

Township of Verona

**TOWNSHIP OF VERONA
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2013**

TOWNSHIP OF VERONA
COUNTY OF ESSEX, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2013



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Township of Verona, County of Essex, New Jersey (the "Township") as of and for the years ended December 31, 2013 and 2012, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

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

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the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinions

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division, which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 2 to the financial statements.

Qualified Opinion

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Township of Verona, Essex County, New Jersey, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 2 to the financial statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Township's basic financial statements. The accompanying supplementary sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information included in the supplemental sections and schedules of expenditures of federal and state awards 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. Such 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 supplemental sections and schedules of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

A handwritten signature in cursive script, likely belonging to a representative of the auditing firm, located above the date and location.

Livingston, New Jersey
April 24, 2014

A handwritten signature in cursive script, reading "John Lauria", located above the printed name and title.

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Regular Fund</u>			
Current Assets:			
Cash - Checking	A-4	\$ 4,583,708.24	\$ 2,513,837.73
Investments	A-6	3,317,500.00	5,342,500.00
Cash - Savings	A-7	20,000.00	20,000.00
Cash - Change Funds	A-8	425.00	425.00
Due from State of New Jersey, Ch. 129, P.L. 1976	A-10		853.03
		<u>7,921,633.24</u>	<u>7,877,615.76</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-11	549,471.23	670,957.77
Property Acquired for Taxes at Assessed Valuation	A-12	267,817.00	267,817.00
Other Accounts Receivable	A-13	18,814.26	29,436.46
Revenue Accounts Receivable	A-14	14,107.28	19,083.48
Interfund Accounts Receivable	A-17		8.96
		<u>850,209.77</u>	<u>987,303.67</u>
Deferred Charges:			
Emergency Authorizations	A-16		350,000.00
		<u>8,771,843.01</u>	<u>9,214,919.43</u>
<u>Federal and State Grant Fund</u>			
State Grants Receivable	A-30	12,790.80	25,952.43
Interfunds Receivable	A-31	80,010.95	21,206.62
		<u>92,801.75</u>	<u>47,159.05</u>
		<u>\$ 8,864,644.76</u>	<u>\$ 9,262,078.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Committed	A-3, A-18	\$ 613,150.15	\$ 1,137,602.69
Uncommitted	A-3, A-18	693,615.42	572,515.89
Due to State of New Jersey, Ch. 129, P.L. 1976	A-10	1,179.40	
Reserve for Maintenance of Free Public Library	A-19	6,430.76	10,254.66
Due to State of New Jersey	A-20	650.00	425.00
Emergency Note Payable	A-21		350,000.00
Tax Overpayments	A-22	132,227.87	190,002.08
Local School District Tax	A-23	2,650,000.00	2,750,000.00
County Taxes Payable	A-24	17,082.01	11,285.06
Accounts Payable	A-25	112,766.41	101,345.44
Interfunds Payable	A-26	36,823.10	21,415.73
Prepaid Taxes	A-27	646,318.79	280,650.46
Prepaid Revenue	A-28	9,485.53	6,085.53
Sale of Township-Owned Property	A-29	19,248.19	2,349.25
		<u>4,938,977.63</u>	<u>5,433,931.79</u>
Reserve for Receivables		850,209.77	987,303.67
Fund Balance	A-1	<u>2,982,655.61</u>	<u>2,793,683.97</u>
		<u>8,771,843.01</u>	<u>9,214,919.43</u>
<u>Federal and State Grant Fund</u>			
Reserve for State Grants	A-32	48,190.05	45,659.05
Unappropriated Grant Reserves	A-33	44,611.70	1,500.00
		<u>92,801.75</u>	<u>47,159.05</u>
		<u>\$ 8,864,644.76</u>	<u>\$ 9,262,078.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

