)		26,650.75	26,650.75	
PBA Dues		25,629.19	25,629.19	
County Educators FCU		4,950.00	4,950.00	
NY Life Insurance		3,291.36	3,291.36	
Colonial Life		11,783.31	11,783.31	
Other		5,000.00	3.34	4,996.66
	(73.34)	15,387,396.48	15,382,333.70	4,989.44
	\$ (73.34)	\$ 15,387,396.48	\$ 15,382,333.70	\$ 4,989.44
<u>Ref.</u>	H			H

See accompanying notes to the financial statements.

PART III
ROSTER OF OFFICIALS
GENERAL COMMENTS
YEAR ENDED DECEMBER 31, 2021

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS AT DECEMBER 31, 2021

<u>Name</u>	<u>Title</u>	<u>Amount of Surety</u>
Alex Roman	Mayor	
Christine McGrath	Deputy Mayor	
Jack McEvoy	Councilperson	
Cynthia Holland	Councilperson	
Christopher Tamburro	Councilperson	
Matthew Cavallo	Township Manager	
Christopher Kiernan	Police Chief	
Jim Cunningham	Dog License Official	
Jennifer Kiernan	Municipal Clerk	
Matthew Laracy	Chief Financial Officer (through September 30, 2021)	\$1,000,000.00
Jennifer Muscara	Chief Financial Officer (October 1, 2021 – December 31, 2021) Deputy Treasurer – Tax Collector Tax Search Officer	1,000,000.00
George Librizzi	Tax Assessor	
Brian Aloia	Township Attorney	
John A. Paparazzo	Magistrate	1,000,000.00
Erika Varela	Court Clerk	1,000,000.00
Brian Mason	Prosecutor	
Thomas Jacobsen	Construction Code Enforcement Officer	
Jim Cunningham	Director of Community Services	
Keith Costello	Acting Health Officer	
John Jahr	Township Engineer	
Lenny Waterman	Buildings and Grounds Superintendent	
Charles Molinaro	Superintendent of Public Works	
Claudine Pascale	Library Director	
Monica Vincent	Treasurer of Library Board of Trustees	10,000.00

Public Employee Dishonesty coverage in the amount of \$25,000.00, per loss, covers all other employees.

All policies were provided through the North Jersey Intergovernmental Insurance Fund.

GENERAL COMMENTS

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

N.J.S.A. 40A:11-4, as amended, states “Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement.”

It is pointed out that the Township Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit is \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states, “Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder.”

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

2021-001

Finding:

There were instances in which quotes were not provided for items selected for review which exceeded 15% of the bid threshold.

Recommendation:

We suggest that verification of quotes obtained for purchases which exceed 15% of the bid threshold be provided for review at the time of audit.

Collection of Interest on Delinquent Taxes and Other Municipal Charges

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2021 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

“WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments, and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Verona that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

GENERAL COMMENTS

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer and water utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum in the excess of \$1,500.00 and an additional penalty of six percent (6%) on any delinquency in excess of \$10,000.00 for the prior year.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes and Tax Title Liens

A tax sale was held in 2021 and was complete.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

Issuance of Bond Anticipation Notes

The Township, as of December 31, 2021, has issued bond anticipation notes in excess of what was authorized in the amount of \$147,760.25. At the maturity date of such bond anticipation notes, the Township should pay down outstanding notes using the cash on hand.

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

New Jersey Comptroller's Report on Sick and Vacation Leave Policies

On July 7, 2022, the Office of the New Jersey Comptroller ("Comptroller") issued a report titled "A Review of Sick and Vacation Leave Policies in New Jersey Municipalities," in which the Comptroller reviewed the sick and vacation leave policies of 60 municipalities against laws enacted by the New Jersey State Legislature in 2007 and 2010. The results of the report found that numerous policies of the municipalities reviewed were considered as non-compliant by the Comptroller with the applicable laws. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to implement. The Township was included as part of the Comptroller's review, which noted one instance of potential non-compliance. We suggest that the Township review its current policies and practices with its municipal labor attorney to ensure compliance with the applicable New Jersey State Statutes.

Finance Office Records

A review of the Finance Office's records indicated some differences with amounts reported in the Township's bank reconciliations as compared to the cash balances reported in the general ledger. The differences were a result of some transition within the office during the year. Adjustments were necessary to reconcile these differences. We suggest all bank reconciliations be in agreement with the cash balances reported in the Township's general ledger.

Corrective Action Plan

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. No findings were noted for the audit ended December 31, 2020 and therefore no corrective action plan was required.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions for pensions, withholding tax, social security and other purposes from individual employee salaries was not verified as part of this examination.

Activity of the State Unemployment Compensation Insurance Trust Fund, established for the accumulation of pertinent payroll deductions, municipal contributions and interest on deposits, appears in Section "B" of the report.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We would be pleased to confer on any questions that might arise with respect to any matters in this report and to assist in the implementation of recommendations.

RECOMMENDATIONS

2021-001

We suggest that verification of quotes obtained for purchases which exceed 15% of the bid threshold be provided for review at the time of audit.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,



David J. Gannon, CPA
Licensed Registered Municipal Accountant, No. 520

August 30, 2022