



TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY



REPORT ON EXAMINATION OF ACCOUNTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

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

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, 2022 AND 2021



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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022 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 Services, 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, 2022 and 2021, 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**

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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**

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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 –Supplementary Information Required by the Division and Part III – Roster of Officials and 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.

Report on Supplementary Information as Required by the Uniform Guidance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and related notes to the schedule of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and related notes are 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 September 28, 2023 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

September 28, 2023

David J. Gannon

David J. Gannon, CPA

Registered Municipal Accountant, No. 520

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 17,070,043.53	\$ 16,908,293.18
Cash - Change Funds	A-6	425.00	425.00
		<u>17,070,468.53</u>	<u>16,908,718.18</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	491,964.63	596,492.41
Property Acquired for Taxes at Assessed Valuation	A-10	267,817.00	267,817.00
Revenue Accounts Receivable	A-11	29,098.94	29,863.14
Interfunds Receivable	A-13	120,168.46	169,015.66
		<u>909,049.03</u>	<u>1,063,188.21</u>
Deferred Charges:			
Emergency Authorizations	A-12	285,556.98	671,946.22
		<u>18,265,074.54</u>	<u>18,643,852.61</u>
<u>Federal and State Grant Fund</u>			
Federal and State Grants Receivable	A-25	92,868.97	46,124.77
Interfunds Receivable	A-26	1,160,976.84	904,904.06
		<u>1,253,845.81</u>	<u>951,028.83</u>
		<u>\$ 19,518,920.35</u>	<u>\$ 19,594,881.44</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Committed	A-3, A-14	\$ 714,859.98	\$ 437,955.23
Uncommitted	A-3, A-14	1,558,888.23	1,948,875.24
Due to State of New Jersey, Ch. 129, P.L. 1976	A-7	14,050.44	12,383.92
Reserve for Maintenance of Free Public Library	A-16	1,561.19	1,561.19
Due to State of New Jersey, Marriage License and Building Surcharge	A-17	2,045.32	2,872.32
Tax Overpayments	A-18	91,483.56	146,836.68
Local School District Tax	A-19	6,195,484.48	7,627,640.98
County Taxes Payable	A-20	36,496.70	26,271.08
Accounts Payable	A-21	166,715.55	104,367.04
Interfunds Payable	A-13	1,104,231.93	872,662.89
Prepaid Taxes	A-22	388,643.56	397,228.28
Reserve for Tax Appeals	A-30	95,121.46	95,121.46
Reserve for Revaluation	A-29	6,017.21	7,649.32
Emergency Note Payable			65,000.00
Reserve for Sale of Township-Owned Property	A-15	19,248.19	19,248.19
Reserve for Municipal Relief	A-31	60,490.40	
		<u>10,455,338.20</u>	<u>11,765,673.82</u>
Reserve for Receivables		909,049.03	1,063,188.21
Fund Balance	A-1	<u>6,900,687.31</u>	<u>5,814,990.58</u>
		<u>18,265,074.54</u>	<u>18,643,852.61</u>
<u>Federal and State Grant Fund</u>			
Appropriated Reserves for Federal and State Grants	A-27	246,222.34	189,132.86
Unappropriated Grant Reserves	A-28	<u>1,007,623.47</u>	<u>761,895.97</u>
		<u>1,253,845.81</u>	<u>951,028.83</u>
		<u>\$ 19,518,920.35</u>	<u>\$ 19,594,881.44</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, 2022 AND 2021

A-1

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 3,450,000.00	\$ 3,150,000.00
Miscellaneous Revenue Anticipated	A-2	5,265,563.80	4,790,865.75
Receipts from Current Taxes	A-2c	71,266,642.60	70,039,606.50
Receipts from Delinquent Taxes	A-2c	561,486.39	632,100.68
Nonbudget Revenue	A-2d	534,160.50	199,840.66
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	A-14	1,838,784.74	2,178,477.10
Cancellation of Grant Balances			0.48
6% Delinquent Penalty	A-11	14,061.33	12,966.56
Tax Overpayments Canceled	A-18	14,331.06	16,549.58
Total Revenue and Other Income		<u>82,945,030.42</u>	<u>81,020,407.31</u>
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		8,697,257.88	8,494,633.45
Other Expenses		9,738,313.46	9,694,851.08
Capital Improvements		150,000.00	150,000.00
Statutory Expenditures		2,158,191.00	2,174,339.00
Deferred Charges		386,389.24	80,000.00
Debt Service		<u>3,684,574.93</u>	<u>3,631,379.44</u>
Total Expenditures	A-3	<u>24,814,726.51</u>	<u>24,225,202.97</u>
Prior Year Senior Citizens' Exemptions Disallowed	A-8	497.95	697.95
Interfunds Advanced	A-1	156,982.01	50,000.00
Local School District Taxes	A-19	40,418,677.00	39,971,905.00
County Taxes	A-20	12,540,486.31	12,486,855.12
Municipal Open Space Levy	A-23	<u>477,963.91</u>	<u>477,434.08</u>
Total Expenditures		<u>78,409,333.69</u>	<u>77,212,095.12</u>
Excess in Revenue		4,535,696.73	3,808,312.19
Adjustment to Income before Fund Balance:			
Charges Which are by Statute Deferred			
Charges to Budgets of Succeeding Years'			
Emergency Authorization			<u>250,000.00</u>
Statutory Excess in Revenue		4,535,696.73	4,058,312.19
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>5,814,990.58</u>	<u>4,906,678.39</u>
		10,350,687.31	8,964,990.58
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>3,450,000.00</u>	<u>3,150,000.00</u>
Balance, End of Year	A	<u>\$ 6,900,687.31</u>	<u>\$ 5,814,990.58</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2022

A-2

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
<u>General Revenue</u>				
Fund Balance Anticipated	A-1	\$ 3,450,000.00	\$ 3,450,000.00	
Miscellaneous Revenue	A-1, A-2a	4,606,844.38	5,265,563.80	\$ 658,719.42
Receipts from Delinquent Taxes	A-1, A-2c	500,000.00	561,486.39	61,486.39
Amount to be Raised by Taxes for Support of Municipal Budget	A-2c	<u>18,115,597.20</u>	<u>19,640,015.38</u>	<u>1,524,418.18</u>
Budget Totals	A-3	26,672,441.58	28,917,065.57	2,244,623.99
Nonbudget Revenue	A-1, A-2d	<u> </u>	<u>534,160.50</u>	<u>534,160.50</u>
Total Revenue		<u>\$ 26,672,441.58</u>	<u>\$ 29,451,226.07</u>	<u>\$ 2,778,784.49</u>
Original Budget		\$ 26,601,719.13		
Chapter 159 Budget Amendments		70,722.45		
		<u>\$ 26,672,441.58</u>		

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
MISCELLANEOUS REVENUE ANTICIPATED
YEAR ENDED DECEMBER 31, 2022

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Licenses:				
Alcoholic Beverages	A-11	\$ 15,000.00	\$ 16,860.00	\$ 1,860.00
Other	A-2b	12,500.00	30,056.00	17,556.00
Fees and Permits	A-2b	75,500.04	114,230.69	38,730.65
Fines and Costs:				
Municipal Court	A-11	62,000.00	124,885.38	62,885.38
Parking Meters	A-11	20,000.00	39,259.55	19,259.55
Recreation Fees	A-11	190,000.00	316,497.00	126,497.00
Interest and Costs on Taxes	A-4	137,875.00	217,637.74	79,762.74
Interest on Investments and Deposits	A-11	35,000.00	202,093.24	167,093.24
Payments in Lieu of Taxes:				
Hilltop - I	A-11	385,000.00	410,972.72	25,972.72
Hilltop - II	A-11	410,000.00	471,616.40	61,616.40
Annin Lofts	A-11	318,000.00	313,503.92	(4,496.08)
Verona Place Urban Renewal	A-11	36,978.00	57,579.30	20,601.30
Children's Institute	A-11	17,624.00	17,624.00	
Verona Senior Citizens' Associates HFA #661	A-11	202,728.00	233,721.95	30,993.95
Tower Lease	A-11	139,000.00	117,316.70	(21,683.30)
Community Center Rental	A-11	12,125.00	41,745.00	29,620.00
Uniform Fire Safety Act	A-11	14,000.00	26,408.13	12,408.13
General Capital Surplus	A-11	200,000.00	200,000.00	
Verizon - Franchise Fee	A-11	148,769.00	148,769.19	0.19
Comcast - Franchise Fee	A-11	78,759.00	76,759.23	(1,999.77)
Leaf Bag Sales	A-11	6,000.00	6,836.00	836.00
Uniform Construction Code Fees	A-11	300,000.00	291,205.32	(8,794.68)
Consolidated CMPTRA Allocation	A-11	1,159,622.00	1,159,622.00	
Interlocal Agreements - Roseland	A-11	139,137.00	139,137.00	
Federal and State Grants:				
Municipal Alliance	A-25	20,375.00	20,375.00	
Distracted Driving	A-25	7,000.00	7,000.00	
Clean Communities	A-25	27,445.90	27,445.90	
Body Armor Replacement Fund	A-25	1,589.39	1,589.39	
Recycling Tonnage Grant	A-25	14,775.50	14,775.50	
Body Worn Camera	A-25	61,140.00	61,140.00	
National Opioid	A-25	7,751.55	7,751.55	
VMAC	A-25	8,150.00	8,150.00	
Highway Traffic and Safety Distracted Driving	A-25	7,000.00	7,000.00	
American Rescue Plan	A-11	336,000.00	336,000.00	
	A-2	<u>\$ 4,606,844.38</u>	<u>\$ 5,265,563.80</u>	<u>\$ 658,719.42</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, 2022

A-2b

	<u>Ref.</u>		
Other Licenses:			
Township Clerk	A-11	\$ 12,355.00	
Construction Code Official	A-11	150.00	
Health Officer	A-11	17,470.00	
Registrar of Vital Statistics	A-11	<u>81.00</u>	
	A-2a		<u>\$ 30,056.00</u>
Fees and Permits:			
Miscellaneous	A-11	\$ 16,065.19	
Board of Adjustment	A-11	3,370.00	
Public Works	A-11	3,011.50	
Health Copies	A-11	3,040.00	
Medical Transport	A-11	4,485.00	
Marriage Donation	A-11	400.00	
Parking Permits	A-11	50,745.00	
Police Fees	A-11	3,805.00	
Fire Detectors	A-11	20,325.00	
Towing	A-11	1,524.00	
Rent Board	A-11	<u>7,460.00</u>	
	A-2a		<u>\$ 114,230.69</u>

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX COLLECTIONS
YEAR ENDED DECEMBER 31, 2022

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-9	\$ 561,486.39	
Delinquent Tax Collections	A-1, A-2		<u>\$ 561,486.39</u>
<u>Allocation of Current Taxes</u>			
Due from State of New Jersey	A-9	55,250.00	
2021 Collections	A-9	399,773.03	
2022 Collections	A-9	<u>70,811,619.57</u>	
	A-1		\$ 71,266,642.60
Allocated to:			
Local School District Tax	A-1, A-9, A-20	40,418,677.00	
County Taxes	A-1, A-9, A-21	12,540,486.31	
Municipal Open Space Taxes	A-1, A-24	<u>477,963.91</u>	
			<u>53,437,127.22</u>
			17,829,515.38
Plus: Appropriation for "Reserve for			
Uncollected Taxes"	A-3		<u>1,810,500.00</u>
Amount for Support of Municipal			
Budget Appropriations	A-2		<u>\$ 19,640,015.38</u>

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
YEAR ENDED DECEMBER 31, 2022

A-2d

Ref.

FEMA Storm Recovery Ida	\$	238,302.24	
FEMA Generator Sandy		100,000.00	
NYCB Interest		78,281.15	
Gov Deals		32,657.01	
FEMA Storm Recovery Isais		25,056.06	
2020 Refund Duplicate Payment		2,226.96	
Street Sweeper Rental		7,000.00	
FEMA Covid Expenses		39,886.90	
Duplicate Bills		525.00	
Local Recycling Program		3,957.02	
Public Works Containers		220.00	
Escheated Court Checks		1.00	
Out of Town 200 ft. List		100.00	
Unclaimed Property		26.88	
Atlantic Coast Fibers		2,082.61	
Sold Shed		500.00	
2021 Tax Overpayment TOV owned property		1.96	
Other Receipts		<u>3,335.71</u>	
	A-4		<u>\$ 534,160.50</u>
	A-1, A-2		<u><u>\$ 534,160.50</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2022

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	\$ 264,000.00	\$ 239,000.00	\$ 210,243.70		\$ 28,756.30	
Mayor and Council	13,500.00	13,500.00	13,238.16		261.84	
Township Clerk	108,000.00	108,000.00	100,513.42	\$ 35.00	7,451.58	
Other Expenses	70,700.00	73,700.00	65,763.27	6,273.40	1,663.33	
Elections:						
Other Expenses	40,100.00	40,100.00	14,581.34	200.00	25,318.66	
Financial Administration:						
Annual Audit	65,000.00	65,000.00	565.00	41,000.00	23,435.00	
Administrative and Economic Development:						
Other Expenses	27,600.00	27,600.00	16,238.81	6,125.00	5,236.19	
Assessment of Taxes:						
Salaries and Wages	167,114.00	167,114.00	160,737.22		6,376.78	
Other Expenses	35,625.00	35,625.00	34,178.94	1,100.00	346.06	
Collection of Taxes:						
Salaries and Wages	240,500.00	236,500.00	184,050.59		52,449.41	
Other Expenses:						
Tax Sale Costs	1,000.00	1,000.00	240.00		760.00	
Miscellaneous Other Expenses	44,500.00	44,500.00	34,035.09	884.74	9,580.17	
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	16,003.94		5,996.06	
Other Expenses	219,200.00	244,200.00	190,538.37	46,656.25	7,005.38	
Public Buildings and Grounds:						
Salaries and Wages	327,000.00	335,000.00	327,226.19		7,773.81	
Other Expenses	228,500.00	220,500.00	145,253.57	63,976.07	11,270.36	
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages	12,000.00	12,000.00	3,199.61		8,800.39	
Other Expenses	16,950.00	16,950.00	12,929.78	866.62	3,153.60	
Board of Adjustment:						
Salaries and Wages	18,500.00	18,500.00	18,421.13		78.87	
Other Expenses	23,750.00	23,750.00	12,735.10	5,666.62	5,348.28	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

A-3
Sheet # 2

	Appropriations		Expended			Unexpended
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Rent Leveling Board:						
Salaries and Wages	\$ 5,000.00	\$ 5,000.00	\$ 4,000.00		\$ 1,000.00	
Other Expenses	12,750.00	12,750.00	5,830.64	\$ 5,500.00	1,419.36	
Shade Trees:						
Other Expenses	125,000.00	125,050.00	124,813.00	200.00	37.00	
Municipal Court:						
Salaries and Wages	176,500.00	176,500.00	151,005.12		25,494.88	
Other Expenses	15,150.00	15,150.00	7,411.93	2,004.76	5,733.31	
Insurance (N.J.S.A. 40a:4-45(00) P.L. 2003, C92 S-906):						
General Liability	425,000.00	425,000.00	389,000.00		36,000.00	
Employee Group Health	2,223,798.00	2,223,798.00	1,853,151.82	3,264.80	367,381.38	
Health Waivers	65,000.00	65,000.00	47,015.82		17,984.18	
	<u>4,995,737.00</u>	<u>4,994,787.00</u>	<u>4,142,921.56</u>	<u>183,753.26</u>	<u>668,112.18</u>	
<u>PUBLIC SAFETY</u>						
Fire:						
Other Expenses:						
Miscellaneous Other Expenses	138,100.00	138,100.00	117,139.37	19,827.15	1,133.48	
Fire Prevention:						
Salaries and Wages	90,000.00	90,000.00	63,334.50	25,000.00	1,665.50	
Other Expenses	8,000.00	8,000.00	4,803.50	2,971.08	225.42	
Police:						
Salaries and Wages	4,704,250.00	4,704,250.00	4,607,705.53		96,544.47	
Other Expenses	393,200.00	393,200.00	337,721.99	54,249.82	1,228.19	
Communications:						
Salaries and Wages	125,559.00	125,559.00	101,684.52	13,500.00	10,374.48	
Other Expenses	142,500.00	142,500.00	128,738.87	13,137.80	623.33	
Police Dispatchers:						
Salaries and Wages	308,000.00	308,000.00	282,637.74		25,362.26	
Parking Meter Maintenance:						
Other Expenses	3,000.00	3,000.00			3,000.00	
Rescue Squad:						
Other Expenses	65,000.00	65,000.00	65,000.00			
Emergency Management Services:						
Other Expenses	10,000.00	15,000.00	14,519.75		480.25	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

A-3
Sheet # 3

	Appropriations		Expended			Unexpended
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Road Repairs and Maintenance:						
Salaries and Wages	\$ 1,005,825.00	\$ 1,005,825.00	\$ 984,221.39		\$ 21,603.61	
Other Expenses	391,000.00	391,000.00	312,269.33	\$ 70,567.78	8,162.89	
Vehicle Maintenance	105,000.00	105,000.00	76,110.22	13,309.61	15,580.17	
	<u>7,489,434.00</u>	<u>7,494,434.00</u>	<u>7,095,886.71</u>	<u>212,563.24</u>	<u>185,984.05</u>	<u>-</u>
<u>HEALTH AND WELFARE</u>						
Board of Health - Local Health Agency:						
Board of Health:						
Salaries and Wages	27,000.00	22,000.00	19,736.25	2,000.00	263.75	
Other Expenses	130,700.00	135,700.00	133,650.52	1,245.00	804.48	
Dog Licensing:						
Other Expenses	5,000.00					
	<u>162,700.00</u>	<u>157,700.00</u>	<u>153,386.77</u>	<u>3,245.00</u>	<u>1,068.23</u>	<u>-</u>
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages	604,000.00	624,000.00	612,039.43		11,960.57	
Other Expenses	180,000.00	180,000.00	173,151.39	6,759.08	89.53	
Field Maintenance	45,000.00	45,000.00	32,724.14	11,717.07	558.79	
Contribution to Senior Citizens' Center (N.J.S.A. 40:48-9.4):						
Salaries and Wages	30,500.00	29,450.00	23,565.00	4,450.00	1,435.00	
Other Expenses	6,000.00	6,000.00	4,427.85	1,517.38	54.77	
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	79,300.00	80,300.00	78,313.44	1,056.35	930.21	
	<u>944,800.00</u>	<u>964,750.00</u>	<u>924,221.25</u>	<u>25,499.88</u>	<u>15,028.87</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
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Canceled
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages	\$ 14,000.00	\$ 14,000.00	\$ 12,735.36		\$ 1,264.64	
Other Expenses	481,000.00	481,000.00	332,366.79	\$ 52,872.07	95,761.14	
Garbage and Trash Removal - Contractual	1,669,625.00	1,669,625.00	1,159,350.22	202,091.77	308,183.01	
Commercial Revitalization:						
Other Expenses	10,000.00	7,000.00			7,000.00	
	<u>2,174,625.00</u>	<u>2,171,625.00</u>	<u>1,504,452.37</u>	<u>254,963.84</u>	<u>412,208.79</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	432,000.00	432,000.00	402,858.98		29,141.02	
Other Expenses	47,925.00	47,925.00	37,549.52	6,585.46	3,790.02	
	<u>479,925.00</u>	<u>479,925.00</u>	<u>440,408.50</u>	<u>6,585.46</u>	<u>32,931.04</u>	
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	450,000.00	463,000.00	431,218.11		31,781.89	
Telephone, Internet, Cable	110,000.00	97,000.00	93,262.78		3,737.22	
Gasoline	180,000.00	180,000.00	142,297.59	26,079.92	11,622.49	
Salary and Wage Adjustment	20,000.00					
Compensated Absences Liability	50,000.00	50,000.00	50,000.00			
	<u>810,000.00</u>	<u>790,000.00</u>	<u>716,778.48</u>	<u>26,079.92</u>	<u>47,141.60</u>	
<u>CONTINGENT</u>	<u>35,000.00</u>	<u>35,000.00</u>			<u>35,000.00</u>	
Total Operations Within "CAPS"	<u>17,092,221.00</u>	<u>17,088,221.00</u>	<u>14,978,055.64</u>	<u>712,690.60</u>	<u>1,397,474.76</u>	-
Detail:						
Salaries and Wages	8,729,248.00	8,729,248.00	8,361,893.14		335,364.74	
Other Expenses	8,362,973.00	8,362,973.00	6,616,162.50	712,690.60	1,062,110.02	-