A-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 2,650,000.00	\$ 2,500,000.00
Miscellaneous Revenue Anticipated	A-2	4,548,310.80	4,987,994.90
Receipts from Current Taxes	A-2c	55,720,124.85	54,630,214.80
Receipts from Delinquent Taxes	A-2c	672,203.06	678,978.73
Nonbudget Revenue	A-2d	51,022.83	25,016.91
Other Credits to Income:			
Other Accounts Receivable Liquidated	A-13	10,922.20	
Unexpended Balance of Appropriation			
Reserves	A-18	849,425.14	776,671.49
Prior Year Interfunds Returned	A-17	8.96	3,331.29
Accounts Payable Cancelled	A-25	2,346.00	
6% Delinquent Penalty	A-14	19,083.48	16,010.74
Grant Reserves Cancelled	A-26	385.08	
Tax Overpayments Cancelled	A-22	79,114.15	54,187.88
Increase in Deferred School Tax	A-23	635,836.74	245,438.74
		<u>65,238,783.29</u>	<u>63,917,845.48</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		8,076,221.00	7,849,401.00
Other Expenses		8,020,493.53	8,248,683.58
Capital Improvements		250,000.00	200,000.00
Statutory Expenditures and Deferred Charges		2,120,593.00	2,277,495.00
Debt Service		2,555,065.98	2,591,435.48
	A-3	<u>21,022,373.51</u>	<u>21,167,015.06</u>
Refund of Prior Year Revenue			205.81
Prior Year Senior Citizens' Exemptions Disallowed	A-10	1,250.00	500.00
Other Accounts Receivable Established			17,030.59
Payroll Adjustment	A-26	496.55	
Local School District Taxes	A-23	30,750,103.00	30,044,021.00
County Taxes	A-24	10,625,588.59	10,377,559.98
		<u>62,399,811.65</u>	<u>61,606,332.44</u>
Excess in Revenue		2,838,971.64	2,311,513.04
Adjustment to Income before Fund Balance:			
Expenditures Included Above Which are			
by Statute Deferred Charges to Budget			
of Succeeding Year			<u>350,000.00</u>
Statutory Excess in Revenue		2,838,971.64	2,661,513.04
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>2,793,683.97</u>	<u>2,632,170.93</u>
		5,632,655.61	5,293,683.97
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,650,000.00</u>	<u>2,500,000.00</u>
Balance, End of Year	A	<u>\$ 2,982,655.61</u>	<u>\$ 2,793,683.97</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
<u>General Revenue</u>				
Fund Balance Anticipated	A-1	\$ 2,650,000.00	\$ 2,650,000.00	\$
Miscellaneous Revenue	A-1, A-2a	4,446,842.53	4,548,310.80	101,468.27
Receipts from Delinquent Taxes	A-1, A-2c	650,000.00	672,203.06	22,203.06
Amount to be Raised by Taxes for Support of Municipal Budget	A-2c	<u>14,865,208.00</u>	<u>15,641,419.26</u>	<u>776,211.26</u>
Budget Totals	A-3	22,612,050.53	23,511,933.12	899,882.59
Nonbudget Revenue	A-1, A-2d	<u> </u>	<u>51,022.83</u>	<u>51,022.83</u>
Total Revenue		<u>\$ 22,612,050.53</u>	<u>\$ 23,562,955.95</u>	<u>\$ 950,905.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
MISCELLANEOUS REVENUE ANTICIPATED
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Licenses:				
Alcoholic Beverages	A-14	\$ 9,700.00	\$ 9,700.00	\$
Other	A-2b	14,000.00	16,220.00	2,220.00
Fees and Permits	A-2b	75,000.00	107,350.69	32,350.69
Fines and Costs:				
Municipal Court	A-14	127,000.00	110,951.14	(16,048.86)
Interest and Costs on Taxes	A-4	155,000.00	171,785.41	16,785.41
Parking Meters	A-14	30,000.00	32,790.96	2,790.96
Recreation Fees	A-14	250,000.00	271,785.00	21,785.00
Payments in Lieu of Taxes:				
Verona Senior Citizens' Associates				
HFA #661	A-14	155,000.00	160,753.44	5,753.44
Children's Institute	A-14	15,896.00	15,986.00	90.00
Hilltop	A-14	326,000.00	367,093.08	41,093.08
Community Center Rental	A-14	49,000.00	66,530.00	17,530.00
Energy Receipts Tax	A-14	1,063,466.00	1,063,466.40	0.40
Consolidated CMPTRA Allocation	A-14	96,156.00	96,156.00	
Uniform Construction Code Fees	A-14	255,140.00	207,399.00	(47,741.00)
Interlocal Agreements - Roseland	A-14	136,538.00	136,691.00	153.00
Clean Communities Program	A-26	22,461.26	22,461.26	
Municipal Alliance on Alcoholism and Drug				
Abuse	A-26	39,000.00	39,000.00	
Drunk Driving Enforcement Fund	A-26	1,500.00	1,500.00	
Body Armor Replacement Fund	A-26	2,864.27	2,864.27	
Medical Transport	A-26	10,000.00	10,000.00	
Uniform Fire Safety Act	A-14	17,000.00	15,912.42	(1,087.58)
Comcast - Franchise Fee	A-14	101,604.00	101,604.69	0.69
Verizon - Franchise Fee	A-14	112,517.00	112,517.79	0.79
Local Recycling Program	A-14	30,000.00	20,155.30	(9,844.70)
Leaf Bag Sales	A-14	14,000.00	11,353.25	(2,646.75)
General Capital Surplus	A-14	1,000,000.00	1,000,000.00	
FEMA Reimbursements	A-14	200,000.00	230,908.03	30,908.03
Tower Lease	A-14	138,000.00	145,375.67	7,375.67
	A-2	<u>\$4,446,842.53</u>	<u>\$4,548,310.80</u>	<u>\$ 101,468.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF OTHER LICENSES, OTHER FEES AND PERMITS A-2b
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Other Licenses:			
Township Clerk	A-14	\$ 3,240.00	
Construction Code Official	A-14	50.00	
Health Officer	A-14	12,720.00	
Registrar of Vital Statistics	A-14	<u>210.00</u>	
	A-2a		<u>\$ 16,220.00</u>
Other Fees and Permits:			
Township Clerk	A-14	552.97	
Public Works	A-14	47,211.81	
Registrar of Vital Statistics	A-14	10,710.00	
Health Transportation	A-14	14,137.00	
Tax Collector	A-14	100.00	
Parking Permits	A-14	11,042.11	
Police	A-14	3,566.80	
Fire	A-14	10,150.00	
Board of Adjustment	A-14	<u>9,880.00</u>	
	A-2a		<u>\$ 107,350.69</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX COLLECTIONS
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2c

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-1, A-11		<u>\$ 672,203.06</u>
<u>Allocation of Current Taxes</u>			
Due from State of New Jersey	A-11	\$ 101,820.60	
Overpayments Applied	A-11	3,345.04	
2012 Collections	A-11	280,650.46	
2013 Collections	A-11	<u>55,334,308.75</u>	
	A-1		\$ 55,720,124.85
Allocated to:			
Local School District Tax	A-11, A-23	30,750,103.00	
County Taxes	A-11, A-24	<u>10,625,588.59</u>	
			<u>41,375,691.59</u>
			14,344,433.26
Plus: Appropriation for "Reserve for Uncollected Taxes"			
	A-3		<u>1,296,986.00</u>
Amount for Support of Municipal Budget Appropriations			
	A-2		<u>\$ 15,641,419.26</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NON BUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2d

	<u>Ref.</u>	
Miscellaneous Revenue Not Anticipated:		
Prior Year Reimbursements		\$ 7,312.05
Interest Earned on Investments		22,567.18
Administrative Fee - Senior Citizens and Veterans		2,052.06
Stale Dated Checks Cancelled		536.58
Escrow Guaranty		760.00
Administrative Fee - Cedar Grove		1,031.97
Right of Way Agreements		7,280.00
Tax Sale Costs		1,694.99
Protested Check Fees		534.00
State Inspection Fees		350.00
Solar Energy		3,135.00
Duplicate Copies		366.00
Public Works		85.00
Other		<u>1,273.27</u>
	A-4	\$ 48,978.10
Interfunds Receivable	A-17	<u>2,044.73</u>
	A-2	<u>\$ 51,022.83</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 1

Appropriation	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved
APPROPRIATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages:					
Manager's Office	\$ 114,701.00	\$ 114,701.00	\$ 107,580.55	\$ 6,452.95	\$ 667.50
Mayor and Council	13,500.00	13,500.00	13,238.00		262.00
Township Clerk	103,126.00	103,126.00	97,327.85	5,370.67	427.48
Other Expenses	44,800.00	44,800.00	21,249.54	64.50	23,485.96
Elections:					
Other Expenses	41,100.00	41,100.00	32,901.00		8,199.00
Financial Administration:					
Annual Audit	33,000.00	33,000.00	33,000.00		
Assessment of Taxes:					
Salaries and Wages	140,242.00	140,242.00	137,971.88	2,000.00	270.12
Other Expenses	6,475.00	6,475.00	1,608.21	919.08	3,947.71
Collection of Taxes:					
Salaries and Wages	368,885.00	368,885.00	362,259.51	4,012.50	2,612.99
Other Expenses:					
Tax Sale Costs	800.00	800.00	327.70		472.30
Miscellaneous Other Expenses	36,800.00	36,800.00	21,355.59		15,434.41
Liquidation of Tax Title Liens	2,000.00				
Legal Services and Costs:					
Salaries and Wages	45,626.00	46,126.00	45,475.00		651.00
Other Expenses	295,000.00	295,000.00	193,661.32	300.00	52,538.68
Public Buildings and Grounds:					
Salaries and Wages	453,154.00	453,154.00	441,464.60	10,651.62	1,037.78
Other Expenses	186,200.00	186,200.00	146,812.53	35,623.94	3,763.53
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	5,000.00	5,000.00	1,168.50	163.59	3,667.91
Other Expenses	5,000.00	5,000.00	1,012.89		3,987.11
Board of Adjustment:					
Salaries and Wages	5,000.00	5,000.00	2,529.51		2,470.49
Other Expenses	16,625.00	16,625.00	6,972.56		9,652.44
					48,500.00

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 2

Appropriation	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Modified Budget	Paid or Charged	Encumbered Reserved	
GENERAL GOVERNMENT					
Rent Leveling Board:					
Salaries and Wages	\$ 500.00	\$ 500.00	\$	\$ 500.00	\$
Other Expenses	525.00	525.00		525.00	
Shade Trees:					
Other Expenses	125,000.00	125,000.00	120,459.00	4,541.00	
Municipal Court:					
Salaries and Wages	219,598.00	219,598.00	208,814.08	5,248.00	5,535.92
Other Expenses	18,350.00	18,350.00	10,598.46		7,751.54
Insurance (N.J.S.A. 40a:4-45(00) P.L. 2003, C92 S-906)					
General Liability	350,400.00	350,400.00	350,338.82	61.18	
Dental	105,000.00	105,000.00	103,804.06	1,195.94	
Employee Group Health	2,161,000.00	2,161,000.00	2,142,882.72	18,117.28	
	4,897,407.00	4,895,907.00	4,604,823.88	70,806.85	48,500.00
PUBLIC SAFETY					
Fire:					
Other Expenses:					
Miscellaneous Other Expenses	130,000.00	130,000.00	93,596.51	30,616.12	5,787.37
Fire Prevention:					
Salaries and Wages	19,000.00	28,000.00	25,795.00	735.00	1,470.00
Other Expenses	1,300.00	1,300.00	153.74		1,146.26
Police:					
Salaries and Wages	3,827,916.00	3,827,916.00	3,724,563.69	34,429.94	46,000.00
Other Expenses	163,300.00	163,300.00	119,546.96	36,372.93	7,380.11
Communications	175,407.00	175,407.00	174,554.00		853.00
Other Expense Control	125,000.00	125,000.00	114,179.26	2,773.70	8,047.04
Parking Meter Maintenance:					
Other Expenses	3,500.00	3,500.00	2,700.00		800.00
Purchase Police Vehicle	25,000.00	25,000.00		25,000.00	
Rescue Squad:					
Other Expenses	55,000.00	55,000.00	48,870.00		6,130.00
Police Dispatchers:					
Salaries and Wages	335,618.00	335,618.00	265,796.35	5,111.52	29,710.13
					35,000.00

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 3

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS WITHIN "CAPS"						
PUBLIC SAFETY						
Emergency Management Services:						
Other Expenses						
Road Repairs and Maintenance:						
Salaries and Wages	885,390.00	885,390.00	840,707.20	26,851.79	17,831.01	
Other Expenses	357,450.00	357,450.00	258,723.14	54,669.89	44,056.97	
Snow Removal						
Street Lighting	222,000.00	222,000.00	173,163.17	32,534.56	16,302.27	
	<u>6,327,881.00</u>	<u>6,336,881.00</u>	<u>5,843,609.82</u>	<u>249,095.45</u>	<u>163,175.73</u>	<u>81,000.00</u>
HEALTH AND WELFARE						
(Board of Health - Local Health Agency):						
Board of Health:						
Salaries and Wages	118,965.00	118,965.00	107,556.76	5,470.00	5,938.24	
Other Expenses	90,302.00	90,302.00	73,889.55		16,412.45	
Dog Regulation:						
Other Expenses	35,000.00	35,000.00	35,000.00			
Administration of Public Assistance:						
Salaries and Wages	3,000.00	3,000.00	3,000.00			
Other Expenses	100.00	100.00			100.00	
	<u>247,367.00</u>	<u>247,367.00</u>	<u>219,446.31</u>	<u>5,470.00</u>	<u>22,450.69</u>	
RECREATION AND EDUCATION						
Recreation:						
Salaries and Wages	566,707.00	566,707.00	540,505.44	2,044.25	14,157.31	10,000.00
Rental of School Facilities	10,000.00	10,000.00	10,000.00			
Other Expenses	147,750.00	147,750.00	139,573.29	3,691.71	4,485.00	
Field Maintenance	15,000.00	15,000.00	14,598.42	96.71	304.87	
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	82,000.00	82,000.00	56,827.48	50.00	25,122.52	
Contribution to Senior Citizens' Center (N.J.S.A. 40:48-9.4):						
Salaries and Wages	40,000.00	40,000.00	24,333.60	1,262.75	9,403.65	5,000.00
Other Expenses	10,000.00	10,000.00	3,933.15	28.90	6,037.95	
	<u>871,457.00</u>	<u>871,457.00</u>	<u>789,771.38</u>	<u>7,174.32</u>	<u>59,511.30</u>	<u>15,000.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 4