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

A-3
Sheet # 5

	Appropriations		Expended			Unexpended
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	Balance Canceled
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
Deferred Charges:						
Contributions to:						
Public Employees' Retirement System	\$ 468,259.00	\$ 472,259.00	\$ 472,205.38		\$ 53.62	
Social Security System (OASI)	425,000.00	425,000.00	368,999.77		56,000.23	
Police and Firemen's Retirement System of N.J.	1,230,932.00	1,230,932.00	1,230,932.00			
Defined Contribution Retirement Plan	30,000.00	30,000.00	19,124.38		10,875.62	
Total Deferred Charges and Statutory Expenditures	<u>2,154,191.00</u>	<u>2,158,191.00</u>	<u>2,091,261.53</u>		<u>66,929.47</u>	
Total Appropriations Within "CAPS"	<u>19,246,412.00</u>	<u>19,246,412.00</u>	<u>17,069,317.17</u>	<u>\$ 712,690.60</u>	<u>1,464,404.23</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	967,950.00	967,950.00	927,800.49	2,169.38	37,980.13	
Recycling - State Tax	12,764.00	12,764.00	0.00		12,764.00	
Reserve for Tax Appeals	<u>75,000.00</u>	<u>75,000.00</u>	<u>75,000.00</u>			
	<u>1,055,714.00</u>	<u>1,055,714.00</u>	<u>1,002,800.49</u>	<u>2,169.38</u>	<u>50,744.13</u>	<u>-</u>
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of Roseland:						
Construction Code Official	87,909.00	87,909.00	72,789.13		15,119.87	
Construction Outside Contract Official	17,500.00	17,500.00	17,472.00		28.00	
Fire Sub-Code Official	<u>31,000.00</u>	<u>31,000.00</u>	<u>2,408.00</u>		<u>28,592.00</u>	
	<u>136,409.00</u>	<u>136,409.00</u>	<u>92,669.13</u>	<u>-</u>	<u>43,739.87</u>	
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
VMAC Grant		20,375.00	20,375.00			
VMAC Grant - Ch. 159: July 2021 - June 2022		8,150.00	8,150.00			
Body Worn Camera Assistance	61,140.00	61,140.00	61,140.00			
Recycling Tonnage Grant	14,775.50	14,775.50	14,775.50			
Drive Sober or Get Pulled Over		7,000.00	7,000.00			
Body Armor Replacement Fund	1,589.39	1,589.39	1,589.39			
Distracted Driving	7,000.00	7,000.00	7,000.00			
National Opioid		7,751.55	7,751.55			
Clean Communities - Ch. 159		27,445.90	27,445.90			
	<u>84,504.89</u>	<u>155,227.34</u>	<u>155,227.34</u>			
Total Appropriations Excluded from "CAPS"	<u>1,276,627.89</u>	<u>1,347,350.34</u>	<u>1,250,696.96</u>	<u>2,169.38</u>	<u>94,484.00</u>	

TOWNSHIP OF VERONA
CURRENT FUND
 STATEMENT OF EXPENDITURES
 REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2022

A-3
 Sheet #6

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Detail:						
Other Expenses	\$ 1,276,627.89	\$ 1,347,350.34	\$ 1,250,696.96	\$ 2,169.38	\$ 94,484.00	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	2,730,000.00	2,730,000.00	2,730,000.00			
Interest on Bonds	550,000.00	550,000.00	507,777.50			\$ 42,222.50
Interest on Notes	265,000.00	265,000.00	260,889.97			4,110.03
Loan Repayments for Principal and Interest	122,190.00	122,190.00	122,189.96			0.04
Emergency Note Interest - Property Revaluation	1,500.00	1,500.00	617.50			882.50
	3,731,790.00	3,731,790.00	3,684,574.93			47,215.07
<u>DEFERRED CHARGES</u>						
Special Emergency Authorization	136,389.24	136,389.24	136,389.24			
Emergency Authorization	250,000.00	250,000.00	250,000.00			
	386,389.24	386,389.24	386,389.24			
Total Appropriations Excluded from "CAPS"	5,544,807.13	5,615,529.58	5,471,661.13	2,169.38	94,484.00	47,215.07
Sub-Total	24,791,219.13	24,861,941.58	22,540,978.30	714,859.98	1,558,888.23	47,215.07
Reserve for Uncollected Taxes	1,810,500.00	1,810,500.00	1,810,500.00			
Total General Appropriations	\$ 26,601,719.13	\$ 26,672,441.58	\$ 24,351,478.30	\$ 714,859.98	\$ 1,558,888.23	\$ 47,215.07
	<u>Ref.</u>	<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A</u>	<u>Below</u>
Original Budget	Above, A-2	\$ 26,601,719.13				
Chapter 159 Budget Amendments	Above, A-2	70,722.45				
Reserve for Uncollected Taxes	A-2c	(1,810,500.00)	\$ 1,810,500.00			
Cash Disbursed	A-5		22,154,589.06			
Deferred Charge - Emergency	A-12		386,389.24			
Canceled	Above	(47,215.07)				
		<u>\$ 24,814,726.51</u>	<u>\$ 24,351,478.30</u>			
	<u>Ref.</u>	<u>A-1</u>	<u>Above</u>			

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
TRUST FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	<u>\$ 15,699.14</u>	<u>\$ 25,809.60</u>
<u>Trust - Other Fund</u>			
Cash - Checking	B-2	2,628,207.52	2,351,894.03
Due from Essex County	B-3	<u>189,840.00</u>	<u>189,840.00</u>
		<u>2,818,047.52</u>	<u>2,541,734.03</u>
<u>Open Space Trust Fund</u>			
Cash - Checking	B-2	754,305.38	54,454.84
Prepaid Open Space Tax			9,242.62
		<u>754,305.38</u>	<u>63,697.46</u>
		<u>\$ 3,588,052.04</u>	<u>\$ 2,631,241.09</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Interfunds Payable	B-4	\$ 4,550.74	\$ 13,894.20
Reserve for Expenditures	B-8	<u>11,148.40</u>	<u>11,915.40</u>
		<u>15,699.14</u>	<u>25,809.60</u>
<u>Trust - Other Fund</u>			
Interfunds Payable	B-4	256,298.37	256,298.37
Special Deposits	B-5	1,746,009.59	1,535,948.51
Unemployment Compensation Insurance Fund	B-6	466,074.31	449,393.14
Reserve for Community Development Block Grant	B-7	189,841.00	189,841.00
Escrow Deposits	B-9	159,823.87	110,252.63
Fund Balance	B-1	<u>0.38</u>	<u>0.38</u>
		<u>2,818,047.52</u>	<u>2,541,734.03</u>
<u>Open Space Trust Fund</u>			
Interfunds Payable	B-4	63,697.46	63,697.46
Reserve for Open Space Trust	B-11	<u>690,607.92</u>	<u></u>
		<u>754,305.38</u>	<u>63,697.46</u>
		<u>\$ 3,588,052.04</u>	<u>\$ 2,631,241.09</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
TRUST FUND

STATEMENT OF FUND BALANCE
YEARS ENDED DECEMBER 31, 2022 AND 2021

B-1

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	B	<u>\$ 0.38</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	C-2	\$ 7,029,675.59	\$ 278,609.34
Due from State of New Jersey:			
Grants and Aid	C-4	767,500.00	1,093,992.33
Interfunds Receivable	C-6	168,129.46	192,633.20
Deferred Charges to Future Taxation:			
Funded	C-7	15,314,337.86	18,154,407.23
Unfunded	C-8	30,268,787.54	27,952,307.75
		<u>\$ 53,548,430.45</u>	<u>\$ 47,671,949.85</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds	C-17	\$ 14,793,000.00	\$ 17,523,000.00
Bond Anticipation Notes	C-15	29,061,400.00	21,038,500.00
Green Acres Loan Payable	C-16	521,337.86	631,407.23
Capital Improvement Fund	C-9	344,978.38	262,566.19
Interfunds Payable	C-6	20,496.26	500,000.00
Reserve for:			
Debt Service	C-10	1,149.73	1,149.73
Future Improvements	C-11	802,980.25	782,980.25
State Grants and Aid Receivable	C-12	767,500.00	1,093,992.33
Refunding Bond Sale Costs		5,651.24	5,651.24
Improvement Authorizations:			
Funded	C-13	353,897.66	406,318.64
Unfunded	C-13	6,643,886.97	5,159,089.26
Fund Balance	C-1	232,152.10	267,294.98
		<u>\$ 53,548,430.45</u>	<u>\$ 47,671,949.85</u>
 Bonds and Notes Authorized but Not Issued	 C-18	 <u>\$ 2,097,068.00</u>	 <u>\$ 7,061,568.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2022

C-1

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 267,294.98
Increased by:			
Premium on Note Issued	C-2	\$ 155,261.58	
Improvement Authorizations Canceled	C-13	<u>9,595.54</u>	
			<u>164,857.12</u>
			432,152.10
Decreased by:			
Utilized in Current Fund Budget	C-2		<u>200,000.00</u>
Balance, December 31, 2022	C		<u><u>\$ 232,152.10</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

D
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Operating Fund</u>			
Cash - Checking	D-5	\$ 1,488,378.57	\$ 1,357,417.08
Cash - Investment Account	D-6	690,000.00	690,000.00
		<u>2,178,378.57</u>	<u>2,047,417.08</u>
Change Fund		130.00	130.00
		<u>2,178,508.57</u>	<u>2,047,547.08</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-8	834,587.81	1,052,494.27
		<u>834,587.81</u>	<u>1,052,494.27</u>
Deferred Charges:			
Over Expenditure of Appropriations	D-22	16,807.00	
		<u>3,029,903.38</u>	<u>3,100,041.35</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	1,812,026.11	1,143,014.43
Fixed Capital	D-9	46,160,364.03	45,870,364.03
Fixed Capital Authorized and Uncompleted	D-10	7,941,819.11	7,136,819.11
		<u>55,914,209.25</u>	<u>54,150,197.57</u>
		<u>\$ 58,944,112.63</u>	<u>\$ 57,250,238.92</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Committed	D-4, D-11	\$ 650,046.86	\$ 141,142.50
Uncommitted	D-4, D-11	313,035.55	164,207.44
Accrued Interest on Bonds and Notes	D-12	120,272.83	81,940.83
Accrued Interest on Loans	D-13	1,970.97	6,861.96
Water/Sewer Overpayments	D-14	14,751.40	14,751.40
		<u>1,100,077.61</u>	<u>408,904.13</u>
Reserve for Receivables		834,587.81	1,052,494.27
Fund Balance	D-1	<u>1,095,237.96</u>	<u>1,638,642.95</u>
		<u>3,029,903.38</u>	<u>3,100,041.35</u>
<u>Capital Fund</u>			
Serial Bonds	D-20	2,093,000.00	2,563,000.00
Waste Water Treatment Loans Payable	D-19	208,013.66	400,181.03
Bond Anticipation Notes	D-21	4,341,900.00	2,908,500.00
Capital Improvement Fund	D-15	172,076.00	167,076.00
Reserve for:			
Amortization	D-16	45,152,969.48	44,426,718.28
Deferred Amortization	D-17	300,800.00	495,800.00
Improvement Authorizations:			
Funded	D-18	148,671.74	139,032.30
Unfunded	D-18	2,852,361.82	2,796,369.85
Fund Balance	D-2	<u>644,416.55</u>	<u>253,520.11</u>
		<u>55,914,209.25</u>	<u>54,150,197.57</u>
		<u>\$ 58,944,112.63</u>	<u>\$ 57,250,238.92</u>
Bonds and Notes Authorized but Not Issued	D-23	<u>\$ 2,005,500.00</u>	<u>\$ 2,505,500.00</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, 2022 AND 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 800,000.00	\$ 800,000.00
Water/Sewer Rents	D-3	6,924,969.02	6,154,603.75
Miscellaneous	D-3	288,073.48	467,295.89
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-11	10,179.07	431,640.02
		<u>8,023,221.57</u>	<u>7,853,539.66</u>
<u>Expenditures</u>			
Operating	D-4	6,332,194.00	5,602,075.00
Capital Improvements	D-4	100,000.00	52,276.00
Debt Service	D-4	910,284.56	981,792.07
Statutory Expenditures	D-4	440,955.00	440,955.00
		<u>7,783,433.56</u>	<u>7,077,098.07</u>
Excess in Revenue/Statutory Excess		239,788.01	776,441.59
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute			
Deferred Charges to Succeeding Years Budget	D-4	16,807.00	
Statutory Excess in Revenue		256,595.01	776,441.59
<u>Fund Balance</u>			
Balance, Beginning of Year	D	1,638,642.95	1,662,201.36
		<u>1,895,237.96</u>	<u>2,438,642.95</u>
Decreased by:			
Amount Utilized in Operating Budget	D-3	800,000.00	800,000.00
Balance, End of Year	D	<u>\$ 1,095,237.96</u>	<u>\$ 1,638,642.95</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, 2022

	<u>Ref.</u>		
Balance, December 31, 2021	D		\$ 253,520.11
Increased by:			
Prior Year Funded Improvement Authorizations Canceled	D-16	\$ 292,516.17	
Funded Improvement Authorizations Canceled	D-18	52,043.43	
Premium on Note Sale	D-5	<u>46,336.84</u>	
			<u>644,416.55</u>
Balance, December 31, 2022	D		<u><u>\$ 644,416.55</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-3

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2022

<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	6,721,519.00	6,924,969.02	\$ 203,450.02
Miscellaneous	D-1, D-5	<u>250,000.00</u>	<u>288,073.48</u>	<u>38,073.48</u>
	D-4	<u>\$ 7,771,519.00</u>	<u>\$ 8,013,042.50</u>	<u>\$ 241,523.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-4

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2022

Appropriations	Budget	Modified Budget	Expended			Unexpended Balance Canceled	Overexpenditure
			Paid or Charged	Encumbered	Reserved		
<u>Operating</u>							
Salaries and Wages	\$ 2,052,707.00	\$ 2,052,707.00	\$ 1,764,438.58		\$ 288,268.42		
Other Expenses	4,279,487.00	4,279,487.00	3,604,673.01	\$ 650,046.86	24,767.13		
<u>Capital Improvements</u>							
Capital Improvement Fund	100,000.00	100,000.00	100,000.00				
<u>Debt Service</u>							
Payment of Bond Principal	470,000.00	470,000.00	470,000.00				
Interest on Bonds	83,705.00	83,705.00	83,705.00				
Interest on Notes	69,695.00	69,695.00	86,502.00				\$ 16,807.00
Payment on Bond Anticipation Notes and Capital Notes	66,600.00	66,600.00	66,600.00				
State of New Jersey:							
Loan Principal	197,150.00	197,150.00	197,149.79			\$ 0.21	
Loan Interest	11,220.00	11,220.00	6,327.77			4,892.23	
<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	<u>\$ 7,771,519.00</u>	<u>\$ 7,771,519.00</u>	<u>\$ 6,820,351.15</u>	<u>\$ 650,046.86</u>	<u>\$ 313,035.55</u>	<u>\$ 4,892.44</u>	<u>\$ 16,807.00</u>
<u>Ref.</u>	D-3		Below	D	D	Below	D, D-22
<u>Ref.</u>							
Adopted Budget	D-3	\$ 7,771,519.00					
Cash Disbursed	D-5		\$ 6,643,816.38				
Accrued Interest on Bonds and Notes	D-12		170,207.00				
Accrued Interest on Loans	D-13		6,327.77				
Canceled	Above	(4,892.44)					
		<u>\$ 7,766,626.56</u>	<u>\$ 6,820,351.15</u>				
<u>Ref.</u>	D-1		Above				

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Operating Fund</u>			
Cash - Checking Account	E-5	\$ 273,972.31	\$ 322,126.93
Deferred Charges:			
Special Emergency	E-19	240,000.00	300,000.00
		<u>513,972.31</u>	<u>622,126.93</u>
<u>Capital Fund</u>			
Cash - Checking Account	E-5	548,826.91	519,519.12
		<u>548,826.91</u>	<u>519,519.12</u>
Interfunds Receivable			500,000.00
Fixed Capital	E-8	4,902,919.52	4,837,919.52
Fixed Capital Authorized and Uncompleted	E-10	1,708,000.00	948,000.00
		<u>7,159,746.43</u>	<u>6,805,438.64</u>
		<u>\$ 7,673,718.74</u>	<u>\$ 7,427,565.57</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-11	\$ 31,196.40	\$ 5,758.01
Uncommitted	E-4, E-11	27,488.11	91,423.74
Accrued Interest on Bonds and Notes	E-12	23,895.83	24,146.67
		<u>82,580.34</u>	<u>121,328.42</u>
Interfunds Payable			60,000.00
Fund Balance	E-1	431,391.97	440,798.51
		<u>513,972.31</u>	<u>622,126.93</u>
<u>Capital Fund</u>			
Serial Bonds	E-17	634,000.00	774,000.00
Bond Anticipation Notes	E-18	810,700.00	813,000.00
Capital Improvement Fund	E-13	51,925.00	66,925.00
Reserve for Amortization	E-14	4,240,519.52	4,033,219.52
Deferred Reserve for Amortization	E-15	125,000.00	165,000.00
Improvement Authorizations:			
Funded	E-16	1,560.00	154,266.09
Unfunded	E-16	1,288,567.46	755,468.81
Fund Balance	E-2	7,474.45	43,559.22
		<u>7,159,746.43</u>	<u>6,805,438.64</u>
		<u>\$ 7,673,718.74</u>	<u>\$ 7,427,565.57</u>
Bonds and Notes Authorized but Not Issued	E-21	\$ 800,000.00	\$ -

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, 2022 AND 2021

E-1

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 154,130.00	\$ 115,000.00
Membership Fees	E-3	525,100.00	486,106.31
Miscellaneous	E-3	86,321.03	57,406.02
Pool Capital Surplus	E-3	43,500.00	130,000.00
American Rescue Plan	E-3	60,000.00	
Appropriation Reserves Lapsed	E-11	90,051.59	84,129.32
		<u>959,102.62</u>	<u>872,641.65</u>
<u>Expenditures</u>			
Operating	E-4	552,050.00	528,550.00
Capital Improvements	E-4	10,000.00	10,000.00
Debt Service	E-4	181,329.16	182,477.92
Statutory Expenditures and Deferred Charges	E-4	71,000.00	11,000.00
		<u>814,379.16</u>	<u>732,027.92</u>
Excess in Revenue		144,723.46	140,613.73
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>440,798.51</u>	<u>415,184.78</u>
		585,521.97	555,798.51
Decreased by:			
Amount Utilized in Operating Budget	Above	<u>154,130.00</u>	<u>115,000.00</u>
Balance, End of Year	E	<u>\$ 431,391.97</u>	<u>\$ 440,798.51</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2022

E-2

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 43,559.22
Increased by:		
Premium on Sale of Notes	E-5	<u>7,415.23</u>
		50,974.45
Decreased by:		
Anticipated as Revenue in the 2022 Budget	E-5	<u>43,500.00</u>
Balance, December 31, 2022	E	<u><u>\$ 7,474.45</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2022

E-3

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	E-1	\$ 154,130.00	\$ 154,130.00	
Membership Fees	E-1, E-5	500,000.00	525,100.00	\$ 25,100.00
Swimming Pool Utility Capital Surplus	E-1,E-5	43,500.00	43,500.00	
Miscellaneous	E-1, E-5	57,000.00	86,321.03	29,321.03
American Rescue Plan	E-1,E-5	60,000.00	60,000.00	
	E-4	<u>\$ 814,630.00</u>	<u>\$ 869,051.03</u>	<u>\$ 54,421.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2022

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	\$ 358,000.00	\$ 343,000.00	\$ 321,996.65		\$ 21,003.35	
Other Expenses	194,050.00	209,050.00	171,368.84	\$ 31,196.40	6,484.76	
<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			
Payment on Bond Anticipation Notes & Capital Notes	2,300.00	2,300.00	2,300.00			
Interest on Bonds	23,020.00	23,020.00	23,020.00			
Interest on Notes	16,260.00	16,260.00	16,009.16			\$ 250.84
<u>Deferred Charges</u>						
Emergency Authorization	60,000.00	60,000.00	60,000.00			
<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	\$ 814,630.00	\$ 814,630.00	\$ 755,694.65	\$ 31,196.40	\$ 27,488.11	\$ 250.84

<u>Ref.</u>	E-3	Below	Below	E	E	Below
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Ref.