Appropriation	Appropriations		Paid or		Expended		Unexpended Balance Cancelled
	Budget	Modified Budget	Charged		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>MISCELLANEOUS AND OTHER</u>							
Mandatory Recycling:							
Salaries and Wages	\$ 11,000.00	\$ 11,000.00	\$ 4,402.50	\$ 262.50	\$ 6,335.00	\$	
Other Expenses	323,996.00	323,996.00	273,292.20	45,080.00	5,623.80		
Single Audit Act of 1984:							
Financial Administration:							
Other Expenses	8,500.00	8,500.00	8,500.00				
Garbage and Trash Removal - Contractual	1,457,000.00	1,457,000.00	1,226,470.72	205,372.11	25,157.17		
Commercial Revitalization:							
Other Expenses	7,500.00	7,500.00	7,131.28	96.36	272.36		
	<u>1,807,996.00</u>	<u>1,807,996.00</u>	<u>1,519,796.70</u>	<u>250,810.97</u>	<u>37,388.33</u>		
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>							
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
State Uniform Construction Code:							
Construction Official (Chief Administrator							
of Enforcement Agency):							
Salaries and Wages	349,239.00	353,239.00	348,471.08	120.00	4,767.92		
Other Expenses	8,875.00	8,875.00	7,200.65	120.00	1,554.35		
	<u>358,114.00</u>	<u>362,114.00</u>	<u>355,671.73</u>	<u>120.00</u>	<u>6,322.27</u>		

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 5

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNCLASSIFIED</u>						
Utilities:						
Electricity	\$ 235,000.00	\$ 235,000.00	\$ 171,635.40	\$ 14,721.02	\$ 63,364.60	\$
Gasoline	165,000.00	165,000.00	87,772.61		62,506.37	
Telephone and Telegraph	90,000.00	92,000.00	83,378.71		8,621.29	
Salary and Wage Adjustment	25,000.00	11,500.00			11,500.00	
	<u>515,000.00</u>	<u>503,500.00</u>	<u>342,786.72</u>	<u>14,721.02</u>	<u>145,992.26</u>	
<u>CONTINGENT</u>						
	25,000.00	25,000.00	15,318.98	5,000.00	4,681.02	
Total Operations Within "CAPS"	<u>15,050,222.00</u>	<u>15,050,222.00</u>	<u>13,691,225.52</u>	<u>603,198.61</u>	<u>611,297.87</u>	<u>144,500.00</u>
Detail:						
Salaries and Wages	7,651,167.00	7,651,167.00	7,302,961.10	100,715.54	142,138.82	96,000.00
Other Expenses	7,399,055.00	7,399,055.00	6,388,264.42	502,483.07	469,159.05	48,500.00
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Deferred Charges:						
Contributions to:						
Public Employees' Retirement System	596,911.00	596,911.00	596,911.00		18,279.43	20,000.00
Social Security System (OASI)	385,000.00	385,000.00	346,720.57			
Police and Firemen's Retirement System of N.J.	778,682.00	778,682.00	778,682.00			
Compensated Absences Liability	25,000.00	25,000.00	25,000.00			
Defined Contribution Retirement Plan	5,000.00	5,000.00	1,920.00		3,080.00	
Total Deferred Charges and Statutory Expenditures	<u>1,790,593.00</u>	<u>1,790,593.00</u>	<u>1,749,233.57</u>		<u>21,359.43</u>	<u>20,000.00</u>
Total Appropriations Within "CAPS"	<u>16,840,815.00</u>	<u>16,840,815.00</u>	<u>15,440,459.09</u>	<u>603,198.61</u>	<u>632,657.30</u>	<u>164,500.00</u>

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 6

Appropriation	Appropriations		Expended			Unexpended Balance Cancelled
	Budget	Modified Budget	Paid or Charged	Encumbered	Reserved	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Maintenance of Free Public Library	\$ 873,615.00	\$ 873,615.00	\$ 837,918.34	\$ 6,851.54	\$ 22,845.12	\$ 6,000.00
Length of Service Award Program - LOSAP	38,500.00	38,500.00	38,500.00			
Recycling - State Tax	12,764.00	12,764.00	12,764.00			
Insurance - Employee Group Health	50,000.00	50,000.00	50,000.00			
Reserve for Tax Appeals						
	974,879.00	974,879.00	939,182.34	6,851.54	22,845.12	6,000.00
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
Roseland:						
Construction Code Official	83,378.00	83,378.00	61,220.00	2,645.00	19,513.00	
Fire Sub-Code Official	14,560.00	14,560.00	14,105.00	455.00		
Communications	38,600.00	38,600.00	20,000.00		18,600.00	
	136,538.00	136,538.00	95,325.00	3,100.00	38,113.00	
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
Clean Communities - Ch. 187, P.L. 1986	19,130.94	19,130.94	19,130.94			
Municipal Alliance Committee Fund - Grant Award	48,750.00	48,750.00	48,750.00			
Medical Transport	10,000.00	10,000.00	10,000.00			
Clean Communities - Ch. 159	3,330.32	3,330.32	3,330.32			
Drunk Driving Enforcement Fund	1,500.00	1,500.00	1,500.00			
Body Armor Replacement Fund	2,864.27	2,864.27	2,864.27			
	85,575.53	85,575.53	85,575.53			
Total Operations Excluded from "CAPS"	1,196,992.53	1,196,992.53	1,120,082.87	9,951.54	60,958.12	6,000.00
Detail:						
Salaries and Wages	521,054.00	521,054.00	506,030.41	1,851.54	13,172.05	
Other Expenses	675,938.53	675,938.53	614,052.46	8,100.00	47,786.07	6,000.00
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	250,000.00	250,000.00	250,000.00			

TOWNSHIP OF VERONA
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet #7

Appropriation	Appropriations		Paid or Charged	Expended		Reserved	Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered			
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>							
DEFERRED CHARGES							
Emergency Authorizations	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00	\$	\$	\$	\$
DEBT SERVICE							
Payment of Bond Principal	1,706,000.00	1,706,000.00	1,706,000.00				16,019.50
Interest on Notes	131,070.00	131,070.00	115,050.50				0.50
Interest on Bonds	611,826.00	611,826.00	611,825.50				106,171.00
Interest on Bonds - Pending Bond Sale	106,171.00	106,171.00					0.02
Loan Repayments for Principal and Interest	122,190.00	122,190.00	122,189.98				122,191.02
	2,677,257.00	2,677,257.00	2,555,065.98				
Total Appropriations Excluded from "CAPS"	4,474,249.53	4,474,249.53	4,275,148.85	9,951.54	60,958.12		128,191.02
Sub-Total	21,315,064.53	21,315,064.53	19,715,607.94	613,150.15	693,615.42		292,691.02
Reserve for Uncollected Taxes	1,296,986.00	1,296,986.00	1,296,986.00				
Total General Appropriations	\$ 22,612,050.53	\$ 22,612,050.53	\$ 21,012,593.94	\$ 613,150.15	\$ 693,615.42	\$ 292,691.02	
Ref.	A-2	Below	Below	A	A		Below
Adopted Budget							
Reserve for Uncollected Taxes	Above	\$ 22,612,050.53	\$				
Emergency Appropriations	A-2c	(1,296,986.00)	1,296,986.00				
Cash Expenditures	A-16		350,000.00				
Petty Cash Reimbursements	A-5		19,279,992.66				
Reserve for State Grants	A-9		39.75				
Cancelled	A-26		85,575.53				
	Above	(292,691.02)					
Ref.	A-1	Above	\$ 21,012,593.94				

TOWNSHIP OF VERONA
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Animal Control Trust Fund</u>			
Cash - Checking	B-2	\$ 29,940.54	\$ 16,992.29
<u>Trust Other Fund</u>			
Cash - Checking	B-2	847,038.95	714,327.73
Cash - Investments	B-3	1,422,000.00	1,222,000.00
Due from Essex County	B-4	100,000.00	290,118.26
		<u>2,369,038.95</u>	<u>2,226,445.99</u>
<u>Special Health Fund</u>			
Cash - Checking	B-2	11,410.43	17,021.59
		<u>\$ 2,410,389.92</u>	<u>\$ 2,260,459.87</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Reserve for Expenditures	B-9	\$ 29,940.54	\$ 16,992.29
<u>Trust Other Fund</u>			
Interfunds Payable	B-5	143,893.51	290,127.22
Special Deposits	B-6	1,639,079.28	1,431,076.99
Unemployment Compensation Insurance Fund	B-7	410,184.44	399,694.46
Reserve for Community Development Block Grant	B-8	1.00	1.00
Escrow Deposits	B-10	175,880.34	105,545.94
Fund Balance	B-1	0.38	0.38
		<u>2,369,038.95</u>	<u>2,226,445.99</u>
<u>Special Health Fund</u>			
Reserve for Health Clinic	B-11	11,410.43	17,021.59
		<u>\$ 2,410,389.92</u>	<u>\$ 2,260,459.87</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
TRUST FUND

STATEMENT OF FUND BALANCE
GENERAL TRUST FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

B-1

	<u>Ref.</u>	
Balance, December 31, 2012	B	<u>\$ 0.38</u>
Balance, December 31, 2013	B	<u><u>\$ 0.38</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2	\$ 360,640.24	\$
Investment Account	C-3	9,195,800.00	9,720,800.00
	C-4	<u>9,556,440.24</u>	<u>9,720,800.00</u>
Due from State of New Jersey:			
Grants and Aid	C-5	200,000.00	210,000.00
Due from General Trust Fund	C-6	100,000.00	290,118.26
Due from County of Essex - Open Space	C-7		250,000.00
Notes Receivable	C-10		350,000.00
Deferred Charges to Future Taxation:			
Funded	C-8	24,538,373.85	19,778,393.76
Unfunded	C-9	<u>8,719,594.11</u>	<u>9,291,519.73</u>
		<u>\$ 43,114,408.20</u>	<u>\$ 39,890,831.75</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cash Overdraft	C-2		94,587.22
Serial Bonds	C-19	23,099,000.00	18,247,000.00
Bond Anticipation Notes	C-17	3,499,000.00	8,738,000.00
Green Acres Loan Payable	C-18	1,439,373.85	1,531,393.76
Capital Improvement Fund	C-11	720,781.65	512,281.65
Reserve for:			
Debt Service	C-12	1,131.81	1,131.81
Future Improvements	C-13	440,050.00	440,050.00
State Grants and Aid Receivable	C-14	200,000.00	210,000.00
Community Development Block Grants	C-15	100,000.00	290,118.26
Improvement Authorizations:			
Funded	C-16	5,365,809.04	3,003,407.52
Unfunded	C-16	7,446,079.47	5,816,485.11
Fund Balance	C-1	<u>803,182.38</u>	<u>1,006,376.42</u>
		<u>\$ 43,114,408.20</u>	<u>\$ 39,890,831.75</u>
 Bonds and Notes Authorized but Not Issued	C-20	<u>\$ 5,220,594.11</u>	<u>\$ 553,519.73</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