Budget Appropriation	E-3	\$ 814,630.00	
Canceled	Above	(250.84)	
Cash Disbursed	E-5		\$ 656,665.49
Petty Cash	E-8		
Deferred Charges	E-9		60,000.00
Accrued Interest on Bonds	E-12		39,029.16
		<u>\$ 814,379.16</u>	<u>\$ 755,694.65</u>

<u>Ref.</u>	E-1	Above
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TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash - Checking	F-1	<u>\$ 3,092.30</u>	<u>\$ 3,074.25</u>
 <u>LIABILITIES AND RESERVES</u>			
Reserve for Expenditures	F-2	<u>\$ 3,092.30</u>	<u>\$ 3,074.25</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

G

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash - Fees Account	G-2	\$ 89,344.78	\$ 67,514.74
Cash - Memorial Account	G-2	143,477.45	142,939.11
Cash - Landsberger Account (CD)	G-2	<u>10,633.78</u>	<u>10,585.66</u>
		<u>\$ 243,456.01</u>	<u>\$ 221,039.51</u>
 <u>FUND BALANCE</u>			
Fund Balances:			
Fees Account	G-1	\$ 89,344.78	\$ 67,514.74
Memorial Account	G-1	143,477.45	142,939.11
Landsberger Account	G-1	<u>10,633.78</u>	<u>10,585.66</u>
		<u>\$ 243,456.01</u>	<u>\$ 221,039.51</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, 2022 AND 2021

G-1

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Increased by:			
Miscellaneous Library Revenue	G-2	\$ 42,696.29	\$ 23,384.63
Interest in Investments and Savings Account	G-2	893.49	521.03
		<u>43,589.78</u>	<u>23,905.66</u>
Decreased by:			
Expenditures:			
Purchases of Books, Magazine Subscriptions, Records, etc.	G-2	21,173.28	19,014.54
		<u>21,173.28</u>	<u>19,014.54</u>
Excess in Revenue		22,416.50	4,891.12
<u>Fund Balance</u>			
Balance, Beginning of Year		<u>221,039.51</u>	<u>216,148.39</u>
Balance, End of Year	G	<u>\$ 243,456.01</u>	<u>\$ 221,039.51</u>
Fees Account	G	\$ 89,344.78	\$ 67,514.74
Memorial Account	G	143,477.45	142,939.11
Landsberger Account	G	<u>10,633.78</u>	<u>10,585.66</u>
Above		<u>\$ 243,456.01</u>	<u>\$ 221,039.51</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

H

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash - Checking Account	H-1	<u>\$ 5,015.28</u>	<u>\$ 4,989.44</u>
		<u>\$ 5,015.28</u>	<u>\$ 4,989.44</u>
 <u>LIABILITIES AND RESERVES</u>			
Payroll Taxes and Deductions Payable	H-1	<u>\$ 5,015.28</u>	<u>4,989.44</u>
		<u>\$ 5,015.28</u>	<u>\$ 4,989.44</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
GOVERNMENTAL FIXED ASSETS

!

COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

<u>GOVERNMENTAL FIXED ASSETS</u>	<u>2022</u>	<u>2021</u>
Land, Buildings, and Site Improvements	\$ 46,540,354.08	\$ 46,540,354.08
Fixed and Movable Equipment	<u>12,505,513.55</u>	<u>12,692,046.19</u>
	<u>\$ 59,045,867.63</u>	<u>\$ 59,232,400.27</u>
<u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 59,045,867.63</u>	<u>\$ 59,232,400.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 AND 2021

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. 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.

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. Refer to Note 10 for these disclosures.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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. Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB Statement 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.

Leases

Township as a Lessee

The Township is a lessee for a various printers and land. The Township acknowledges a lease obligation with an initial, collective value of \$5,000.00 or more. At the commencement of the lease, the Township initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases payable include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and any purchase option price that the Township is reasonably certain to exercise. The Township monitors changes in circumstances that would require a remeasurement of its lease obligation and will measure if certain changes occur that are expected to significantly affect the amount of the lease obligation. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Township as a Lessor

The Township is a lessor for the rental of land and real property with AT&T Mobility, Sprint Spectrum, T-Mobile Northeast LLC, and Verizon Wireless for the purpose of cell tower space. The Township acknowledges a lease receivable with an initial, collective value of \$10,000.00 or more. Management has reviewed the requirements of the Statement and the impact on the financial statements was deemed not material.

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.

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.

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

3. DEPOSITS AND INVESTMENTS (continued)

At December 31, 2022 and 2021, the book values of the deposits of the Township consisted of the following:

	Book Balance	
	December 31, 2022	December 31, 2021
Cash (Demand Accounts)	\$ 32,562,828.62	\$ 23,880,241.75
Change Funds (On-Hand)	555.00	555.00
	<u>\$ 32,563,383.62</u>	<u>\$ 23,880,796.75</u>

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 GUDPA. 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, 2022 and 2021 the Township had the following depository accounts. All deposits are carried at cost. \$47,989.09 and \$71,188.81 held in agency and payroll accounts for the years ended December 31, 2022 and 2021, respectively, are not covered by GUDPA.

	Bank Balance	
	December 31, 2022	December 31, 2021
<u>Depository Account</u>		
FDIC Insured	\$ 993,792.01	\$ 972,066.51
GUDPA Insured	31,364,787.87	23,009,200.07
Uninsured	47,989.09	71,188.81
	<u>\$ 32,406,568.97</u>	<u>\$ 24,052,455.39</u>

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.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

3. **DEPOSITS AND INVESTMENTS (continued)**

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.

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:

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

4. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

Comparative Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 2.993</u>	<u>\$ 2.957</u>	<u>\$ 2.864</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.741	\$ 0.724	\$ 0.706
Library	0.038	0.036	0.036
County	0.523	0.522	0.516
School	<u>1.691</u>	<u>1.675</u>	<u>1.606</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2022	\$ 2,388,353,700.00
2021	2,387,170,400.00
2020	2,395,347,700.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	Percentage of <u>Collections</u>
2022	\$ 71,736,039.39	\$ 71,266,642.60	99.35%
2021	70,737,287.52	70,039,606.50	99.01%
2020	68,687,943.98	68,044,705.57	99.06

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>
2022		\$ 491,964.63	\$ 491,964.63	0.69%
2021		596,492.41	596,492.41	0.84%
2020	\$ 53,072.66	607,603.39	660,676.05	0.96%

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>
2022	\$ 267,817.00
2021	267,817.00
2020	267,817.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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>
2022	\$ 6,707,062.56	\$ 6,924,969.02
2021	6,251,361.77	6,154,603.75
2020	6,976,841.45	6,271,534.90

*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>
2022	\$ 525,100.00
2021	486,106.31
2020	208,610.00

8. FUND BALANCES APPROPRIATED

<u>Year</u>	<u>Current Fund</u>		<u>Water and Sewer Utility Operating Fund</u>		<u>Swimming Pool Utility Operating Fund</u>	
	<u>Balance</u>	<u>Utilized in Budget of Succeeding</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding</u>	<u>Balance</u>	<u>Utilized in Budget of Succeeding</u>
	<u>Dec. 31st</u>	<u>Year</u>	<u>Dec. 31st</u>	<u>Year</u>	<u>Dec. 31st</u>	<u>Year</u>
2022	\$6,900,687.31	\$3,650,000.00	\$1,095,237.96	\$ 529,400.00	\$431,391.97	\$ 100,000.00
2021	5,814,990.58	3,450,000.00	1,638,642.95	800,000.00	440,798.51	154,130.00
2020	4,906,678.39	3,150,000.00	1,662,201.36	800,000.00	415,184.78	115,000.00

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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, 2022:

	<u>2022</u>
Inactive plan members or beneficiaries	
currently receiving benefits	187,372
Inactive plan members entitled to	
but not yet receiving benefits	1,782
Active plan members	<u>239,902</u>
Total	<u><u>429,056</u></u>

Contributing Employers – 1,678 (as of June 30, 2022)

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.

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, 2022, the Township's total payroll for all employees was \$11,537,910.61. Total PERS covered payroll was \$4,637,692.00. 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 2022, the State's pension contribution was less than the actuarial determined amount.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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, 2022 consisted of the following:

	<u>2022</u>
Total Regular Billing	<u>\$ 828,307.00</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

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.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. PENSION PLANS (continued)

At June 30, 2022, the PERS reported a net pension liability of \$15,219,184,920.00 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 \$9,912,622.00 or 0.0656840172%, which was an increase of 0.0016913934% from its proportion measured as of June 30, 2021. The pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

At December 31, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 71,545.00	\$ 63,092.00
Changes in assumptions	30,712.00	1,484,312.00
Net difference between projected and actual earnings on pension plan investments	410,274.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	782,240.00	281,466.00
Township contributions subsequent to the measurement date	828,307.00	
	<u>\$ 2,123,078.00</u>	<u>\$ 1,828,870.00</u>

\$828,307.00 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>December 31,</u>	<u>Amount</u>
2023	\$ (748,932.00)
2024	(174,544.00)
2025	(118,070.00)
2026	506,329.00
2027	<u>1,118.00</u>
Total	<u>\$ (534,099.00)</u>

Actuarial Assumptions- The total collective pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2022</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	2.75 - 6.55%
	based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 allocation as of June 30, 2022 are summarized in the following table:

2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equities	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2022 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 100.00% 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.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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	\$ 12,734,816.00	\$ 9,912,622.00	\$ 7,510,822.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2020 was \$32,568,122,309.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2022 was \$25,810,084,045.00.

Additional Information

Collective balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 1,660,772,008.00
Collective deferred inflows of resources	3,236,303,935.00
Collective net pension liability - Local group	15,219,184,920.00
Township's Proportion	0.0656840172%

Collective Local Group pension benefit for the Local Group for the measurement periods ended June 30, 2022 was (\$1,032,778,934.00).

The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48, years for 2022, 2021, 2020, 2019, 2018, and 2017, respectively.

State Contribution Payable Dates

Prior to July 1, 2028 valuation, it is assumed that the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2018 valuation Chapter 83 P.L. 2017 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

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 \$1,288,683,017.00.

Special Funding Situation

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

Unaudited data provided by the PFRS indicates that the total nonemployer contributions made to the PFRS by the State for the years ended June 30, 2022 was \$48,654,369. The portion of that contribution allocated to the Township was \$20,857 or 0.0659464352%. The State special funding situation pension expense of \$31,626,530 was actuarially determined at June 30, 2022 and represents the required contribution due from the State for the year. The Township's allocated shares of the special funding pension expense and related revenue for the year ended June 30, 2022 was \$20,857.

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, 2022:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefits	47,518
Inactive plan members entitled to but not yet receiving benefits	60
Active plan members	<u>42,188</u>
Total	<u><u>89,766</u></u>

Contributing Employers – 579 (as of June 30, 2022)

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, 2022, the Township's total payroll for all employees was \$11,537,910.61. Total PFRS covered payroll was \$3,924,551.00. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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 pensionable 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, 2022 consisted of the following:

	<u>2022</u>
Total Regular Billing	<u>\$1,367,545.00</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

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.

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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, 2022, the PFRS reported a net pension liability of \$13,483,472,009.00 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 \$12,035,959.00, or 0.1051510100% which was a decrease of 0.0007725375% from its proportion measured as of June 30, 2021. The pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

At December 31, 2022, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 544,780.00	\$ 737,366.00
Changes in assumptions	32,986.00	1,515,090.00
Net difference between projected and actual earnings on pension plan investments	1,102,140.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,574,459.00	479,932.00
Township contributions subsequent to the measurement date	1,367,545.00	
	<u>\$ 4,621,910.00</u>	<u>\$ 2,732,388.00</u>

\$1,367,545.00 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:

Year ended <u>December 31.</u>	<u>Amount</u>
2023	\$ (153,454.00)
2024	(36,144.00)
2025	(119,994.00)
2026	745,478.00
2027	63,523.00
2028	22,568.00
Total	<u>\$ 521,977.00</u>

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

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

	June 30, 2022
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	3.25% - 16.25%
	based on years of service
Investment Rate of Return	7.00%

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-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of 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 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, 2022 are summarized in the following table:

2022		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equities	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
US Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. PENSION PLANS (continued)

Discount Rate – The discount rates used to measure the total pension liability as of June 30, 2022 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 100.00% 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	\$ 16,514,636.00	\$ 12,035,959.00	\$ 8,307,439.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2022 was \$30,708,653,410.00

Additional Information

Collective balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 2,163,793,985.00
Collective deferred inflows of resources	2,805,919,463.00
Collective net pension liability - Local group	13,483,472,009.00
Township's Proportion	0.1051510100%

Collective pension expense for the Local Group for the measurement periods ended June 30, 2022 and \$165,943,124.00. The average of the expected remaining service lives of all plan members is 6.22, 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2022, 2021, 2020, 2019, 2018, and 2017, 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.

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

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

9. **PENSION PLANS (continued)**

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.

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

The Township is responsible for the actuarially determined annual contributions to the PFRS, except where legislation was passed that legally obligates the State if certain circumstances occur. A special funding situation exists for the Local employers of the PFRS. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers based upon the provisions of several legislative actions. The provisions of GASB Statement No. 68 define this relationship as a "special funding situation", and the State of New Jersey is defined as a non-employer contributing entity.

Unaudited data provided by the PFRS indicates that the total Non-employer contributions made to the PFRS by the State for the years ended June 30, 2022 was \$253,611,000. The portion of that contribution allocated to the Township in 2022 was \$266,675 or 0.10515101%. The June 30, 2022 State special funding situation pension expense of \$235,029,281 was actuarially determined and represents the required contribution due from the State for the year. The special funding situation net pension liability under the special funding situation was reported at \$2,037,115,833, of which \$2,142,048 is allocable to the Township, at June 30, 2022 and represents the accumulated difference between the actuarially determined annual contributions required and the actual State contributions through the valuation date.

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 2022 is \$147,000.00 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 \$9,000.00 for the period ended June 30, 2022.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

9. PENSION PLANS (continued)

At June 30, 2022, 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, 2022 and 2021 was \$36,648,780.00 and \$40,299,021.00, respectively.

Net OPEB Liability, January 1, 2021	\$ 49,035,672.00
Service Cost	192,234.00
Interest	1,033,400.00
Difference Between Expected and Actual Experience	-
Change in Assumptions	(8,997,063.00)
Benefit Payments	<u>(965,222.00)</u>
Net OPEB Liability, December 31, 2021	<u>\$ 40,299,021.00</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

Net OPEB Liability, January 1, 2022	\$ 40,299,021.00
Service Cost	222,919.00
Interest	824,204.00
Difference Between Expected and Actual Experience	847,341.00
Change in Assumptions	(4,520,625.00)
Benefit Payments	<u>(1,024,080.00)</u>
Net OPEB Liability, December 31, 2022	<u><u>\$ 36,648,780.00</u></u>

The OPEB liability above in the amount of \$36,648,780.00 consisted of \$11,023,710.00 in active members and \$25,625,070.00 in retirees. This net OPEB liability was calculated using a discount rate of 3.72% per annum and the plan provisions in effect on December 31, 2022. There are no plan assets to offset the liability. The GASB 75 OPEB expense as of December 31, 2022 is \$646,730.00, based upon a discount rate of 3.72%, per annum and the plan provisions in effect on December 31, 2022.

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 2022.

	1% Decrease (2.72%)	At Current Discount Rate (3.72%)	1% Increase (4.72%)
Net OPEB Liability	\$ 41,908,221	\$ 36,648,780	\$ 32,467,689

The following represents sensitivity of the Township's net OPEB liability to changes in the discount rate currently 2.12% in 2021.

	1% Decrease (1.12%)	At Current Discount Rate (2.12%)	1% Increase (3.12%)
Net OPEB Liability	\$ 47,541,345	\$ 40,299,021	\$ 34,680,677

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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

The following represents sensitivity of the Township's net OPEB liability to changes in the medical trend rates currently 5.50-7.00% in 2022:

	1% Decrease	Trend Rates	1% Increase
Net OPEB Liability	\$ 31,059,659	\$ 36,648,780	\$ 43,677,010

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	\$ 34,939,727	\$ 40,299,021	\$ 47,008,033

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.

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021 is summarized as follows:

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2022</u>	<u>2021</u>
<u>Issued</u>		
General Capital:		
Bonds, Notes and Loans	\$ 44,375,737.86	\$ 39,192,907.23
Water/Sewer Utility Capital:		
Bonds, Notes and Loans	6,642,913.66	5,871,681.03
Swimming Pool Utility Capital:		
Bonds and Notes	1,444,700.00	1,587,000.00
	<u>52,463,351.52</u>	<u>46,651,588.26</u>
Less:		
Reserve to Pay Debt Service:		
General	1,149.73	1,149.73
	<u>1,149.73</u>	<u>1,149.73</u>
Net Debt Issued	<u>52,462,201.79</u>	<u>46,650,438.53</u>
<u>Authorized but Not Issued</u>		
General Capital:		
Bonds and Notes	2,097,068.00	7,061,568.00
Water/Sewer Utility Capital:		
Bonds and Notes	2,005,500.00	2,505,500.00
Swimming Pool Utility Capital:		
Bonds and Notes	800,000.00	
Total Authorized but Not Issued	<u>4,902,568.00</u>	<u>9,567,068.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 57,364,769.79</u>	<u>\$ 56,217,506.53</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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 1.649% at December 31, 2022:

	<u>Gross Debt</u>	<u>Deduction</u>	<u>Net Debt</u>
Local School District	\$ 50,865,000.00	\$ 50,865,000.00	
Utility Debt	10,893,111.66	10,893,111.66	
General Debt	46,472,805.86	890,830.19	\$ 45,581,975.67
	<u>\$ 108,230,917.52</u>	<u>\$ 62,648,941.85</u>	<u>\$ 45,581,975.67</u>

Net debt, \$45,581,975.67 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,763,761,746.67 equals 1.649%.