C-1

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 1,006,376.42
Increased by:			
Cash Receipts:			
Premium on Bond Anticipation Notes Issued	C-2	\$ 77,825.74	
Improvement Authorizations Cancelled	C-16	<u>718,980.12</u>	
			<u>796,805.86</u>
			1,803,182.28
Decreased by:			
Amount Utilized in Current Fund Budget	C-2		<u>1,000,000.00</u>
Balance, December 31, 2013	C		<u><u>\$ 803,182.28</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash - Checking	D-5	\$ 686,785.90	\$ 626,055.85
Cash - Cash Management Fund	D-6	1,084,000.00	839,000.00
		<u>1,770,785.90</u>	<u>1,465,055.85</u>
Change Fund		130.00	130.00
		<u>1,770,915.90</u>	<u>1,465,185.85</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-10	348,247.07	426,018.71
Inventory - Materials and Supplies	D-11	195,735.61	195,735.61
		<u>543,982.68</u>	<u>621,754.32</u>
		<u>2,314,898.58</u>	<u>2,086,940.17</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	70,863.49	35,606.22
Cash - Cash Management Fund	D-6	3,272,500.00	3,477,500.00
	D-7	<u>3,343,363.49</u>	<u>3,513,106.22</u>
Fixed Capital	D-12	42,896,608.84	42,872,128.70
Fixed Capital Authorized and Uncompleted	D-13	3,265,992.58	3,290,986.61
		<u>49,505,964.91</u>	<u>49,676,221.53</u>
		<u>\$ 51,820,863.49</u>	<u>\$ 51,763,161.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Committed	D-4, D-14	\$ 145,666.72	\$ 262,081.29
Uncommitted	D-4, D-14	372,931.75	204,402.38
Accrued Interest on Notes	D-15	880.00	8,588.21
Accrued Interest on Bonds	D-16	52,582.56	32,695.48
Accrued Interest on Loans	D-17	9,792.97	10,592.45
Water/Sewer Overpayments	D-18	5,535.96	3,935.58
		<u>587,389.96</u>	<u>522,295.39</u>
Reserve for Receivables and Inventory		543,982.68	621,754.32
Fund Balance	D-1	1,183,525.94	942,890.46
		<u>2,314,898.58</u>	<u>2,086,940.17</u>
<u>Capital Fund</u>			
Serial Bonds	D-25	6,275,000.00	4,912,000.00
Environmental Infrastructure Loans Payable	D-24	1,809,521.94	1,966,426.58
Bond Anticipation Notes	D-23	198,000.00	2,241,000.00
Capital Improvement Fund	D-19	189,800.00	129,800.00
Reserve for:			
Amortization	D-20	37,672,279.48	36,786,190.79
Deferred Amortization	D-21	207,300.00	256,997.94
Improvement Authorizations:			
Funded	D-22	3,001,669.70	1,437,723.16
Unfunded	D-22	151,060.29	1,853,263.45
Fund Balance	D-2	1,333.50	92,819.61
		<u>49,505,964.91</u>	<u>49,676,221.53</u>
		<u>\$ 51,820,863.49</u>	<u>\$ 51,763,161.70</u>
Bonds and Notes Authorized but Not Issued	D-26	\$ 500.00	\$ 500.00

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

D-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 783,000.00	\$ 600,000.00
Water/Sewer Rents	D-3	4,894,007.67	4,742,103.23
Miscellaneous	D-3	524,302.23	69,413.12
Capital Surplus	D-3	92,000.00	330,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-14	210,220.05	366,958.07
		<u>6,503,529.95</u>	<u>6,108,474.42</u>
<u>Expenditures</u>			
Operating		4,191,747.00	3,893,326.00
Capital Improvements		60,000.00	60,000.00
Debt Service		1,091,425.47	1,107,154.34
Deferred Charges and Statutory			
Expenditures		136,722.00	230,098.00
	D-4	<u>5,479,894.47</u>	<u>5,290,578.34</u>
Excess in Revenue		1,023,635.48	817,896.08
<u>Fund Balance</u>			
Balance, Beginning of Year	D	942,890.46	724,994.38
		<u>1,966,525.94</u>	<u>1,542,890.46</u>
Decreased by:			
Amount Utilized in Operating Budget	D-3	<u>783,000.00</u>	<u>600,000.00</u>
Balance, End of Year	D	<u>\$ 1,183,525.94</u>	<u>\$ 942,890.46</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-2

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 92,819.61
Increased by:		
Improvement Authorizations Cancelled	D-22	513.89
		<u>93,333.50</u>
Decreased by:		
Amount Anticipated in Operating Budget	D-5	92,000.00
		<u>92,000.00</u>
Balance, December 31, 2013	D	<u>\$ 1,333.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-3

<u>Revenue</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 783,000.00	\$ 783,000.00	\$
Rents	D-1, D-10	4,680,000.00	4,894,007.67	214,007.67
Water/Sewer Capital Surplus	D-1, D-5	92,000.00	92,000.00	
Miscellaneous	D-1, Below	45,000.00	524,302.23	479,302.23
	D-4	<u>\$ 5,600,000.00</u>	<u>\$ 6,293,309.90</u>	<u>\$ 693,309.90</u>
Miscellaneous:				
Interest on Investments and				
Deposits:				
Operating Account		\$ 2,273.03		
Connection Fees		493,500.00		
Water Permits		1,340.22		
Material and Labor Fees		3,487.11		
Solar Credits		13,418.60		
Other		10,283.27		
	D-5		<u>\$ 524,302.23</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