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	\$ 96,731,661.13
Net Debt	<u>45,581,975.67</u>
Remaining Borrowing Power	<u>\$ 51,149,685.46</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	\$ 8,013,042.50
Deductions:	
Operating and Maintenance Costs	\$ 6,773,149.00
Debt Service per Water/Sewer Utility	<u>893,477.56</u>
	<u>7,666,626.56</u>
Excess in Revenue	<u>\$ 346,415.94</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	\$ 869,051.03
Deductions:	
Operating and Maintenance Costs	\$ 563,050.00
Debt Service per Swimming Pool	
Utility Operating Fund	<u>181,329.16</u>
	<u>744,379.16</u>
Excess in Revenue	<u>\$ 124,671.87</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021, Township's long-term debt is as follows:

	<u>2022</u>	<u>2021</u>
<u>General Obligation Bonds</u>		
\$6,827,000, 2008 Bonds due in one final annual installment of \$600,000 due May 2023, at an interest rate of 3.700%	\$ 600,000.00	\$ 1,200,000.00
\$8,665,000, 2010 Bonds due in one final installment of \$640,000 due November 2023, at an interest rate of 3.250%	640,000.00	1,390,000.00
\$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%	2,528,000.00	3,028,000.00
\$14,355,000, 2017 Bonds due in annual installments of \$895,000 to \$1,060,000 through February 2033, interest rate of 3.00%	11,025,000.00	11,905,000.00
	<u>\$ 14,793,000.00</u>	<u>\$ 17,523,000.00</u>

Water and Sewer Utility Bonds

\$2,886,000, 2008 Bonds due in one final installment of \$220,000 due May 2023, at an interest rate of 3.70%	\$ 200,000.00	\$ 420,000.00
\$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%	868,000.00	1,018,000.00
\$1,505,000 2017 Bonds due in annual installments of \$100,000 to \$130,000 through February 2031, interest rates of 2.00% to 3.00%	1,025,000.00	1,125,000.00
	<u>\$ 2,093,000.00</u>	<u>\$ 2,563,000.00</u>

Swimming Pool Utility Bonds

\$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%	\$ 514,000.00	\$ 644,000.00
\$171,000, 2017 Bonds due in annual installments of \$15,000 through February 2030, at an interest rate of 3.00%	120,000.00	130,000.00
	<u>\$ 634,000.00</u>	<u>\$ 774,000.00</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

11. MUNICIPAL DEBT (continued)

Changes in Long-Term Municipal Debt

The Township's long-term debt activity for December 31, 2022 and 2021 is as follows:

	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022
Bonds Payable				
General Capital Fund	\$ 17,523,000.00		\$ 2,730,000.00	\$ 14,793,000.00
Water and Sewer Utility Capital Fund	2,563,000.00		470,000.00	2,093,000.00
Swimming Pool Utility Capital Fund	774,000.00		140,000.00	634,000.00
Total Bonds Payable	<u>20,860,000.00</u>		<u>3,340,000.00</u>	<u>17,520,000.00</u>
Green Acres Loan Payable				
General Capital Fund	<u>631,407.23</u>		<u>110,069.37</u>	<u>521,337.86</u>
Environmental Infrastructure Loans Payable				
Water and Sewer Utility Capital Fund	<u>400,181.03</u>		<u>192,167.37</u>	<u>208,013.66</u>
Total Long-Term Debt	<u>\$ 21,891,588.26</u>	<u>\$ -</u>	<u>\$ 3,642,236.74</u>	<u>\$ 18,249,351.52</u>
	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	<u>24,349,000.00</u>		<u>3,489,000.00</u>	<u>20,860,000.00</u>
Green Acres Loan Payable				
General Capital Fund	<u>739,307.81</u>		<u>107,900.58</u>	<u>631,407.23</u>
Environmental Infrastructure Loans Payable				
Water and Sewer Utility Capital Fund	<u>579,689.35</u>		<u>179,508.32</u>	<u>400,181.03</u>
Total Long-Term Debt	<u>\$ 25,667,997.16</u>	<u>\$ -</u>	<u>\$ 3,776,408.90</u>	<u>\$ 21,891,588.26</u>

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	
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	1,518,000.00	220,932.00	265,000.00	24,867.00	15,000.00	1,575.00	2,045,374.00
2028-2032	5,255,000.00	555,675.00	608,000.00	33,867.00	45,000.00	2,025.00	6,499,567.00
2033	1,060,000.00	15,900.00					1,075,900.00
	\$ 14,793,000.00	\$ 2,144,505.00	\$ 2,093,000.00	\$ 206,710.00	\$ 634,000.00	\$ 52,680.00	\$ 19,923,895.00

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

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>
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>\$ 521,337.86</u>	<u>\$ 29,514.75</u>	<u>\$ 550,852.61</u>

Waste Water Treatment Loans:

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

Schedule of future annual principal and interest payments remaining for the loan is detailed as follows:

<u>Year</u>	<u>Loan Number 4</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 104,973.25	\$ 4,730.32	\$ 109,703.57
2024	103,040.41	2,362.30	105,402.71
	<u>\$ 208,013.66</u>	<u>\$ 7,092.62</u>	<u>\$ 215,106.28</u>

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

As of December 31, 2022 and 2021 Township's bond anticipation notes payable were as follows:

	Balance, December 31, 2021	Additions	Reductions	Balance December 31, 2022
Bond Anticipation Notes				
General Capital Fund	\$ 21,038,500.00	\$ 29,061,400.00	\$ 21,038,500.00	\$ 29,061,400.00
Water/Sewer Utility Capital Fund	2,908,500.00	4,408,500.00	2,975,100.00	4,341,900.00
Pool Utility Capital Fund	813,000.00	810,700.00	813,000.00	810,700.00
Total	<u>\$ 24,760,000.00</u>	<u>\$ 34,280,600.00</u>	<u>\$ 24,826,600.00</u>	<u>\$ 34,214,000.00</u>
	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</u>	<u>\$ 24,760,000.00</u>

Bonds and Notes Authorized but Not Issued

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

	Balance <u>Dec. 31, 2022</u>	Balance <u>Dec. 31, 2021</u>
General Capital Fund:		
General Improvements	<u>\$ 2,097,068.00</u>	<u>\$ 7,061,568.00</u>
Water/Sewer Utility Capital Fund:		
General Improvements	<u>\$ 2,005,500.00</u>	<u>\$ 2,505,500.00</u>
Swimming Pool Utility Capital Fund:		
General Improvements	<u>\$ 800,000.00</u>	<u>\$ -</u>

TOWNSHIP OF VERONA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2022 and 2021, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>2022</u>		<u>2021</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 120,168.43	\$ 1,104,231.93	\$ 169,015.66	\$ 872,662.89
Federal and State Grant Fund	1,160,976.84		904,904.06	
General Trust Fund		256,298.37		256,298.37
Open Space Trust Fund		63,697.46		63,697.46
Animal Trust Fund		4,550.71		13,894.20
General Capital Fund	168,129.46	20,496.26	192,633.20	500,000.00
Swimming Pool Operating Fund				60,000.00
Swimming Pool Capital Fund			500,000.00	
	<u>\$ 1,449,274.73</u>	<u>\$ 1,449,274.73</u>	<u>\$ 1,766,552.92</u>	<u>\$ 1,766,552.92</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:

	<u>Balance December 31, 2022</u>	<u>Balance December 31, 2021</u>	<u>Decrease</u>
*Balance of Tax	\$ 15,429,754.74	\$ 16,861,911.24	\$ (1,432,156.50)
Amount of Deferred	<u>9,234,270.26</u>	<u>9,234,270.26</u>	
Total Payable (Cash Liability)	<u>\$ 6,195,484.48</u>	<u>\$ 7,627,640.98</u>	<u>\$ (1,432,156.50)</u>

	<u>Balance December 31, 2021</u>	<u>Balance December 31, 2020</u>	<u>Increase</u>
*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>	
Total Payable (Cash Liability)	<u>\$ 7,627,640.98</u>	<u>\$ 7,615,458.33</u>	<u>\$ 12,182.65</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, 2022 AND 2021

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 \$1,877,568.79 and \$1,825,391.89, is due and payable to employees and officials of the Township as of December 31, 2022 and 2021, respectively upon their retirements or other separations. This amount was not verified by audit.

The Township has set aside a reserve of \$324,968.48 and \$298,366.90 in the General Trust Fund to fund a portion of the liability for the years ended December 31, 2022 and 2021, respectively.

b. Tax Appeals

At December 31, 2022, 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, 2022 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, 2022 AND 2021

16. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2022	Amount to be Raised in 2023	Balance to be Raised in Succeeding Years
<u>Current Fund:</u>			
COVID-19 Special Emergency	\$ 285,556.98	\$ 71,390.00	\$ 214,166.98
<u>Water and Sewer Utility Fund:</u>			
Budget Overexpenditure	\$ 16,807.00	\$ 16,807.00	\$ -
<u>Swimming Pool Utility Fund:</u>			
COVID-19 Special Emergency	\$ 240,000.00	\$ 60,000.00	\$ 180,000.00

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. The deferred charge in the Water and Sewer Utility results from an overexpenditure of the interest on bonds and notes appropriation due to an unanticipated increase in the interest rates charged in 2022.

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:

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes If Billed In Full	Abated Taxes
Hilltop Pilot 1	March 28, 2007	March 28, 2041	\$ 432,602.85	\$ 542,322.62	\$ 109,719.77
Hilltop Pilot 2	August 11, 2011	August 11, 2045	496,438.32	793,911.21	297,472.89
Children's Institute	August 6, 1996	Not Available	17,634.00	284,613.35	266,979.35
Verona Urban Renewal	July 16, 2015	July 16, 2050	233,721.95	686,205.11	452,483.16
Verona Place Urban Renewal Housing	September 10, 2015	Not Available	60,609.79	136,783.09	76,173.30
Anin Lofts	Not Available	Not Available	330,004.13	850,760.25	520,756.12
Total			<u>\$1,571,011.04</u>	<u>\$3,294,595.63</u>	<u>\$1,723,584.59</u>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

18. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2022 and 2021:

General Fixed Assets

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>
Land and Site Improvements	\$ 46,540,354.08			\$ 46,540,354.08
Improvements				
Fixed and Movable Equipment	<u>12,692,046.19</u>	<u>\$ 265,051.36</u>	<u>\$ 451,584.00</u>	<u>12,505,513.55</u>
	<u>\$ 59,232,400.27</u>	<u>\$ 265,051.36</u>	<u>\$ 451,584.00</u>	<u>\$ 59,045,867.63</u>
	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>

The following is a summary of changes in the Water and Sewer Utility Fund Fixed Assets as of December 31, 2022 and 2021:

Water and Sewer Utility Fund

Water and Sewer Fund

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>
Land and Site Improvements	<u>\$ 45,870,364.03</u>	<u>\$ 290,000.00</u>	<u>\$ -</u>	<u>\$ 46,160,364.03</u>
Fixed Capital Authorized and Uncompleted	<u>\$ 7,136,819.11</u>	<u>\$ 1,095,000.00</u>	<u>\$ 290,000.00</u>	<u>\$ 7,941,819.11</u>
	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>
Land and Site Improvements	<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>

TOWNSHIP OF VERONA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

18. FIXED ASSETS (continued)

The following is a summary of changes in the Swimming Pool Utility Fund Fixed Assets as of December 31, 2022 and 2021:

Swimming Pool Utility Fixed Assets

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>
Land and Site Improvements	\$ 4,379,504.43			\$ 4,379,504.43
Buildings and Building Improvements	458,415.09	\$ 65,000.00		523,415.09
	<u>\$ 4,837,919.52</u>	<u>\$ 65,000.00</u>	<u>\$ -</u>	<u>\$ 4,902,919.52</u>
 Fixed Capital Authorized and Uncompleted	 <u>\$ 948,000.00</u>	 <u>\$ 825,000.00</u>	 <u>\$ 65,000.00</u>	 <u>\$ 1,708,000.00</u>
	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	458,415.09			458,415.09
	<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>

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2022 through the date of September 28, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined the following subsequent events have occurred which requires disclosure in the financial statements.

The Township issued bond anticipation notes in the amount of \$9,031,200.00 dated March 2, 2023, maturing March 1, 2024 and bearing an interest rate of 3.54% 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, 2023.

The Township issued a bond anticipation note in the amount of \$2,839,800.00 dated March 2, 2023, maturing March 1, 2024 and bearing an interest rate of 3.65% 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, 2023.

The Township issued general obligation bonds, Series 2023, of \$5,610,000.00 dated March 2, 2023, due in annual installments of principal and interest on March 1st of each year, at interest rates ranging from 3.125% to 4.000%.

TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY

PART II
SUPPLEMENTARY INFORMATION

TOWNSHIP OF VERONA
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, December 31, 2021	A	\$ 16,908,293.18
Increased by:		
Interest and Cost on Taxes	A-2a	\$ 217,637.74
Miscellaneous Revenue Not Anticipated	A-2d	534,160.50
Petty Cash Fund Returned	A-7	500.00
Due from State of New Jersey - Senior Citizens' and Veterans' Tax Deductions	A-8	56,418.57
Taxes Receivable	A-9	71,373,105.96
Revenue Accounts Receivable	A-11	4,906,760.05
Appropriation Reserves Refunds	A-14	55,547.86
Due to State of New Jersey	A-17	18,680.00
Accounts Payable	A-21	160,006.91
Reserve for Municipal Relief Fund		60,490.40
Interfunds Payable	A-13	1,058,623.56
Prepaid Taxes	A-22	391,188.31
		<u>78,833,119.86</u>
		95,741,413.04
Decreased by:		
Disbursements per Schedule	A-5	<u>78,671,369.51</u>
Balance, December 31, 2022	A	<u><u>\$ 17,070,043.53</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

CASH DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2022

A-5

	<u>Ref.</u>	
Budget Appropriations	A-3	\$ 22,154,589.06
Petty Cash Funds	A-7	500.00
Appropriation Reserves	A-14	603,593.59
Due to State of New Jersey	A-17	19,507.00
Tax Overpayments Refunded	A-18	96,174.67
Local School District Tax	A-19	41,850,833.50
County Taxes	A-20	12,530,260.69
Accounts Payable	A-21	97,658.40
Interfunds Payable	A-13	773,656.58
Municipal Open Space Taxes	A-23	477,963.91
Special Emergency Note	A-24	65,000.00
Reserve for Revaluation	A-29	<u>1,632.11</u>
	A-4	<u><u>\$ 78,671,369.51</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2022

A-6

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	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, 2022

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>
Balance, December 31, 2022		<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, 2022

	<u>Ref.</u>		
Balance, December 31, 2021 (Due To)	A		\$ (12,383.92)
Increased by:			
Tax Deductions per Tax Duplicate:			
Senior Citizens and Veterans			
Veterans	A-9		<u>55,250.00</u>
			42,866.08
Decreased by:			
Collections	A-4	\$ 56,418.57	
Disallowed by Tax Collector:			
Senior Citizens	A-1, A-9	<u>497.95</u>	<u>56,916.52</u>
Balance, December 31, 2022 (Due To)	A		<u><u>\$ (14,050.44)</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2022

A-9

Year	Balance Dec. 31, 2021	2022 Levy	Added Taxes	2021	Collected 2022	Due from State of New Jersey	Transfer to Overpayments	Canceled	Balance Dec. 31, 2022
2020	\$ 16,800.85							\$ 16,800.85	
2021	579,691.56				\$ 561,486.39			18,205.17	
Subtotal	596,492.41				561,486.39			35,006.02	
2022		\$ 71,736,039.39	\$ 497.95	\$ 399,773.03	70,811,619.57	\$ 55,250.00	\$ 55,152.61	33,082.72	\$ 491,964.63
	<u>\$ 596,492.41</u>	<u>\$ 71,736,039.39</u>	<u>\$ 497.95</u>	<u>\$ 399,773.03</u>	<u>\$ 71,373,105.96</u>	<u>\$ 55,250.00</u>	<u>\$ 55,152.61</u>	<u>\$ 68,088.74</u>	<u>\$ 491,964.63</u>
<u>Ref.</u>	A	Below	A-8	A-2c, A-23	A-2c, A-4	A-2c, A-8	A-18	Reserve	A

ANALYSIS OF 2022 PROPERTY TAX LEVY

Ref.

Tax Yield

General Purpose Tax:

Tax Levy

Added Taxes

\$ 71,516,227.54
219,811.85

Above

\$ 71,736,039.39

Tax Levy

Local School District Tax (Abstract)

A-2c, A-20

\$ 40,418,677.00

County Taxes:

County Tax (Abstract)

A-2c, A-21

12,503,989.43

Due County for Added Taxes

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

A-21, Above
A-2c

36,496.88

\$ 52,959,163.31

Local Tax for Municipal Purpose (Budget)

A-2

18,115,597.20

Municipal Open Space

A-24

477,963.91

Plus: Additional Taxes Levied

Above

183,314.97

18,776,876.08

Above

\$ 71,736,039.39

TOWNSHIP OF VERONA
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
DECEMBER 31, 2022

A-10

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	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	1,000.00
		<u>\$ 267,817.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

A-11

	<u>Ref.</u>	<u>Balance</u> <u>December 31, 2021</u>	<u>Accrued</u>	<u>Collections</u> <u>2022</u>	<u>Balance</u> <u>December 31, 2022</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2a		\$ 16,860.00	\$ 16,860.00	
Fees and Permits	A-2b		12,355.00	12,355.00	
Other Licenses	A-2b		1,524.00	1,524.00	
Construction Code Official:					
Building Fees and Permits	A-2a		291,205.32	291,205.32	
Other Licenses	A-2b		150.00	150.00	
Rent Control:					
Fees and Permits	A-2b		7,460.00	7,460.00	
Health Department:					
Health Licenses	A-2b		17,470.00	17,470.00	
Health Transport Fees	A-2b		4,485.00	4,485.00	
Fire Department:					
State of New Jersey Rebate	A-2a		26,408.13	26,408.13	
Fire Detectors	A-2b		20,325.00	20,325.00	
Registrar of Vital Statistics:					
Marriage Licenses	A-2b		16,465.19	16,465.19	
Fees and Permits	A-2b		3,121.00	3,121.00	
Tax Collector:					
6% Delinquent Penalty	A-1	\$ 21,421.08	14,061.33	14,061.33	\$ 21,421.08
Interest on Investments and Deposits	A-2a		202,093.24	202,093.24	
Public Works Department:					
Fees and Permits	A-2b		3,011.50	3,011.50	
Leaf Bag Sales	A-2a		6,836.00	6,836.00	
Police Department:					
Fees and Permits	A-2b		3,805.00	3,805.00	
Parking Permits	A-2b		50,745.00	50,745.00	
Parking Meters	A-2a		39,259.55	39,259.55	
Board of Adjustment:					
Fees and Permits	A-2b		3,370.00	3,370.00	
Recreation Department:					
Fees and Permits	A-2a		316,497.00	316,497.00	
Community Center Rental	A-2a		41,745.00	41,745.00	
Municipal Court:					
Fines and Costs	A-2a	8,442.06	124,121.18	124,885.38	7,677.86
Treasurer:					
Payments in Lieu of Taxes:					
Hilltop - I	A-2a		410,972.72	410,972.72	
Hilltop - II	A-2a		471,616.40	471,616.40	
Annin Lofts	A-2a		313,503.92	313,503.92	
Verona Place Urban Renewal	A-2a		57,579.30	57,579.30	
Children's Institute	A-2a		17,624.00	17,624.00	
Verona Senior Citizens' HFA	A-2a		233,721.95	233,721.95	
Comcast Franchise Fee	A-2a		76,759.23	76,759.23	
Verizon Franchise Fee	A-2a		148,769.19	148,769.19	
General Capital Surplus	A-2a		200,000.00	200,000.00	
Tower Lease	A-2a		117,316.70	117,316.70	
American Rescue Plan Funds	A-2a		336,000.00	336,000.00	
Interlocal Agreements:					
Borough of Roseland	A-2a		139,137.00	139,137.00	
State of New Jersey:					
Consolidated CMPTRA Allocation	A-2a		1,159,622.00	1,159,622.00	
		<u>\$ 29,863.14</u>	<u>\$ 4,905,995.85</u>	<u>\$ 4,906,760.05</u>	<u>\$ 29,098.94</u>
	<u>Ref.</u>	<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF VERONA
CURRENT FUND

DEFERRED CHARGES, SPECIAL EMERGENCIES, AND EMERGENCIES
YEAR ENDED DECEMBER 31, 2022

A-12

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>Balance December 31, 2021</u>	<u>Decrease</u>	<u>Balance December 31, 2022</u>
June 19, 2017	Tax Revaluation	\$ 400,000.00	\$ 65,000.00	\$ 65,000.00	
December 27, 2020	COVID-19	450,000.00	356,946.22	71,389.24	\$ 285,556.98
September 22, 2021	Tropical Storm Ida	350,000.00	250,000.00	250,000.00	
			<u>\$ 671,946.22</u>	<u>\$ 386,389.24</u>	<u>\$ 285,556.98</u>
		<u>Ref.</u>	A	A-3	A

TOWNSHIP OF VERONA
CURRENT FUND

INTERFUNDS RECEIVABLE/(PAYABLE)
YEAR ENDED DECEMBER 31, 2022

A-13

<u>Interfund Account</u>		<u>Balance</u> <u>December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>December 31, 2022</u>
Swimming Pool Operating Fund		\$ 60,000.00		\$ 60,000.00	
Animal Control Fund		13,894.20	\$ 4,550.74	13,894.20	\$ 4,550.74
Federal/State Grant Fund		(848,159.15)	528,656.58	784,729.36	(1,104,231.93)
Other Trust Fund		95,121.46			95,121.46
Open Space Trust Fund			477,963.91	477,963.91	
General Capital Fund		(24,503.74)	245,000.00	200,000.00	20,496.26
		<u>\$ (703,647.23)</u>	<u>\$ 1,256,171.23</u>	<u>\$ 1,536,587.47</u>	<u>\$ (984,063.47)</u>
	<u>Ref.</u>	<u>Below</u>	<u>Below</u>	<u>Below</u>	<u>A</u>
Interfunds Receivable	A	\$ 169,015.66			\$ 120,168.46
Interfunds Payable	A	(872,662.89)			(1,104,231.93)
	Above	<u>\$ (703,647.23)</u>			<u>\$ (984,063.47)</u>
				<u>Ref.</u>	
			Open Space Municipal Levy	A-24	\$ 477,963.91
			Cash Receipts	A-4	1,058,623.56
				Above	<u>\$ 1,536,587.47</u>
			<u>Ref.</u>		
		Cash Disbursements	A-5	\$ 773,656.58	
		Animal Control Statutory Excess	Above	4,550.74	
		Open Space Municipal Levy	A-24	477,963.91	
			Above	<u>\$ 1,256,171.23</u>	

See Independent Auditors' Report

TOWNSHIP OF VERONA

CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

A-14
Sheet #1

<u>Appropriation</u>	<u>Balance December 31, 2021</u>		<u>Balance After Transfers</u>	<u>Cash Receipts</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages:						
Manager's Office		\$ 14,602.92	\$ 9,602.92			\$ 9,602.92
Mayor and Council		261.84	261.84			261.84
Township Clerk		7,621.22	7,621.22			7,621.22
Other Expenses	\$ 2,097.70	2,769.22	4,866.92	\$ 219.00	\$ 1,316.26	3,769.66
Administrative and Economic Development:						
Other Expenses	210.00	16,746.66	16,956.66		5,210.00	11,746.66
Elections:						
Other Expenses	8,300.00	16,568.67	24,868.67		300.00	24,568.67
Financial Administration						
Annual Audit	41,000.00	23,940.00	64,940.00		41,500.00	23,440.00
Collection of Taxes:						
Salaries and Wages		45,985.68	12,185.68		2,086.90	10,098.78
Other Expenses:						
Tax Sale Costs		880.00	880.00			880.00
Miscellaneous Other Expenses	2,673.57	16,999.03	19,672.60		2,033.88	17,638.72
Liquidation of Tax Title Liens		2,000.00	2,000.00			2,000.00
Assessment of Taxes:						
Salaries and Wages		8,808.92	8,808.92		1,203.98	7,604.94
Other Expenses		18,684.20	3,684.20			3,684.20
Legal Services and Costs:						
Salaries and Wages		6,617.92	6,617.92		307.64	6,310.28
Other Expenses	22,678.18	12,231.12	44,909.30	38,042.17	30,797.00	52,154.47
Public Buildings and Grounds:						
Salaries and Wages		8,001.72	18,001.72		6,016.17	11,985.55
Other Expenses	18,780.77	22,156.66	40,937.43		22,337.33	18,600.10
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Planning Board:						
Salaries and Wages		7,115.86	5,115.86			5,115.86
Other Expenses		3,427.30	3,427.30		66.65	3,360.65
Board of Adjustment:						
Salaries and Wages		424.62	1,424.62		200.00	1,224.62
Other Expenses		8,554.95	8,554.95			8,554.95
Rent Leveling Board:						
Salaries and Wages		1,112.49	2,112.49			2,112.49
Other Expenses		5,397.82	5,397.82			5,397.82

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

A-14
Sheet #2

Appropriation	Balance December 31, 2021		After Transfers	Cash Receipts	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Shade Trees:						
Other Expenses		\$ 19,255.02	\$ 14,255.02		\$ 450.00	\$ 13,805.02
Municipal Court:						
Salaries and Wages	\$ 1.00	35,284.92	35,285.92		2,089.52	33,196.40
Other Expenses	78.20	9,688.39	9,766.59		389.68	9,376.91
Insurance:						
Other Expenses:						
General Liability		37,460.02	37,460.02			37,460.02
Health Waivers		17,070.73	17,070.73			17,070.73
Employee Group Health	24,089.00	317,766.62	341,855.62		14,500.00	327,355.62
<u>PUBLIC SAFETY</u>						
Fire:						
Other Expenses		13,336.18	23,836.18		5,844.00	17,992.18
Fire Prevention:						
Salaries and Wages		26,059.25	16,059.25		4,395.75	11,663.50
Other Expenses	1,400.00	5,328.11	6,728.11			6,728.11
Police:						
Salaries and Wages		283,969.64	281,969.64	\$ 2,076.45	39,404.89	244,641.20
Other Expenses	42,826.83	81,372.06	124,198.89	1,000.00	46,266.50	78,932.39
Communications:						
Salaries and Wages		3,656.88	3,656.88		1,768.68	1,888.20
Other Expenses	18,178.24	39,941.17	48,119.41	1,808.01	18,905.78	31,021.64
Parking Meter Maintenance:						
Other Expenses	563.48	573.21	1,136.69		563.48	573.21
Police Dispatchers:						
Salaries and Wages		5,600.55	7,600.55		7,430.83	169.72
Emergency Management Services:						
Other Expenses		1,640.08	1,640.08		750.00	890.08
Road Repairs and Maintenance:						
Salaries and Wages		11,260.32	43,260.32		14,195.64	29,064.68
Other Expenses	37,208.27	51,758.50	74,966.77	3,250.00	27,260.23	50,956.54
Vehicle Maintenance:						
Other Expenses	6,975.41	75.91	17,051.32	4,368.24	6,227.31	15,192.25

TOWNSHIP OF VERONA

CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

A-14
Sheet #3

<u>Appropriation</u>	Balance December 31, 2021		Balance After Transfers	Cash Receipt	Paid or Charged	Balance Lapsed
	Committed	Uncommitted				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>HEALTH AND WELFARE</u>						
(Board of Health - Local Health Agency):						
Board of Health:						
Salaries and Wages		\$ 2,567.05	\$ 2,567.05		\$ 1,436.25	\$ 1,130.80
Other Expenses	\$ 564.18	6,715.39	10,279.57		294.00	9,985.57
Dog Licensing:						
Other Expenses		5,000.00	5,000.00			5,000.00
<u>RECREATION AND EDUCATION</u>						
Recreation:						
Salaries and Wages		156,661.61	109,661.61		15,610.02	94,051.59
Other Expenses	36,570.33	44,838.91	81,409.24		15,240.94	66,168.30
Field Maintenance:						
Other Expenses	2,341.23	757.96	5,399.19		2,197.99	3,201.20
Contribution to Senior Citizens' Center:						
Salaries and Wages		9,995.75	9,995.75		1,453.50	8,542.25
Other Expenses		3,145.60	3,145.60			3,145.60
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	1,300.00	5,683.03	6,983.03		1,525.00	5,458.03
<u>MISCELLANEOUS AND OTHER</u>						
Mandatory Recycling:						
Salaries and Wages		1,937.12	6,137.12		864.00	5,273.12
Other Expenses	1,594.00	110,134.98	109,528.98		28,363.55	81,165.43
<u>MISCELLANEOUS AND OTHER</u>						
Garbage and Trash Removal - Contractual	140,656.43	31,475.99	222,132.42		158,219.97	63,912.45
Commercial Revitalization:						
Other Expenses		100.00	100.00			100.00
State Uniform Construction Code:						
Construction Official (Chief Administrator of Enforcement Agency):						
Salaries and Wages	798.00	24,814.63	25,612.63		4,740.10	20,872.53
Other Expenses		13,582.50	23,582.50		689.15	22,893.35
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity		44,710.36	44,710.36		35,553.89	9,156.47
Telephone, Internet, Cable		26,689.63	26,689.63			26,689.63
Gasoline	15,688.07	20,807.41	36,495.48	\$ 4,783.99	7,557.82	33,721.65
Salary and Wage Adjustment		20,000.00	20,000.00			20,000.00
<u>CONTINGENT</u>		35,000.00	35,000.00			35,000.00

TOWNSHIP OF VERONA
CURRENT FUND
 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

A-14
Sheet #4

<u>Appropriation</u>	<u>Balance</u> <u>December 31, 2021</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Cash</u> <u>Receipt</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System		\$ 25,000.00	\$ 25,000.00			\$ 25,000.00
Social Security System (OASI)		73,050.89	73,050.89			73,050.89
Defined Contribution Retirement Plan		10,211.70	10,211.70		\$ 1,596.05	8,615.65
Total Appropriations Within "CAPS"	\$ 426,572.89	1,884,886.89	2,311,459.78	\$ 55,547.86	579,160.33	1,787,847.31
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	11,382.34	42,387.30	53,769.64		24,013.26	29,756.38
Recycling - State Tax		12,764.00	12,764.00			12,764.00
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Borough of Roseland:						
Construction Code Official		8,837.05	8,837.05		420.00	8,417.05
Total Appropriations Excluded from "CAPS"	11,382.34	63,988.35	75,370.69		24,433.26	50,937.43
Total Appropriations	\$ 437,955.23	\$ 1,948,875.24	\$ 2,386,830.47	\$ 55,547.86	\$ 603,593.59	\$ 1,838,784.74
	A	A		A-4	A-5	A-1

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR SALE OF TOWNSHIP-OWNED PROPERTY
YEAR ENDED DECEMBER 31, 2022

A-15

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	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, 2022

A-16

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	A	\$ <u><u>1,561.19</u></u>

DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSES AND BUILDING FEE SURCHARGE
YEAR ENDED DECEMBER 31, 2022

A-17

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 2,872.32
Increased by:		
Cash Received	A-4	<u>18,680.00</u>
		21,552.32
Decreased by:		
Cash Disbursed	A-5	<u>19,507.00</u>
Balance, December 31, 2022	A	\$ <u><u>2,045.32</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2022

A-18

	<u>Ref.</u>		
Balance, December 31, 2021	A	\$	146,836.68
Increased by:			
Transfer from Current Taxes	A-9		55,152.61
			<u>201,989.29</u>
Decreased by:			
Cash Disbursed	A-5	\$	96,174.67
Cancel Overpayments	A-1		14,331.06
			<u>110,505.73</u>
Balance, December 31, 2022	A	\$	<u>91,483.56</u>

LOCAL SCHOOL DISTRICT TAX
YEAR ENDED DECEMBER 31, 2022

A-19

	<u>Ref.</u>	<u>School Tax Payable</u>	<u>Deferred School Tax</u>
Balance, December 31, 2021	A	\$ 7,627,640.98	\$ 9,234,270.26
Increased by:			
Levy for Fiscal Year 2022-2023	A-1, A-2c, A-9	40,418,677.00	
		<u>48,046,317.98</u>	<u>9,234,270.26</u>
Decreased by:			
Cash Disbursed	A-5	41,850,833.50	
		<u>41,850,833.50</u>	<u>-</u>
Balance, December 31, 2022	A	<u>\$ 6,195,484.48</u>	<u>\$ 9,234,270.26</u>

TOWNSHIP OF VERONA
CURRENT FUND

COUNTY TAXES
YEAR ENDED DECEMBER 31, 2022

A-20

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 26,271.08
Increased by:			
General Levy	A-9	\$ 12,094,663.14	
County Open Space	A-9	409,326.29	
Due County for Added Taxes per N.J.S.A. 54:4-63.1 et seq.	A-9	<u>36,496.88</u>	
	A-1, A-2c		<u>12,540,486.31</u>
			12,566,757.39
Decreased by:			
Cash Disbursed	A-5		<u>12,530,260.69</u>
Balance, December 31, 2022	A		<u>\$ 36,496.70</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2022

A-21

	<u>Ref.</u>		
Balance, December 31, 2021	A		\$ 104,367.04
Increased by:			
Cash Received	A-4		<u>160,006.91</u>
			264,373.95
Decreased by:			
Cash Disbursed	A-5		<u>97,658.40</u>
Balance, December 31, 2022	A, Below		<u>\$ 166,715.55</u>
<u>Analysis of Balance</u>			
Other			\$ 100,732.82
County of Essex - 5% PILOT			<u>65,982.73</u>
	Above		<u>\$ 166,715.55</u>

TOWNSHIP OF VERONA
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2022

A-22

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 397,228.28
Increased by:		
Collections	A-4	<u>391,188.31</u>
		788,416.59
Decreased by:		
Applied to Taxes Receivable	A-9	<u>399,773.03</u>
Balance, December 31, 2022	A	<u><u>\$ 388,643.56</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

MUNICIPAL OPEN SPACE TAXES
YEAR ENDED DECEMBER 31, 2022

A-23

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ -
Increased by:		
Open Space Tax Levy	A-1, A-2c, A-9, A-14	<u>477,963.91</u>
Decreased by:		
Cash Disbursed to Open Space Trust Fund	A-1, A-5, A-14	<u>477,963.91</u>
Balance, December 31, 2022	A	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2022

A-24

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 65,000.00
Decreased by:		
Repayment	A-5	<u>65,000.00</u>
Balance, December 31, 2022	A	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

A-25

	Balance December 31, 2021	Budget Revenue Realized	Collections	Adjustment/ Cancellation	Balance December 31, 2022
Recycling Tonnage	\$ 16,287.72	\$ 14,775.50	\$ 14,775.50		\$ 16,287.72
Municipal Alliance on Alcoholism and Drug Abuse	0.44	20,375.00	16,300.00		4,075.44
Click It Or Ticket	55.00				55.00
Clean Communities Program	26,620.80	27,445.90	27,445.90	\$ (26,620.80)	
Body Armor Grant	2,163.31	1,589.39	1,589.39		2,163.31
Pedestrian Safety	997.50				997.50
VMAC				8,150.00	8,150.00
National Opiod			2,936.48	2,936.48	
Distracted Driving Enforcement Fund		7,000.00	7,000.00		
Body Worn Camera		61,140.00			61,140.00
National Opiod Settlement		4,815.07	4,815.07		
Highway Traffic and Safety Distracted Driving		7,000.00	7,000.00		
	<u>\$ 46,124.77</u>	<u>\$ 144,140.86</u>	<u>\$ 81,862.34</u>	<u>\$ (15,534.32)</u>	<u>\$ 92,868.97</u>
<u>Ref.</u>	A	A-27	A-26	Below	A
			<u>Ref.</u>		
		Local Match	A-27	\$ 11,086.48	
		Cancellation	A-27	(26,620.80)	
			Above	<u>\$ (15,534.32)</u>	

TOWNSHIP OF VERONA
FEDERAL/STATE GRANT FUND

INTERFUNDS (PAYABLE) / RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

A-26

	<u>Ref.</u>	<u>Federal and State Grant Fund</u>	
Balance, December 31, 2021	A		\$ 904,904.06
Increased by:			
Grants Receivable	A-25	\$ 81,862.34	
Unappropriated Revenue	A-28	<u>702,867.50</u>	<u>784,729.84</u>
			1,689,633.90
Decreased by:			
Unappropriated Revenue	A-28	\$ 457,140.00	
Expenses Paid Through Current Fund	A-27	<u>71,517.06</u>	<u>528,657.06</u>
Balance, December 31, 2022	A		<u>\$ 1,160,976.84</u>
<u>Analysis of Balance</u>			
Due from Current Fund	A		\$ 1,104,231.93
Due from General Trust Fund	A		<u>56,744.91</u>
			<u>\$ 1,160,976.84</u>

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATED RESERVES FOR FEDERAL & STATE GRANTS
YEAR ENDED DECEMBER 31, 2022

A-27

<u>Grant</u>	<u>Balance December 31, 2021</u>	<u>Transferred from Budget Appropriations</u>	<u>Local Match</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance December 31, 2022</u>
Assistance to Firefighters Grant	\$ 674.00					\$ 674.00
Body Worn Camera	15,000.00	\$ 61,140.00		\$ 19,680.00		56,460.00
Clean Communities Program	27,800.55	27,445.90		3,556.89	\$ 26,620.80	25,068.76
Click It or Ticket	55.00					55.00
DEA Equitable Sharing	30,292.67					30,292.67
Drunk Driving Enforcement Fund	14,665.77			4,344.23		10,321.54
Environmental Grant	952.70					952.70
Medical Transport	28,337.51					28,337.51
Municipal Alliance Committee - DARE	29,472.28	20,375.00		12,191.01		37,656.27
Pedestrian Grant	1,598.82					1,598.82
Police Body Armor Grant	7,100.25	1,589.39		347.82		8,341.82
Recycling Tonnage Grant	28,787.19	14,775.50		17,397.11		26,165.58
Shaping New Jersey	28.04					28.04
United Way Medical Transport	4,368.08					4,368.08
Highway and Traffic Safety Distracted Drinking		7,000.00		7,000.00		
Drive Sober or Get Pulled Over		7,000.00		7,000.00		
National Opiod Settlement		4,815.07	\$ 2,936.48			7,751.55
VMAC			8,150.00			8,150.00
	<u>\$ 189,132.86</u>	<u>\$ 144,140.86</u>	<u>\$ 11,086.48</u>	<u>\$ 71,517.06</u>	<u>\$ 26,620.80</u>	<u>\$ 246,222.34</u>
<u>Ref.</u>	A	A-3, A-25	A-25	A-25	A-25	A

TOWNSHIP OF VERONA
CURRENT FUND

UNAPPROPRIATED GRANT RESERVES
YEAR ENDED DECEMBER 31, 2022

A-28

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 761,895.97
Increased by:		
Due from Current Fund	A-26	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">702,867.50</div> <hr style="width: 100px;"/> </div>
		1,464,763.47
Decreased by:		
Realized as Revenue	A-26	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">457,140.00</div> <hr style="width: 100px;"/> </div>
Balance, December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 1,007,623.47</div> <hr style="width: 100px;"/> <hr style="width: 100px;"/> </div>
<u>Analysis of Balance</u>		
American Rescue Plan		\$ 1,005,511.95
Body Armor		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">2,111.52</div> <hr style="width: 100px;"/> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 1,007,623.47</div> <hr style="width: 100px;"/> <hr style="width: 100px;"/> </div>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2022

A-29

	<u>Ref.</u>	
Balance, December 31, 2021	A	\$ 7,649.32
Decreased by:		
Cash Disbursed	A-5	<u>1,632.11</u>
Balance, December 31, 2022	A	<u><u>\$ 6,017.21</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2022

A-30

Ref.

Balance, December 31, 2022 and 2021	A	<u>\$ 95,121.46</u>
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TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR MUNICIPAL RELIEF
YEAR ENDED DECEMBER 31, 2022

A-31

Ref.

Increased by:

 Cash Receipts

A-4

\$ 60,490.40

Balance, December 31, 2022

A

\$ 60,490.40

TOWNSHIP OF VERONA
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2022

B-2

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2021	B	\$ 25,809.60	\$ 2,351,894.03	\$ 54,454.84
Increased by Receipts:				
Taxes Levied	B-11			\$ 477,963.61
Interest Earned	B-11			2,579.67
BAN Sale Premium	B-11			194,573.96
Reimbursement of Expenses	B-11			24,733.00
Special Deposits	B-5		\$ 794,224.22	
State Unemployment Compensation				
Insurance Fund	B-6		34,694.23	
State Fees Collected	B-10	\$ 847.80		
Dog and Cat License Fees	B-8	5,251.20		
Escrow Deposits	B-9		192,465.16	
		<u>6,099.00</u>	<u>1,021,383.61</u>	<u>699,850.24</u>
		31,908.60	3,373,277.64	754,305.08
Decreased by Disbursements:				
Interfunds	B-4	13,894.20		
CDBG	B-7			
Paid to State of New Jersey	B-10	847.80		
Special Deposits	B-5		584,163.14	
Reserve for Unemployment Insurance	B-6		18,013.06	
Expenditures Under R.S. 41:19-15.11	B-8	1,467.46		
Escrow Refunds	B-9		142,893.92	
		<u>16,209.46</u>	<u>745,070.12</u>	<u>-</u>
Balance, December 31, 2022	B	<u>\$ 15,699.14</u>	<u>\$ 2,628,207.52</u>	<u>\$ 754,305.08</u>

TOWNSHIP OF VERONA
TRUST FUNDS

DUE FROM ESSEX COUNTY
(COMMUNITY DEVELOPMENT BLOCK GRANT)
YEAR ENDED DECEMBER 31, 2022

B-3

Ref.