D-4

Appropriations	Budget	Modified Budget	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserved	
<u>Operating</u>						
Salaries and Wages	\$ 1,528,288.00	\$ 1,528,288.00	\$ 1,465,501.90	\$ 13,020.34	\$ 24,765.76	\$ 25,000.00
Other Expenses	2,738,459.00	2,738,459.00	2,207,646.63	132,646.38	348,165.99	50,000.00
<u>Capital Improvements</u>						
Capital Improvement Fund	60,000.00	60,000.00	60,000.00			
<u>Debt Service</u>						
Payment of Bond Principal	680,000.00	680,000.00	680,000.00			33,883.42
Interest on Bonds	224,031.00	224,031.00	190,147.58			4,737.71
Interest on Notes	25,550.00	25,550.00	20,812.29			
State of New Jersey:						
Loan Principal	156,905.00	156,905.00	156,904.64			0.36
Loan Interest	50,045.00	50,045.00	43,560.96			6,484.04
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (OASI)	136,722.00	136,722.00	136,722.00			
Total Water/Sewer Utility Appropriations	\$ 5,600,000.00	\$ 5,600,000.00	\$ 4,961,296.00	\$ 145,666.72	\$ 372,931.75	\$ 120,105.53
	D-3		Below	D	D	Below
<u>Ref.</u>						
Adopted Budget	D-3	\$ 5,600,000.00	\$ 4,690,330.95			
Cash Disbursed	D-5		16,444.22			
Due to Current Fund	D-8		20,812.29			
Accrued Interest on Notes	D-15		190,147.58			
Accrued Interest on Bonds	D-16		43,560.96			
Accrued Interest on Loans	D-17					
Cancelled	Above	(120,105.53)				
		\$ 5,479,894.47	\$ 4,961,296.00			
<u>Ref.</u>		D-1	Above			

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash - Checking Accounts	E-5	\$ 133,741.29	\$ 44,766.56
Cash - New Jersey Cash Management Fund	E-6	285,900.00	285,900.00
		<u>419,641.29</u>	<u>330,666.56</u>
<u>Capital Fund</u>			
Cash - Checking Account	E-5	99,778.94	38,293.65
Cash - New Jersey Cash Management Fund	E-6	297,678.00	297,678.00
	E-7	<u>397,456.94</u>	<u>335,971.65</u>
Fixed Capital	E-9	4,532,626.18	4,532,278.18
Fixed Capital Authorized and Uncompleted	E-10	249,165.09	183,685.09
		<u>5,179,248.21</u>	<u>5,051,934.92</u>
		<u>\$ 5,598,889.50</u>	<u>\$ 5,382,601.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-11	\$ 14,034.92	\$ 16,074.83
Uncommitted	E-4, E-11	56,232.25	36,397.62
Accrued Interest on Bonds	E-12	20,187.25	3,691.00
Accrued Interest on Notes	E-13	697.83	3,596.63
		<u>91,152.25</u>	<u>59,760.08</u>
Fund Balance	E-1	328,489.04	270,906.48
		<u>419,641.29</u>	<u>330,666.56</u>
<u>Capital Fund</u>			
Serial Bonds	E-19	1,761,000.00	472,000.00
Bond Anticipation Notes	E-18	158,000.00	1,462,700.00
Capital Improvement Fund	E-14	161,925.00	135,675.00
Reserve for Amortization	E-15	2,827,341.27	2,649,484.90
Deferred Reserve for Amortization	E-16	34,750.00	131,778.37
Improvement Authorizations:			
Funded	E-17	151,159.10	2,348.00
Unfunded	E-17	71,539.28	181,337.09
Fund Balance	E-2	13,533.56	16,611.56
		<u>5,179,248.21</u>	<u>5,051,934.92</u>
		<u>\$ 5,598,889.50</u>	<u>\$ 5,382,601.48</u>
Bonds and Notes Authorized but Not Issued	E-20	<u>\$ 700.00</u>	<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

E-1

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 154,114.00	\$ 163,576.00
Membership Fees	E-3	462,100.00	454,730.00
Miscellaneous	E-3	103,886.60	89,568.37
Pool Capital Surplus	E-3	16,000.00	
Appropriation Reserves	E-11	52,106.12	96,238.97
		<u>788,206.72</u>	<u>804,113.34</u>
<u>Expenditures</u>			
Operating:			
Salaries and Wages		169,890.00	185,000.00
Other Expenses		214,420.00	198,270.00
Capital Improvements		30,000.00	30,000.00
Capital Outlay		5,000.00	5,000.00
Debt Service		139,378.16	159,715.45
Statutory Expenditures and Deferred Charges		17,822.00	17,448.00
	E-4	<u>576,510.16</u>	<u>595,433.45</u>
Excess in Revenue		211,696.56	208,679.89
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>270,906.48</u>	<u>225,802.59</u>
		482,603.04	434,482.48
Decreased by:			
Amount Utilized in Operating Budget	Above	<u>154,114.00</u>	<u>163,576.00</u>
Balance, End of Year	E	<u>\$ 328,489.04</u>	<u>\$ 270,906.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

E-2

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 16,611.56
Increased by:		
Improvement Authorizations Cancelled	E-16	<u>12,922.00</u>
		29,533.56
Decreased by:		
Cash Disbursements - Anticipated Revenue	E-5	<u>16,000.00</u>
Balance, December 31, 2013	E	<u><u>\$ 13,533.56</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

E-3

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	E-1	\$ 154,114.00	\$ 154,114.00	\$
Membership Fees	E-1, E-5	425,000.00	462,100.00	37,100.00
Pool Capital Surplus	E-1, E-5	16,000.00	16,000.00	
Miscellaneous	E-1, Below	<u>65,000.00</u>	<u>103,886.60</u>	<u>38,886.60</u>
	E-4	<u>\$ 660,114.00</u>	<u>\$ 736,100.60</u>	<u>\$ 75,986.60</u>
<u>Analysis of Realized Revenue</u>				
Miscellaneous:				
Snack Bar Contract		\$ 20,000.00		
Guest Fees		36,506.00		
Swimming Lessons		8,000.00		
Interest Earned		909.53		
Swim Team Fees		6,800.00		
Miscellaneous		<u>31,671.07</u>		
	E-5		<u>\$ 103,886.60</u>	