Balance, December 31, 2022 and 2021	B	<u>\$ 189,840.00</u>
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Analysis of Balance:

CDBG FY2020 - ADA Ramp Installation		\$ 99,840.00
CDBG FY2021 - ADA Curb Ramps		<u>90,000.00</u>

	Above	<u>\$ 189,840.00</u>
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TOWNSHIP OF VERONA
TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2022

B-4

			Animal Control Fund	Open Space Fund	Trust Other		
	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Capital Fund</u>	<u>Federal/State Grant Fund</u>	<u>Current Fund</u>	<u>General Capital Fund</u>
Balance, December 31, 2021	B	\$ 333,890.03	\$ 13,894.20	\$ 63,697.46	\$ 56,744.91	\$ 95,121.46	\$ 104,432.00
Increased by:							
Statutory Excess	B-8	4,550.74	4,550.74				
		<u>338,440.77</u>	<u>18,444.94</u>	<u>63,697.46</u>	<u>56,744.91</u>	<u>95,121.46</u>	<u>104,432.00</u>
Decreased by:							
Due to Current	B-2	13,894.20	13,894.20				
Balance, December 31, 2022	B	<u>\$ 324,546.57</u>	<u>\$ 4,550.74</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, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>Dec. 31, 2022</u>
Senior Citizens - Donations	\$ 16,322.57			\$ 16,322.57
Law Enforcement Escrow	13,831.95	\$ 1,910.62		15,742.57
Public Defender	13,180.00	3,135.00		16,315.00
Crime Prevention	1,765.55			1,765.55
Childrens Fund	82,800.27	2,725.00	\$ 854.00	84,671.27
9/11 Fund	2,065.33			2,065.33
Firemans Pension	68,160.00	16.61	23,460.00	44,716.61
Terminal Leave	298,366.90	72,000.00	45,398.42	324,968.48
Fire Code Penalty	11,751.16		1,297.48	10,453.68
Environmental Commission	1,727.52	500.00		2,227.52
Reserve for Recreation	73,960.00	30,709.00	51,012.94	53,656.06
Recycling	71,805.99			71,805.99
Reserve for Snow Removal	104,656.03	260,857.89	22,900.00	342,613.92
Reserve for MAC	6,319.11	117.00		6,436.11
Parking Adjudication	13,342.20	1,362.00		14,704.20
General Liability	26,662.85	2,073.70	1,823.70	26,912.85
TTL Premiums and Redemptions	330,437.41	269,000.00	343,905.69	255,531.72
Reserve for Tax Appeals	64,595.45	75,000.00		139,595.45
Tree Replacement Fund	24,000.00	15,650.00	2,000.00	37,650.00
Community Garden Trust	3,830.19			3,830.19
Reserve for Medical Trans		5,000.00		5,000.00
Flexible Savings Account	9,895.93	14,439.16	13,061.21	11,273.88
Police Special Duty	67,747.32	32,311.83	30,535.14	69,524.01
COAH	228,724.78	7,416.41	47,914.56	188,226.63
	<u>\$ 1,535,948.51</u>	<u>\$ 794,224.22</u>	<u>\$ 584,163.14</u>	<u>\$ 1,746,009.59</u>

Ref.

B

B-2

B-2

B

TOWNSHIP OF VERONA
TRUST FUNDS

UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2022

B-6

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$ 449,393.14
Increased by:		
Employee Deductions	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">34,694.23</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		484,087.37
Decreased by:		
Payments:		
Quarterly Premiums and Claims	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">18,013.06</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2022	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 466,074.31</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2022

B-7

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 189,841.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2022

B-8

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$ 11,915.40
Increased by:		
License Fees:		
2022 Collections	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">5,251.20</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		17,166.60
Decreased by:		
Due to Current Fund	B-4	4,550.74
Expenditures Under R.S. 4:19-15.11	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">1,467.46</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">6,018.20</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2022	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 11,148.40</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

License Fees Collected

<u>Year</u>	Amount
2020	\$ 4,998.40
2021	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">6,150.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 11,148.40</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

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, 2022

B-9

	<u>Ref.</u>	
Balance, December 31, 2021	B	\$ 110,252.63
Increased by:		
Deposits	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">192,465.16</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		302,717.79
Decreased by:		
Refunds	B-2	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">142,893.92</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2022	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 159,823.87</div> <div style="border-top: 3px double black; width: 100px;"></div> </div>

TOWNSHIP OF VERONA
ANIMAL CONTROL TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2022

B-10

Ref.

Increased by:

Receipts

B-2

\$ 847.80

Decreased by:

Disbursements

B-2

847.80

Balance, December 31, 2022

B

\$ -

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR OPEN SPACE TRUST
YEAR ENDED DECEMBER 31, 2022

B-11

	<u>Ref.</u>		
Increased by:			
BAN Sale Premium		\$ 194,573.96	
Interest Income		2,579.67	
Reimbursement of Expenses		24,733.00	
2022 Levy	B-2, B-4	<u>477,963.61</u>	<u>\$ 699,850.54</u>
			699,850.54
Decreased by:			
Expenses	B-12		<u>9,242.62</u>
Balance, December 31, 2022			<u><u>\$ 690,607.92</u></u>

PREPAID OPEN SPACE TAXES
YEAR ENDED DECEMBER 31, 2022

B-12

Balance, December 31, 2022 and 2021	B	\$ 9,242.62
Decreased by:		
Expenses Applied	B-11	<u>9,242.62</u>
Balance, December 31, 2022	B	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2022

C-2

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 278,609.34
Increased by Collections:			
Premium on Sale of Notes	C-1	\$ 155,261.58	
Note Proceeds	C-18	8,086,000.00	
Grants Received	C-4	787,500.00	
Bond Anticipation Note Proceeds	C-15	2,975,400.00	
Current Fund Budget Appropriation	C-9	150,000.00	
Reserve for Future Improvements	C-11	20,000.00	
Prior Year Interfunds Returned	C-6	45,000.00	
			<u>12,219,161.58</u>
			12,497,770.92
Decreased by Disbursements:			
Fund Balance Utilized in Current			
Fund Budget	C-1	200,000.00	
Interfunds	C-6	500,000.00	
Notes Redemmed	C-15	2,975,400.00	
Improvement Authorizations	C-13	1,792,695.33	
			<u>5,468,095.33</u>
Balance, December 31, 2022	C		<u>\$ 7,029,675.59</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2022

C-3
Sheet #1

	Ordinance Number	Balance		Disbursements		Transfers		Balance December 31, 2022
		December 31, 2021	Receipts	Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations - General</u>								
Various Capital Improvements	7-11	\$ 50,432.83		\$ 2,478.25				\$ 47,954.58
Construction of Hilltop Park - II	3-13	197,680.27		16,133.00				181,547.27
Various Capital Improvements	15-15	14,034.62		922.35		\$ 2,092.27		11,020.00
Various Capital Improvements	15-16	904.00				904.00		
Various Capital Improvements	18-16	299,972.86		1,074.34		208,047.36		90,851.16
Various Improvements, Equipment and Repairs	26-18	16,047.64		10,906.64		331.00		4,810.00
Roof Replacement	29-18	84,163.79		366.55				83,797.24
Acquisition of Real Property	34-18	7,184.80		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		67.00		469.09		
Acquisition of Ambulance and Fire Engine	19-17	(1,017,742.16)	\$ 1,199,000.00	1,573.87				179,683.97
Various Capital Improvements	19-21	(475,000.00)	475,000.00					
Reconstruction of Linn Drive	19-22	(297,020.55)	366,500.00	438.62		69,040.83		
Community Center HVAC	20-05	36,003.89		1,622.17		238.09		34,143.63
Sidewalk Repair and Replacement	20-11	30,000.00						30,000.00
Acquisition of Real Property - Cameco	20-12	52,172.60		13,001.82				39,170.78
Acquisition of Real Property - Kuvant	20-17	125,518.47		46,459.20				79,059.27
ADA Improvements Community Center	21-04	(76,912.17)	95,000.00	113.70				17,974.13
Reconstruction of Lynwood Road	21-05	(606,220.75)	1,368,750.00	22,481.42		393,750.00		346,297.83
Various Capital Improvements	21-06	27,242.93		24,427.00				2,815.93
ADA Improvements Town	21-13	(609.60)	195,000.00	233.38				194,157.02
Update Master Plan	21-18	5,983.00	176,000.00	104,684.13				77,298.87
Upgrades to 911 System	21-19	(12,020.65)	233,000.00	121.53				220,857.82
Engineering Services Reconstruction of Derwent Ave.	21-22	15,291.25		14,165.00				1,126.25
Various Capital Improvements	21-26	17,391.44	3,215,250.00	1,474,238.69		68,750.00		1,689,652.75
Various Road Improvements	22-10		1,550,000.00	8,468.77				1,541,531.23
Acquisition of Real Property- Police Department	22-28			41,533.10			\$ 17,000.00	(24,533.10)
Supplemental ADA Improvements Community Center	22-30						25,000.00	25,000.00
Community Center Playground	22-37						26,500.00	26,500.00

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2022

C-3
Sheet #2

	Balance December 31, 2021	Receipts	Disbursements Improvement Authorizations	Other	Transfers From	To	Balance December 31, 2022
<u>General Accounts</u>							
Fund Balance	\$ 267,294.98	\$ 155,261.58		\$ 200,000.00		\$ 9,595.54	\$ 232,152.10
Due from Other Trust Fund	(104,432.00)						(104,432.00)
Due from Open Space Trust Fund	(63,697.46)						(63,697.46)
Due to/from Pool Capital Fund	500,000.00			500,000.00			
Due to/from Current Fund	(24,503.74)	45,000.00					20,496.26
Capital Improvement Fund	262,566.19	150,000.00			\$ 68,500.00	912.19	344,978.38
Reserve for Debt Service	1,149.73						1,149.73
Reserve for Future Improvements	782,980.25	20,000.00					802,980.25
Reserve for Refunding Bond Sale Costs	5,651.24						5,651.24
Excess Bond Anticipation Notes	147,760.25					741,920.21	889,680.46
	<u>\$ 278,609.34</u>	<u>\$ 9,243,761.58</u>	<u>\$ 1,792,695.33</u>	<u>\$ 700,000.00</u>	<u>\$ 820,927.94</u>	<u>\$ 820,927.94</u>	<u>\$ 7,029,675.59</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, 2022

C-4

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 1,093,992.33
Increased by:			
2022 Grant Awards	C-12		505,000.00
			<u>1,598,992.33</u>
Decreased by:			
Cash Received	C-2	\$ 787,500.00	
Cancelled	C-12	<u>43,992.33</u>	<u>831,492.33</u>
Balance, December 31, 2022	C, Below		<u><u>\$ 767,500.00</u></u>

Analysis of Balance:

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
21-05	Department of Transportation - Reconstruction of Lynwood Road	\$ 131,250.00
21-16	Department of Transportation - Various Capital Improvements	131,250.00
22-10	Department of Transportation - Various Road Improvements	505,000.00
		<u><u>\$ 767,500.00</u></u>

Ref.

Above

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR REFUNDING BOND SALE COSTS
YEAR ENDED DECEMBER 31, 2022

C-5

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	C	<u>\$ 5,651.24</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE/(PAYABLE)
YEAR ENDED DECEMBER 31, 2022

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, 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>
Increased by:						
Cash Disbursements	C-2	<u>500,000.00</u>	<u>24,503.74</u>	<u>500,000.00</u>	<u>-</u>	<u>104,432.00</u>
		<u>500,000.00</u>		<u>-</u>	<u>-</u>	
Decreased by:						
Cash Receipts	C-2	<u>45,000.00</u>	<u>45,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2022	C	<u><u>\$ 147,633.20</u></u>	<u><u>\$ (20,496.26)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,697.46</u></u>	<u><u>\$ 104,432.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2022

C-7

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 18,154,407.23
Decreased by:			
Serial Bonds Redeemed	C-14	\$ 2,730,000.00	
Green Acres Loan Paid	C-16	<u>110,069.37</u>	<u>2,840,069.37</u>
Balance, December 31, 2022	C		<u>\$ 15,314,337.86</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2022

C-8

								Analysis of Balance December 31, 2022		
Improvement Description	Ordinance Number	Date	Balance December 31, 2021	2022 Authorizations	Canceled	Note Paydowns	Grant Receipts	Balance December 31, 2022	Bond Anticipation Notes	Unexpended Balance of Improvement Authorizations
Various Capital Improvements	4-15	3-02-15	\$ 6,039.67		\$ 239.75	\$ 5,799.92				
Various Capital Improvements	15-15	11-16-15	809,154.18		2,092.27	154.18		\$ 806,907.73	\$ 806,907.73	
Various Capital Improvements	18-16	7-11-16	727,545.90		208,047.36	545.90		518,952.64	518,952.64	
Various Capital Improvements	28-16	12-05-16	223,000.00			7,700.00		215,300.00	215,300.00	
Roof Replacement	29-18	11-11-18	333,000.00			11,500.00		321,500.00	321,500.00	
Acquisition of Real Property	34-18	12-27-18	2,952,000.00			37,400.00		2,914,600.00	2,914,600.00	
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	366,500.00		69,040.83			297,459.17	297,459.17	
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	95,000.00	\$ 568.00
Reconstruction of Lynwood Road	21-05	4-1-21	975,000.00				\$ 393,750.00	581,250.00	581,250.00	
ADA Improvements Town Hall	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		200,000.00		393,750.00	2,752,750.00	2,752,750.00	
Acquisition of Real Property	22-06	3-24-22		\$ 1,250,000.00				1,250,000.00		1,250,000.00
ADA Improvements Municipal Building	22-10	5-19-22		1,550,000.00				1,550,000.00	1,550,000.00	
Police Department Equipment	22-28	9-16-22		323,000.00				323,000.00		\$ 24,533.10
Playground Project - Community Center	22-37	12-23-22		523,500.00				523,500.00		298,466.90
			<u>\$ 27,952,307.75</u>	<u>\$ 3,646,500.00</u>	<u>\$ 479,420.21</u>	<u>\$ 63,100.00</u>	<u>\$ 787,500.00</u>	<u>\$ 30,268,787.54</u>	<u>\$ 28,171,719.54</u>	<u>\$ 2,072,534.90</u>
	Ref.	C	C-13	C-13, C-17	C-15	C-4	C	C-15	C-3	Below
						Bond Anticipation Notes Issued	C-15	\$ 29,061,400.00		
						Less: Excess Notes Issued	C-3	(889,680.46)		
							Above	<u>\$ 28,171,719.54</u>	Ref.	
							Improvement Authorizations Unfunded		C-13	\$ 6,643,886.97
						Less: Unexpended Proceeds of Bond Anticipation Notes Issued				
									Ord. 15-15	11,020.00
									Ord. 18-16	90,851.16
									Ord. 29-18	83,797.24
									Ord. 19-17	179,683.97
									Ord. 20-12	39,170.78
									Ord. 20-17	79,059.27
									Ord. 21-04	17,974.13
									Ord. 21-05	346,297.83
									Ord. 21-13	194,157.02
									Ord. 21-18	77,298.87
									Ord. 21-19	220,857.82
									Ord. 21-26	1,689,652.75
									Ord. 22-10	1,541,531.23
										<u>\$ 2,072,534.90</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

C-9

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 262,566.19
Increased by:			
Current Fund Budget Appropriation	C-2	\$ 150,000.00	
Improvement Authorizations Canceled	C-13	<u>912.19</u>	
			<u>150,912.19</u>
			413,478.38
Decreased by:			
Appropriation to Finance Improvement Authorizations	C-13		<u>68,500.00</u>
Balance, December 31, 2022	C		<u><u>\$ 344,978.38</u></u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2022

C-10

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	C	<u>\$ 1,149.73</u>

RESERVE FOR FUTURE IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2022

C-11

	<u>Ref.</u>	
Balance, December 31, 2021	C	\$ 782,980.25
Increased by:		
Cash Receipts	C-2	<u>20,000.00</u>
		802,980.25
Balance, December 31, 2022	C	<u>\$ 802,980.25</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANTS AND AID RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

C-12

	<u>Ref.</u>		
Balance, December 31, 2021	C		\$ 1,093,992.33
Increased by:			
NJDOT Award	C-5		<u>505,000.00</u>
			1,598,992.33
Decreased by:			
Applied to Deferred Charges - Unfunded	C-8	\$ 787,500.00	
Cancelled	C-4	<u>43,992.33</u>	<u>831,492.33</u>
Balance, December 31, 2022	C		<u><u>\$ 767,500.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2022

C-13

Improvement Description:	Ordinance			Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2022	
	Number	Date	Amount	Funded	Unfunded				Funded	Unfunded
Various Capital Improvements	7-11	8-15-11	\$ 434,500.00	\$ 50,432.83			\$ 2,478.25		\$ 47,954.58	
Construction of Hilltop Park - II	3-13	4-15-13	5,125,000.00	197,680.27			16,133.00		181,547.27	
Various Capital Improvements	15-15	11-16-15	1,898,000.00		\$ 14,034.62		922.35	\$ 2,092.27		\$ 11,020.00
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		299,972.86		1,074.34	208,047.36		90,851.16
Various Improvements, Equipment and Repairs	26-18	10-24-18	98,000.00	16,047.64			10,906.64	331.00	4,810.00	
Roof Replacement	29-18	11-11-18	350,000.00		84,163.79		366.55			83,797.24
Acquisition of Real Property	34-18	12-27-18	3,100,000.00		7,184.80		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			67.00	469.09		
Acquisition of Ambulance and Fire Engine	19-17	6-27-19	1,260,000.00		181,257.84		1,573.87			179,683.97
Reconstruction of Linn Drive	19-22	10-3-19	385,000.00		69,479.45		438.62	69,040.83		
Community Center HVAC	20-05	3-2-20	50,000.00	36,003.89			1,622.17	238.09	34,143.63	
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		52,172.60		13,001.82			39,170.78
Acquisition of Real Property - Kuvant	20-17	10-13-20	12,800,000.00		125,518.47		46,459.20			79,059.27
ADA Improvements Community Center	21-04	4-1-21	200,000.00		18,655.83		113.70			18,542.13
Reconstruction of Lynwood Road	21-05	4-1-21	975,000.00		368,779.25		22,481.42			346,297.83
Various Capital Improvements	21-06	3-28-21	60,000.00	27,242.93			24,427.00		2,815.93	
ADA Improvements Town	21-13	5-27-21	195,000.00		194,390.40		233.38			194,157.02
Update Master Plan	21-18	7-15-21	185,000.00	5,983.00			104,684.13			77,298.87
Upgrades to 911 System	21-19	7-15-21	245,000.00		220,979.35		121.53			220,857.82
Engineering Services Reconstruction of Derwent Ave.	21-22	8-02-21	40,000.00	15,291.25			14,165.00		1,126.25	
Various Capital Improvements	21-26	9-20-21	3,365,000.00	17,391.44	3,346,500.00		1,474,238.69	200,000.00		1,689,652.75
Acquisition of Real Property	22-06	3-24-22	1,250,000.00			\$ 1,250,000.00				1,250,000.00
Various Road Improvements	22-10	5-19-22	1,550,000.00			1,550,000.00	8,468.77			1,541,531.23
Acquisition of Real Property- Police Department	22-28	9-16-22	340,000.00			340,000.00	41,533.10			298,466.90
Supplemental ADA Improvements Community Center	22-30	10-9-22	25,000.00			25,000.00			25,000.00	
Community Center Playground	22-37	12-23-22	550,000.00			550,000.00			26,500.00	523,500.00
				<u>\$ 406,318.64</u>	<u>\$ 5,159,089.26</u>	<u>\$ 3,715,000.00</u>	<u>\$ 1,792,695.33</u>	<u>\$ 489,927.94</u>	<u>\$ 353,897.66</u>	<u>\$ 6,643,886.97</u>
	<u>Ref.</u>			C	C	Below	C-2	Below	C	C
					<u>Ref.</u>			<u>Ref.</u>		
Deferred Charges to Future Taxation - Unfunded					C-8	\$ 3,646,500.00		C-8	\$ 479,420.21	Deferred Charges to Future Taxation - Unfunded
Capital Improvement Fund					C-9	<u>68,500.00</u>		C-1	9,595.54	Fund Balance
								C-9	<u>912.19</u>	Capital Improvement Fund
					Above	<u>\$ 3,715,000.00</u>				
							Above	<u>\$ 489,927.94</u>		

TOWNSHIP OF VERONA
GENERAL CAPITAL BONDS

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2022

C-14

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance December 31, 2021	Bonds Redeemed	Balance December 31, 2022
			Date	Amount				
General Bonds of 2008	5-01-08	\$ 6,827,000.00	5-01-23	\$ 600,000.00	3.70 %	\$ 1,200,000.00	\$ 600,000.00	\$ 600,000.00
General Bonds of 2010	11-01-10	8,665,000.00	11-01-23	640,000.00	3.25	1,390,000.00	750,000.00	640,000.00
General Bonds of 2013	7-15-13	6,558,000.00	7-15-23	500,000.00	3.00	3,028,000.00	500,000.00	2,528,000.00
			7-15-24	500,000.00	3.00			
			7-15-25	500,000.00	3.00			
			7-15-26	500,000.00	3.00			
			7-15-27	528,000.00	3.00			
General Bonds of 2017	6-28-17	14,355,000.00	2-15-23	895,000.00	3.00	11,905,000.00	880,000.00	11,025,000.00
			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			
						<u>\$ 17,523,000.00</u>	<u>\$ 2,730,000.00</u>	<u>\$ 14,793,000.00</u>
Ref.						C	C-7	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2022

C-15

Ordinance Number	Date	Description	Date of Issue of Original Note	Date of Maturity	Rate of Interest	Balance December 31, 2021	Increase	Decrease	Balance December 31, 2022
04-15	03-02-15	Various Improvements	3-3-22	3-3-23	2.0000 %	\$ 5,799.92		\$ 5,799.92	
15-15	11-16-15	Various Improvements	3-3-22	3-3-23	2.0000	809,154.18	\$ 809,000.00	809,154.18	\$ 809,000.00
18-16	7-11-16	Various Improvements	3-3-22	3-3-23	2.0000	727,545.90	727,000.00	727,545.90	727,000.00
28-16	12-05-16	Various Improvements	3-3-22	3-3-23	2.0000	223,000.00	215,300.00	223,000.00	215,300.00
29-18	11-11-18	Roof Replacement	3-3-22	3-3-23	2.0000	333,000.00	321,500.00	333,000.00	321,500.00
34-18	12-27-18	Acquisition of Real Property	3-3-22	3-3-23	2.0000	2,952,000.00	2,914,600.00	2,952,000.00	2,914,600.00
20-17	10-13-20	Acquisition of Real Property - Kuvant	10-27-22	3-3-23	5.0000	12,190,000.00	12,190,000.00	12,190,000.00	12,190,000.00
20-12	7-2-20	Acquisition of Real Property - Cameco	10-27-22	3-3-23	5.0000	3,798,000.00	3,798,000.00	3,798,000.00	3,798,000.00
19-22	10-3-19	Reconstruction of Linn Drive	6-8-22	3-3-23	4.0000		366,500.00		366,500.00
19-17	6-27-19	Acquisition of Ambulance and Fire Engine	6-8-22	3-3-23	4.0000		1,199,000.00		1,199,000.00
21-19	7-15-21	Upgrades to 911 System	6-8-22	3-3-23	4.0000		475,000.00		475,000.00
21-04	4-1-21	ADA Community Center	6-8-22	3-3-23	4.0000		95,000.00		95,000.00
21-05	4-1-21	Reconstruction of Lynwood Road	6-8-22	3-3-23	4.0000		975,000.00		975,000.00
21-13	5-27-21	ADA Improvements Town	6-8-22	3-3-23	4.0000		195,000.00		195,000.00
21-18	7-15-21	Update Master Plan	6-8-22	3-3-23	4.0000		176,000.00		176,000.00
21-19	7-15-21	Upgrades to 911 System	6-8-22	3-3-23	4.0000		233,000.00		233,000.00
21-26	9-20-21	Various Improvements	6-8-22	3-3-23	4.0000		2,821,500.00		2,821,500.00
22-10	5-19-22	Road Improvements	6-8-22	3-3-23	4.0000		1,550,000.00		1,550,000.00
						<u>\$ 21,038,500.00</u>	<u>\$ 29,061,400.00</u>	<u>\$ 21,038,500.00</u>	<u>\$ 29,061,400.00</u>
						Ref. C	Below	Below	C
						Notes Renewed C-8 \$ 20,975,400.00			
						Notes Issued C-2 8,086,000.00			
						Above <u>\$ 29,061,400.00</u>			
						Paid by Budget Appropriation C-8 \$ 63,100.00			
						Renewals C-8 20,975,400.00			
						Above <u>\$ 21,038,500.00</u>			

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2022

C-16

<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Loan Paid</u>	<u>Balance December 31, 2022</u>
9-18-07	\$ 1,965,000.00	2.00 %	<u>\$ 631,407.23</u>	<u>\$ 110,069.37</u>	<u>\$ 521,337.86</u>
		<u>Ref.</u>	C	C-7	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2022

C-17

General Improvements	Ordinance Number	Date	Debt Authorized	Balance December 31, 2021	2022 Authorizations	Notes Issued	Grant Receipts	Canceled	Excess Proceeds	Balance December 31, 2022
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		\$ 69,040.83	\$ 69,040.83	
ADA Improvements Community Center	21-04	4-1-21	200,000.00	95,568.00		95,000.00				\$ 568.00
Reconstruction of Lynwood Road	21-05	4-1-21	975,000.00	975,000.00		975,000.00	\$ 393,750.00		393,750.00	
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		2,821,500.00	393,750.00	200,000.00	68,750.00	
Acquisition of Real Property	22-06	3-24-22	1,250,000.00		\$ 1,250,000.00					1,250,000.00
ADA Improvements Municipal Building	22-10	5-19-22	1,550,000.00		1,550,000.00	1,550,000.00				
Police Department Equipment	22-28	9-16-22	323,000.00		323,000.00					323,000.00
Playground Project - Community Center	22-37	12-23-22	523,500.00		523,500.00					523,500.00
				<u>\$ 7,061,568.00</u>	<u>\$ 3,646,500.00</u>	<u>\$ 8,086,000.00</u>	<u>\$ 787,500.00</u>	<u>\$ 269,040.83</u>	<u>\$ 531,540.83</u>	<u>\$ 2,097,068.00</u>
	<u>Ref.</u>			C	C-8	C-15	C-4	C-3	C-8	C

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-5

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2021	D	\$ 1,357,417.08	\$ 1,143,014.43
Increased by Receipts:			
Premium on Sale of Notes	D-2		\$ 46,336.84
Miscellaneous Revenue	D-3	\$ 288,073.48	
Rents Receivable	D-8	6,924,969.02	
Bond Anticipation Notes Issued	D-21		4,408,500.00
Capital Improvement Fund	D-15		100,000.00
		<u>7,213,042.50</u>	<u>4,554,836.84</u>
		8,570,459.58	5,697,851.27
Decreased by Disbursements:			
Budget Appropriations	D-4	6,643,816.38	
Appropriation Reserves	D-11	295,170.87	
Payment of Interest on Bonds and Notes	D-12	131,875.00	
Payment of Interest on Loans	D-13	11,218.76	
Improvement Authorizations	D-7, D-19		977,325.16
Bond Anticipation Notes Redeemed	D-21		2,908,500.00
		<u>7,082,081.01</u>	<u>3,885,825.16</u>
Balance, December 31, 2022	D	<u>\$ 1,488,378.57</u>	<u>\$ 1,812,026.11</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-6

CASH - INVESTMENT ACCOUNT
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	<u>Operating</u>
Balance, December 31, 2021	D	\$ 690,000.00
Increased by:		
Interest Earned		<u>2,073.17</u>
		692,073.17
Decreased by:		
Due to Current Fund		<u>2,073.17</u>
Balance, December 31, 2022	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, 2021	Receipts	Disbursements Improvement Authorizations	Transfers From	To	Balance December 31, 2022
Fund Balance	\$ 253,520.11	\$ 46,336.84				\$ 299,856.95
Capital Improvement Fund	167,076.00	100,000.00		\$ 95,000.00		172,076.00
<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	111,268.97		\$ 9,108.38			102,160.59
Ordinance #06-14						
Ordinance #16-16	28,976.65		20,791.65			8,185.00
Ordinance #01-17	116,672.64		916.43			115,756.21
Ordinance #28-17	794.40					794.40
Ordinance #21-18	51,249.03					51,249.03
Ordinance #30-18	611,270.15		1,491.39			609,778.76
Ordinance #19-15	(542,779.27)					(542,779.27)
Ordinance #20-18	8,200.00					8,200.00
Ordinance #21-23	25,097.50		24,208.75			888.75
Ordinance #21-24	(12,840.00)	500,000.00	141,749.89			345,410.11
Ordinance #21-27	(430.32)		212,749.99			(213,180.31)
Ordinance #22-11		1,000,000.00	566,308.68			433,691.32
Ordinance #22-34					\$ 70,000.00	70,000.00
Ordinance #22-35					25,000.00	25,000.00
	<u>\$ 1,143,014.43</u>	<u>\$ 1,646,336.84</u>	<u>\$ 977,325.16</u>	<u>\$ 95,000.00</u>	<u>\$ 95,000.00</u>	<u>\$ 1,812,026.11</u>
<u>Ref.</u>	D	D-5	D-5, D-18	Contra	Contra	D

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-8

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 1,052,494.27
Increased by:		
Billings	Reserve	<u>6,707,062.56</u>
		7,759,556.83
Decreased by:		
Collections	D-3, D-5	<u>6,924,969.02</u>
Balance, December 31, 2022	D	<u><u>\$ 834,587.81</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-9

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 45,870,364.03
Increased by:		
Transferred from Fixed Capital		
Authorized and Uncompleted	D-10	<u>290,000.00</u>
Balance, December 31, 2022	D	<u><u>\$ 46,160,364.03</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2022

D-10

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2021	Increase	Cancellations	Transfer to Fixed Capital	Balance December 31, 2022
		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
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
28-17	Various Sewer Equipment	1-8-18	115,000.00	115,000.00		\$ 794.40	\$ 115,000.00	
21-18	Rehabilitation of Fairview Well	6-11-18	175,000.00	175,000.00		51,249.03	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	0.00				
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	0.00				
	Preliminary Planning Expenses For Improvements At							
21-24	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
22-11	Improvement of Sanitary Sewer Distribution System	5-19-22	1,000,000.00		\$ 1,000,000.00			1,000,000.00
22-34	Peckman Bank Stabilization	12-14-22	70,000.00		70,000.00			70,000.00
22-35	Risk & Resilience Assessment	12-14-22	25,000.00		25,000.00			25,000.00
				<u>\$ 7,136,819.11</u>	<u>\$ 1,095,000.00</u>	<u>\$ 52,043.43</u>	<u>\$ 290,000.00</u>	<u>\$ 7,941,819.11</u>
	<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, 2022

<u>Appropriation</u>	<u>Balance</u> <u>December 31, 2021</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Expenditures</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Committed</u>	<u>Uncommitted</u>			
<u>Operating</u>					
Salaries and Wages		\$ 160,615.92	\$ 30,615.92	\$ 20,436.85	\$ 10,179.07
Other Expenses	\$ 141,142.50	3,591.52	274,734.02	274,734.02	
	<u>\$ 141,142.50</u>	<u>\$ 164,207.44</u>	<u>\$ 305,349.94</u>	<u>\$ 295,170.87</u>	<u>\$ 10,179.07</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, 2022

	<u>Ref.</u>		
Balance, December 31, 2021	D		\$ 81,940.83
Increased by:			
Deferred Charge	D-22	\$ 16,807.00	
Budget Appropriation	D-4	<u>153,400.00</u>	<u>170,207.00</u>
			252,147.83
Decreased by:			
Payment of Interest on Bonds and Loans	D-1		<u>131,875.00</u>
Balance, December 31, 2022	D		<u><u>\$ 120,272.83</u></u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2022</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
<u>Bonds:</u>						
5-1-2008	\$ 200,000.00	3.70%	11-1-22	12-31-22	2.00 Months	\$ 1,233.33
7-15-2013	868,000.00	3.00%	7-15-22	12-31-22	5.50 Months	11,935.00
6-28-2017	<u>1,025,000.00</u>	3.00%	8-15-22	12-31-22	4.50 Months	<u>11,531.25</u>
	<u><u>\$ 2,093,000.00</u></u>					<u>24,699.58</u>
<u>Bond Anticipation Notes:</u>						
3-7-2019	\$ 2,841,900.00	2.00%	3-4-22	12-31-22	302 Days	<u>47,027.61</u>
6-8-2022	<u>1,500,000.00</u>	4.00%	6-8-22	12-31-22	266 Days	<u>43,726.03</u>
	<u><u>\$ 4,341,900.00</u></u>					<u>90,753.63</u>
Total						115,453.22
					To be used in subsequent year's budget	<u>4,819.61</u>
						<u><u>\$ 120,272.83</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-13

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 6,861.96
Increased by:		
Budget Appropriation	D-4	<div style="text-align: right;">6,327.77</div> <hr/> 13,189.73
Decreased by:		
Payments	D-5	<div style="text-align: right;">11,218.76</div> <hr/>
Balance, December 31, 2022	D	<div style="text-align: right;">\$ 1,970.97</div> <hr/> <hr/>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance Due February 2023</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
11-01-04	\$ 2,365.19	8-01-22	12-31-22	5 Months	<div style="text-align: right;">\$ 1,970.97</div> <hr/> <div style="text-align: right;">\$ 1,970.97</div> <hr/> <hr/>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-14

OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance, December 31, 2022 and 2021	D	<u>\$ 14,751.40</u>

D-15

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance, December 31, 2021	D	\$ 167,076.00
Increased by:		
Budget Appropriation - Cash Received	D-5	<u>100,000.00</u>
		267,076.00
Decreased by:		
Funded Improvement Authorizations	D-17	<u>95,000.00</u>
Balance, December 31, 2022	D	<u>\$ 172,076.00</u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-16

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>		
Balance, December 31, 2021	D		\$ 44,426,718.28
Increased by:			
Serial Bonds Redeemed	D-20	\$ 470,000.00	
Note Principal Payments	D-21	66,600.00	
Repayment of State Loan and Adjustments	D-19	192,167.37	
Transferred from Deferred Reserve for Amortization	D-17	<u>290,000.00</u>	
			<u>1,018,767.37</u>
			45,445,485.65
Decreased by:			
Prior Year Funded Improvements Canceled	D-2		<u>292,516.17</u>
Balance, December 31, 2022	D		<u><u>\$ 45,152,969.48</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2022

D-17

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2021</u>	<u>Increase</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance December 31, 2022</u>
6-09	Various Water Improvements	6-01-09	\$ 23,000.00			\$ 23,000.00
7-10	Various Water Improvements	6-21-10	32,000.00			32,000.00
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
22-34	Peckman Bank Stabilization	12-14-22		\$ 70,000.00		70,000.00
22-35	Risk & Resilience Assessment	12-14-22		25,000.00		25,000.00
			<u>\$ 495,800.00</u>	<u>\$ 95,000.00</u>	<u>\$ 290,000.00</u>	<u>\$ 300,800.00</u>
		<u>Ref.</u>	D	D-15	D-16	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY
 IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2022

D-18

Improvement Description	Ordinance		Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Cancellations	Balance Dec. 31, 2022	
	Number	Amount	Funded	Unfunded				Funded	Unfunded
<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 Water Capital Improvements	07-10	660,000.00	21,701.67					21,701.67	
Various Sewer Capital Improvements	05-14	1,255,000.00	20,768.97	\$ 90,500.00	\$ 9,108.38			11,660.59	\$ 90,500.00
Acquisition of Water Meters and Equipment	16-16	525,000.00		28,976.65	20,791.65				8,185.00
Various Water/Sewer Capital Improvements	01-17	825,000.00		116,672.64	916.43				115,756.21
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		611,270.15	1,491.39				609,778.76
Mechanical Bar Screen	19-15	600,000.00		57,220.73					57,220.73
Rehab of Primary Clarifier Pump Station	20-18	115,000.00	8,200.00					8,200.00	
Engineering Costs For Water Distribution Project	21-23	40,000.00	25,097.50			24,208.75		888.75	
Preliminary Planning Expenses For Improvements At Fairview Ave	21-24	500,000.00		487,160.00	141,749.89				345,410.11
Various Water/Sewer Capital Improvements	21-27	1,405,000.00		1,404,569.68	212,749.99				1,191,819.69
Improvement of Sanitary Sewer Distribution System	22-11	1,000,000.00			\$ 1,000,000	566,308.68			433,691.32
Peckman Bank Stabilization	22-34	70,000.00			70,000.00			70,000.00	
Risk & Resilience Assessment	22-35	25,000.00			25,000.00			25,000.00	
			<u>\$ 139,032.30</u>	<u>\$ 2,796,369.85</u>	<u>\$ 1,095,000.00</u>	<u>\$ 977,325.16</u>	<u>\$ 52,043.43</u>	<u>\$ 148,671.74</u>	<u>\$ 2,852,361.82</u>
	<u>Ref.</u>		D	D		D-5	D-2, D-10	D	D
					<u>Ref.</u>				
				Capital Improvement Fund	D-15	\$ 95,000.00			
				Bonds and Notes Authorized but Not Issued	D-22	1,000,000.00			
					Above	<u>\$ 1,095,000.00</u>			

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

WASTE WATER TREATMENT LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2022

D-19

<u>Original Issue</u>		<u>Balance</u>		<u>Decrease</u>		<u>Balance</u>
<u>Date</u>	<u>Amount</u>	<u>December 31, 2021</u>			<u>Loan Adjustments</u>	<u>December 31, 2022</u>
New Jersey Waste Water Treatment						
Loan Program:						
Loan Number 3:						
Trust Share	11-01-02	\$ 700,000.00	\$ 52,386.57	\$ 55,000.00	\$ (2,613.43)	
Fund Share	11-01-02	735,250.00	37,672.81	37,672.81		
Loan Number 4:						
Trust Share	11-01-04	850,000.00	175,888.26	60,000.00	(2,368.99)	\$ 118,257.25
Fund Share	11-01-04	864,348.00	134,233.39	44,476.98		89,756.41
			<u>\$ 400,181.03</u>	<u>\$ 197,149.79</u>	<u>(4,982.42)</u>	<u>\$ 208,013.66</u>
	<u>Ref.</u>		D	D-16	D-16	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-20

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance December 31, 2021	Bonds Redeemed	Balance December 31, 2022
			Date	Amount				
Water/Sewer Improvements	5-01-08	\$ 2,886,000.00	5-01-23	\$ 200,000.00	3.70 %	\$ 420,000.00	\$ 220,000.00	\$ 200,000.00
Water/Sewer Improvements	7-15-13	2,043,000.00	01-15-23/27 01-15-28	150,000.00 118,000.00	3.00	1,018,000.00	150,000.00	868,000.00
Water/Sewer Improvements	6-28-17	1,505,000.00	2-15-23 2-15-24/25 2-15-26 2-15-27/28 2-15-29 2-15-30 2-15-31	100,000.00 105,000.00 110,000.00 115,000.00 120,000.00 125,000.00 130,000.00	3.00 3.00 3.00 3.00 3.00 3.00 3.00	<u>1,125,000.00</u>	<u>100,000.00</u>	<u>1,025,000.00</u>
						<u>\$ 2,563,000.00</u>	<u>\$ 470,000.00</u>	<u>\$ 2,093,000.00</u>
					<u>Ref.</u>	D	D-16	D

D-21

D-21

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-22

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2022

Ref.

Increased by:

Overexpenditure of Appropriations	D-4	<u>\$ 16,807.00</u>
Balance, December 31, 2022	D	<u><u>\$ 16,807.00</u></u>

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-23

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2022

Authorizations	Ordinance		Balance	2022	Notes	Balance
	Number	Date	December 31, 2021	Authorizations	Issued	December 31, 2022
Various Sewer Improvements	8-11	8-15-11	\$ 500.00			\$ 500.00
Mechanical Bar Screen	19-15	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
Improvement of Sanitary Sewer Distribution System	22-11	5-19-22		\$ 1,000,000.00	1,000,000.00	
			<u>\$ 2,505,500.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 2,005,500.00</u>
	<u>Ref.</u>		D	D-18	D-21	D

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2022

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2021	E	\$ 322,126.93	\$ 519,519.12
Increased by Receipts:			
Premium on Sale of Notes	E-2		\$ 7,415.23
Membership Fees	E-3	\$ 525,100.00	
Miscellaneous Revenue	E-3	86,321.03	
Petty Cash Returned	E-7	100.00	
American Rescue Plan	E-3	60,000.00	
Interfunds	E-20		502,300.00
Capital Fund Balance	E-2, E-3	43,500.00	
Capital Improvement Fund	E-13		10,000.00
Bond Anticipation Notes Issued	E-18		813,000.00
		<u>715,021.03</u>	<u>1,332,715.23</u>
		1,037,147.96	1,852,234.35
Decreased by Disbursements:			
Budget Appropriations	E-4	656,665.49	
Interfunds	E-9	60,000.00	
Appropriation Reserves	E-11	7,130.16	
Interest on Bonds and Notes	E-12	39,280.00	
Improvement Authorizations	E-16		444,607.44
Bond Anticipation Notes Redeemed	E-18		815,300.00
Capital Fund Balance	E-2		43,500.00
Petty Cash Advanced	E-7	100.00	
		<u>763,175.65</u>	<u>1,303,407.44</u>
Balance, December 31, 2022	E	<u>\$ 273,972.31</u>	<u>\$ 548,826.91</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2022

E-6

	Ordinance Number	Balance December 31, 2021	Receipts	Disbursements	Transfers From	To	Balance December 31, 2022
<u>Improvement Authorizations - General</u>							
Improvements to Pool Facility	8-09	\$ (700.00)					\$ (700.00)
Improvements to Pool Facility	7-14	5,468.81		\$ 4,719.21			749.60
Improvements to Pool Facility	19-33	839,266.09		351,448.23			487,817.86
Improvements to Water Slides	21-28	65,000.00		65,000.00			
Additional Slide Refurbishment	22-15			23,440.00		\$ 25,000.00	1,560.00
<u>General Accounts</u>							
Fund Balance		43,559.22	7,415.23	43,500.00			7,474.45
Capital Improvement Fund		66,925.00	10,000.00		\$ 25,000.00		51,925.00
Due from General Capital Fund		(500,000.00)	502,300.00				
		<u>\$ 519,519.12</u>	<u>\$ 519,715.23</u>	<u>\$ 488,107.44</u>	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>	<u>\$ 548,826.91</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, 2022

E-7

	<u>Ref.</u>	<u>Operating</u>
Increased by:		
Petty Cash Funds Advanced	E-5	\$ 100.00
Decreased by:		
Petty Cash Funds Returned	E-5	<u>100.00</u>
		<u>\$ -</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2022

E-8

	<u>Ref.</u>		
Balance, December 31, 2021	E	\$	4,837,919.52
Increased by:			
Transferred from Fixed Capital Authorized and Uncompleted	E-10		<u>65,000.00</u>
Balance, December 31, 2022	E	<u>\$</u>	<u>4,902,919.52</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

INTERFUND PAYABLE
POOL UTILITY OPERATING FUND
YEAR ENDED DECEMBER 31, 2022

E-9

	<u>Ref.</u>	<u>Due to Current Fund</u>
Balance, December 31, 2021	E	\$ 60,000.00
Decreased by:		
Cash Disbursed	E-5	<u>60,000.00</u>
Balance, December 31, 2022	E	<u><u>\$ -</u></u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2022

E-10

	<u>Ordinance</u>			<u>Balance</u>	<u>2022</u>		<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>December 31, 2021</u>	<u>Authorizations</u>	<u>Decrease</u>	<u>December 31, 2022</u>
<u>General Improvements</u>							
Improvements to Municipal Pool	7-14	7-14-14	\$ 33,000.00	\$ 33,000.00			\$ 33,000.00
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	
Slide Refurbishment	22-15	5-29-22	25,000.00		\$ 25,000.00		25,000.00
Supplemental 2019-33 Splash Park	22-31	11-10-22	800,000.00		800,000.00		800,000.00
				<u>\$ 948,000.00</u>	<u>\$ 825,000.00</u>	<u>\$ 65,000.00</u>	<u>\$ 1,708,000.00</u>
			<u>Ref.</u>	E	E-16	E-8	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

E-11

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2021</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		\$ 87,319.68	\$ 87,319.68		\$ 87,319.68
Other Expenses	\$ 5,758.01	3,104.06	8,862.07	\$ 6,130.16	2,731.91
<u>Statutory Expenditures</u>					
Social Security System (OASI)		1,000.00	1,000.00	1,000.00	
	<u>\$ 5,758.01</u>	<u>\$ 91,423.74</u>	<u>\$ 97,181.75</u>	<u>\$ 7,130.16</u>	<u>\$ 90,051.59</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, 2022

E-12

	<u>Ref.</u>	
Balance, December 31, 2021	E	\$ 24,146.67
Increased by:		
Budget Appropriation	E-4	39,029.16
		<u>63,175.83</u>
Decreased by:		
Payments	E-5	39,280.00
		<u>39,280.00</u>
Balance, December 31, 2022	E	<u>\$ 23,895.83</u>

Analysis of Balance

Date of Issue	Balance December 31, 2022	Rate	From	To	Period	Amount
<u>Serial Bonds:</u>						
07-15-13	\$ 514,000.00	3.00 %	7-15-22	12-31-22	5.5 Months	\$ 7,067.50
7-20-17	<u>120,000.00</u>	3.00	7-15-22	12-31-22	5.5 Months	<u>1,650.00</u>
	<u>\$ 634,000.00</u>					<u>8,717.50</u>
<u>Bond Anticipation Notes:</u>						
3-4-22	\$ 31,800.00	2.00 %	3-5-22	12-31-22	300 Days	530.00
3-4-22	28,900.00	2.00	3-5-22	12-31-22	300 Days	481.67
3-4-22	<u>850,000.00</u>	2.00	3-5-22	12-31-22	300 Days	<u>14,166.67</u>
	<u>\$ 60,700.00</u>					<u>15,178.33</u>
						<u>\$ 23,895.83</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2022

E-13

Balance, December 31, 2021	E	\$ 66,925.00
Increased by:		
Budget Appropriation	E-5	10,000.00
		<u>76,925.00</u>
Decreased by:		
Improvement Authorization Funded	E-16	25,000.00
		<u>25,000.00</u>
Balance, December 31, 2022	E	<u>\$ 51,925.00</u>

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2022

E-14

	<u>Ref.</u>		
Balance, December 31, 2021	E	\$ 4,033,219.52	
Increased by:			
Bonds Redeemed	E-17	\$ 140,000.00	
Paydown on Notes	E-18	2,300.00	
Transferred from Deferred Reserve for Amortization	E-15	65,000.00	
		<u>207,300.00</u>	
Balance, December 31, 2022	E	<u>\$ 4,240,519.52</u>	

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	<u>E-15</u>
Balance, December 31, 2021	E	\$ 165,000.00
Increased by:		
Fully Funded Improvement Authorization	E-13	25,000.00
		<u>190,000.00</u>
Decreased by:		
Transferred to Reserve for Amortization	E-14	65,000.00
		<u>65,000.00</u>
Balance, December 31, 2022	E	<u>\$ 125,000.00</u>

Analysis of Balance

<u>Improvement</u>	<u>Ordinance Number</u>	<u>Amount</u>
Improvements to Pool Facility	2019-33	\$ 100,000.00
Slide Refurbishment	2022-15	25,000.00
		<u>25,000.00</u>
	Above	<u>\$ 125,000.00</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2022

E-16

Improvement	Ordinance			Balance Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance Dec. 31, 2022	
	Number	Date	Amount	Funded	Unfunded			Funded	Unfunded
General Improvements									
Improvements to Pool Facility	7-14	7-14-14	\$ 33,000.00		\$ 5,468.81		\$ 4,719.21		\$ 749.60
Improvements to Pool Facility	19-33	10-21-19	850,000.00	\$ 89,266.09	750,000.00		351,448.23		487,817.86
Improvements to Water Slides	21-28	10-28-21	65,000.00	65,000.00			65,000.00		
Additional Slide Refurbishment	22-15	5-29-22	25,000.00			\$ 25,000.00	23,440.00	\$ 1,560.00	
Supplemental 2019-33 Splash Park	22-31	11-10-22	800,000.00			800,000.00			800,000.00
				\$ 154,266.09	\$ 755,468.81	\$ 825,000.00	\$ 444,607.44	\$ 1,560.00	\$ 1,288,567.46
		Ref.		E	E	E-10, E-13	E-5	E	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2022

E-17

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Bonds Redeemed</u>	<u>Balance December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Improvements to Pool Facilities	7-15-13	\$ 1,379,000.00	7-15-26	\$ 124,000.00	3.00 %	\$ 644,000.00	\$ 130,000.00	\$ 514,000.00
Improvements to Pool Facilities	7-20-17	171,000.00	2-15-23/30	15,000.00	3.00	130,000.00	10,000.00	120,000.00
						<u>\$ 774,000.00</u>	<u>\$ 140,000.00</u>	<u>\$ 634,000.00</u>
					<u>Ref.</u>	E	E-14	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2022

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, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2022</u>
7-14	Various Pool Improvements	3-4-21	3-3-23	2.00 %	\$ 33,000.00	\$ 33,000.00	\$ 34,200.00	\$ 31,800.00
17-16	Various Pool Improvements	3-4-21	3-3-23	2.00	30,000.00	30,000.00	31,100.00	28,900.00
19-33	Improvements to Pool Facility	3-4-21	3-3-23	2.00	750,000.00	750,000.00	750,000.00	750,000.00
					<u>\$ 813,000.00</u>	<u>\$ 813,000.00</u>	<u>\$ 815,300.00</u>	<u>\$ 810,700.00</u>
				<u>Ref.</u>	E	E-5	Below	E
		Reissued Minimum Paydown	Above E-19, E-20				\$ 813,000.00 2,300.00	
		Above,	E-5				<u>\$ 815,300.00</u>	

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY CAPITAL FUND

DEFERRED CHARGES - N.J.S.A. 40A:4-53(m) SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2022

E-19

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Balance December 31, 2021</u>	<u>Decrease</u>	<u>Balance December 31, 2022</u>
12-27-2020	COVID-19 Deficit	\$ 300,000.00	<u>\$ 300,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 240,000.00</u>
		<u>Ref.</u>	E	E-4	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY CAPITAL FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

E-20

	<u>Ref.</u>	<u>Total</u>	<u>Due from Water Operating Fund</u>	<u>Due from General Capital Fund</u>
Balance, December 31, 2021	E	\$ 500,000.00		\$ 500,000.00
Increased by:				
Budget Appropriation	E-4, E-12	<u>2,300.00</u>	<u>\$ 2,300.00</u>	<u>-</u>
		502,300.00	2,300.00	502,300.00
Decreased by:				
Cash Receipt	E-5	<u>502,300.00</u>	<u>2,300.00</u>	<u>500,000.00</u>
Balance, December 31, 2022	E	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2022

E-21

<u>Authorizations</u>	<u>Ordinance</u>		<u>Debt Authorized</u>	<u>Balance</u>	<u>2022</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>		<u>December 31, 2021</u>	<u>Authorizations</u>	<u>December 31, 2022</u>
Supplemental 2019-33 Splash Park	22-31	11-10-22	\$ 800,000.00	\$ -	\$ 800,000.00	\$ 800,000.00
				\$ -	\$ 800,000.00	\$ 800,000.00
			<u>Ref.</u>	E	E-10, E-16	E

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2022

F-1

	<u>Ref.</u>	
Balance, December 31, 2021	F	\$ 3,074.25
Increased by Receipts:		
Interest on Deposits	F-2	<u>18.05</u>
Balance, December 31, 2022	F	<u><u>\$ 3,092.30</u></u>

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2022

F-2

	<u>Ref.</u>	
Balance December 31, 2021	F	\$ 3,074.25
Increased by:		
Interest on Deposits	F-1	<u>18.05</u>
Balance December 31, 2022	F	<u><u>\$ 3,092.30</u></u>

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2022

G-2

	<u>Ref.</u>	<u>Fees Account</u>	<u>Memorial Account</u>	<u>Landsberger Account</u>
Balance, December 31, 2021	G	\$ 67,514.74	\$ 142,939.11	\$ 10,585.66
Increased by Receipts:				
Fees and Fines	G-1	\$ 2,527.83		
State Aid	G-1	7,504.00		
Donations	G-1	28,806.18		
Book Sales	G-1	1,631.05		
Printing	G-1	1,237.09		
Lost Book Fees	G-1	564.57		
Miscellaneous	G-1	425.57		
Interest on Landsberger Account	G-1			\$ 48.12
Interest on Fees Account	G-1	307.03		
Interest on Memorial Account	G-1		\$ 538.34	
		<u>43,003.32</u>	<u>538.34</u>	<u>48.12</u>
		110,518.06	143,477.45	10,633.78
Decreased by Disbursements:				
Books, Compact Discs, Supplies, Dues, Registrations, Refunds, Postage, Subscriptions and Programs	G-1	<u>21,173.28</u>		
		21,173.28		
Balance, December 31, 2022	G	<u>\$ 89,344.78</u>	<u>\$ 143,477.45</u>	<u>\$ 10,633.78</u>

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2022

H-1

	<u>Balance</u> <u>December 31, 2021</u>	<u>Gross</u> <u>Payroll</u>	<u>Disbursements</u>	<u>Adjustments</u>	<u>Balance</u> <u>December 31, 2022</u>
Net Salaries and Wages		\$ 11,537,910.61	\$ 11,537,910.61		
Federal and State Taxes		1,146,451.48	1,146,451.48		
New Jersey State Income Tax		1,212,099.50	1,212,099.50		
Social Security		135.66	135.66		
Health Benefits		537,868.16	537,868.16		
FSA Contributions		14,505.96	14,505.96		
State Unemployment Compensation Insurance		15,894.13	15,894.13		
Public Employees' Retirement System	\$ (9.25)	423,555.47	423,557.29		\$ (11.07)
Police and Firemen's Retirement System	2.03	452,678.38	452,677.30		3.11
Defined Contribution Retirement		28,139.00	28,112.42		26.58
457(B) Mass Mutual + Roth		329,567.08	329,567.08		
D'Arco Annual Contracted			17,000.00	\$ 17,000.00	
AFLAC		14,224.00	14,224.00		
Garnishments		26,455.68	26,455.68		
OPEIU (Union Dues)		25,583.75	25,583.75		
PBA Dues		25,666.28	25,666.28		
NY Life Insurance		3,291.36	3,291.36		
Colonial Life		11,566.56	11,566.56		
Other	4,996.66				4,996.66
	<u>4,989.44</u>	<u>15,805,593.06</u>	<u>15,822,567.22</u>	<u>17,000.00</u>	<u>5,015.28</u>
	<u>\$ 4,989.44</u>	<u>\$ 15,805,593.06</u>	<u>\$ 15,822,567.22</u>	<u>\$ 17,000.00</u>	<u>\$ 5,015.28</u>
<u>Ref.</u>	H				H

See accompanying notes to the financial statements.

TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY

PART III
SINGLE AUDIT SECTION

**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, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 28, 2023 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**

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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
September 28, 2023

David J. Gannon

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



**Report on Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance
Independent Auditors' Report**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Verona, New Jersey's ("Township"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2022. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal programs.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

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

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Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
September 28, 2023

David J. Gannon

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

TOWNSHIP OF VERONA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

								SCHEDULE A
Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Grant Period		Grant Award	Cash Receipts	Provided to Subrecipients	Current Year Expenditures	Cumulative Expenditures
		From	To					
U.S Department of the Treasury:								
Pass-through NJ Department of Community Affairs:								
Coronavirus State and Local Fiscal Recovery Funds	21.027	3-1-21	12-31-2022	\$ 1,401,511.95	\$ 700,755.98		\$ 396,000.00	\$ 396,000.00
Total U.S. Department of the Treasury					700,755.98	-	396,000.00	396,000.00
U.S Department of Homeland Security								
Pass-through NJ Department of Law and Public Safety:								
Highway Safety Cluster:								
National Priority Safety Programs:								
Drive Sober or Get Pulled Over	20.616	1-1-22	12-31-2022	7,000.00	7,000.00		7,000.00	7,000.00
Highway and Traffic Safety Distracted Drinking	20.616	1-1-22	12-31-2022	7,000.00	7,000.00		7,000.00	7,000.00
Hazard Mitigation Grant	97.039	1-1-22	12-31-2022	100,000.00	100,000.00		100,000.00	100,000.00
Disaster Grants - Public Assistance Grants	97.036	1-1-22	12-31-2022	546,275.02	546,275.02		546,275.02	546,275.02
Total U.S. Department of Homeland Security					660,275.02	-	660,275.02	660,275.02
Total Federal Awards					\$ 1,361,031.00	\$ -	\$ 1,056,275.02	\$ 1,056,275.02

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

**Notes to Schedules of Expenditures of Federal Awards
December 31, 2022**

Note 1 - General:

The accompanying schedules of expenditures of federal awards present the activity of all federal award programs of the Township of Verona. The Township is defined in Note 1 to the financial statements. To the extent identified, the federal awards that passed through other governmental agencies are included on the schedules of expenditures of federal awards.

Note 2 - Basis of Accounting:

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 2 to the Township's financial statements.

Note 3 - Relationship to Financial Statements:

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

Note 4 - Relationship to Federal Financial Reports:

Amounts reported in the accompanying schedules of expenditures of federal awards agree with the amounts reported in the related federal financial reports, where required.

Note 5 – Indirect Cost Rate:

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

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

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2022**

Section I - Summary of Auditors' Results

Financial Statement Section

Type of auditor's report issued: Unmodified – Regulatory Basis

Internal Control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? _____ Yes X No

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? _____ Yes X No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
97.039	Hazard Mitigation Grant Program

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

Section II – Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

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

**Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022**

Section III – Federal Award Findings and Questioned Costs

None.

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

**Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2022**

Prior Year Audit Findings

N/A- No prior year audit

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

PART IV

ROSTER OF OFFICIALS

GENERAL COMMENTS

YEAR ENDED DECEMBER 31, 2022

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS AT DECEMBER 31, 2022

<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	
Joseph D'Arco	Township Manager	
Christopher Kiernan	Police Chief	
Steven Neale	Director of Administration and Economic Development	
Jennifer Kiernan	Municipal Clerk	
Jennifer Muscara	Chief Financial Officer	
	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	
Lenny Waterman	Buildings and Grounds Superintendent	
Charles Molinaro	Superintendent of Public Works	
Claudine Pascale	Library Director	

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.

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 2022 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 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 2022 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.

Payment of Claims

The examination did not and does not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Township Council for approval and recorded as a supplement to the official minutes.

2022-001

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made and funds encumbered prior to any commitment of rendered services or purchased goods. During our testing, we noted certain transactions were committed prior to funds being encumbered.

We recommend that all requisitions be submitted prior to any commitment of goods or services.

Issuance of Bond Anticipation Notes

The Township, as of December 31, 2022, has issued bond anticipation notes in excess of what was authorized in the amount of \$889,680.46. 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 revealed the following:

2022-002

During our audit we noted instances in which some bank reconciliations were not in agreement with balances reported in the Township's general ledger. Additionally, we noted instances in which interfund balances did not agree among all governmental funds.

We recommend that all bank reconciliations be in agreement with cash balances reported in the general ledger and that all interfund balances reconcile among all governmental funds.

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.

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

2022-001


We recommend that all requisitions be submitted prior to any commitment of goods or services.

2022-002

We recommend that all bank reconciliations be in agreement with cash balances reported in the general ledger and that all interfund balances reconcile among all governmental funds.

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,

A handwritten signature in black ink, appearing to read "David J. Gannon". The signature is fluid and cursive, with the first name "David" being more prominent.

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

September 28, 2023