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

E-4

Appropriations	Budget	Modified Budget	Expended		Unexpended Balance Cancelled
			Paid or Charged	Encumbered Reserved	
<u>Operating</u>					
Salaries and Wages	\$ 204,890.00	\$ 204,890.00	\$ 143,128.28	\$ 26,761.72	\$ 35,000.00
Other Expenses	236,620.00	236,620.00	171,039.19	14,034.92	22,200.00
<u>Capital Improvements</u>					
Capital Improvement Fund	30,000.00	30,000.00	30,000.00		
Capital Outlay	5,000.00	5,000.00	5,000.00		
<u>Debt Service</u>					
Payment of Bond Principal	90,000.00	90,000.00	90,000.00		
Interest on Bonds	60,472.00	60,472.00	35,923.75		24,548.25
Interest on Notes	15,310.00	15,310.00	13,454.41		1,855.59
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)	16,822.00	16,822.00	16,697.36	124.64	
Unemployment Compensation	1,000.00	1,000.00	1,000.00		
Insurance (N.J.S.A. 43:54-3 et seq.)					
Total Appropriations	\$ 660,114.00	\$ 660,114.00	\$ 506,242.99	\$ 14,034.92	\$ 83,603.84
Ref.	E-3	Below	Below	E	Below
<u>Budget Appropriation</u>					
Cancelled		\$ 660,114.00	\$		
Cash Disbursed		(83,603.84)	456,864.83		
Accrued Interest on Bonds			35,923.75		
Accrued Interest on Notes			13,454.41		
Ref.	E-1	E-1	Above		
		\$ 576,510.16	\$ 506,242.99		

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

F

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash - Checking	F-1	<u>\$ 2,908.36</u>	<u>\$ 2,893.88</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Reserves for Expenditures	F-2	<u>\$ 2,908.36</u>	<u>\$ 2,893.88</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

G

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash - Fees Account	G-2	\$ 56,860.00	\$ 58,404.19
Cash - Memorial Account	G-2	<u>137,719.18</u>	<u>136,864.66</u>
		<u>\$ 194,579.18</u>	<u>\$ 195,268.85</u>
 <u>FUND BALANCE</u>			
Fund Balances:			
Fees Account	G-1	\$ 56,860.00	\$ 58,404.19
Memorial Account	G-1	<u>137,719.18</u>	<u>136,864.66</u>
		<u>\$ 194,579.18</u>	<u>\$ 195,268.85</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
PAYROLL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

H

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash - Checking Account	H-1	\$ 1,520.03	\$ 3,831.15
Due from Current Fund	H-1	<u>705.66</u>	<u>209.11</u>
		<u>\$ 2,225.69</u>	<u>\$ 4,040.26</u>
 <u>LIABILITIES AND RESERVES</u>			
Payroll Taxes and Deductions Payable	H-1	<u>\$ 2,225.69</u>	<u>\$ 4,040.26</u>

See accompanying notes to financial statements.

TOWNSHIP OF VERONA
FIXED ASSET GROUP OF ACCOUNTS

COMPARATIVE BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

!

<u>FIXED ASSETS</u>	<u>2013</u>	<u>2012</u>
Land	\$ 9,601,600.00	\$ 9,601,600.00
Buildings and Site Improvements	30,964,479.25	30,946,326.25
Fixed and Moveable Equipment	<u>8,917,819.75</u>	<u>8,892,703.75</u>
	<u>\$ 49,483,899.00</u>	<u>\$ 49,440,630.00</u>
 <u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 49,483,899.00</u>	<u>\$ 49,440,630.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF VERONA

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Description of Funds

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

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, General Trust Fund and Special Health 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.

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.

Capital Fixed Assets - 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 accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in the Township are summarized as follows:

Property Taxes and Other Revenue

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

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

Materials and supplies purchased by all Funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer and Swimming Pool Utilities is required, by regulation, to be prepared by Township personnel for inclusion on the Water and Sewer and Swimming Pool Utility Operating Funds balance sheets. Annual changes in valuations, offset with a reserve account, are not considered as affecting current results of operations. Materials and supplies of other funds are not inventoried, nor included, on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with the Technical Accounting Directive No. 85-2, 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.

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. Detailed records are not maintained.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

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

The 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.

By regulation of the Division, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

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.

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.

As of December 31, 2013, the Township had funds invested and on deposit in checking and New Jersey Cash Management Accounts and Certificates of Deposit. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the 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 five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

Comparative Schedule of Tax Rates

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$ 2.801</u>	<u>\$ 2.678</u>	<u>\$ 2.550</u>	<u>\$ 2.416 *</u>	<u>\$ 9.917</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.740	\$ 0.720	\$ 0.694	\$ 0.642	\$ 2.514
County	0.529	0.502	0.483	0.457	2.003
School	<u>1.532</u>	<u>1.456</u>	<u>1.373</u>	<u>1.317</u>	<u>5.400</u>

* Revaluation

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2013	\$2,007,841,900.00
2012	2,064,221,500.00
2011	2,141,243,800.00
2010	2,190,922,400.00 *
2009	506,283,100.00

* Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 56,330,146.32	\$ 55,720,124.85	98.91 %
2012	55,339,999.01	54,630,214.80	98.72
2011	54,658,928.74	53,923,183.47	98.65
2010	52,979,467.70	52,285,789.05	98.69
2009	50,367,384.86	49,387,181.44	98.05

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$	\$ 549,471.23	\$ 549,471.23	0.98 %
2012		670,957.77	670,957.77	1.21
2011		678,485.40	678,485.40	1.24
2010		676,154.32	676,154.32	1.28
2009		637,736.22	637,736.22	1.27

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2013	\$ 267,817.00
2012	267,817.00
2011	267,817.00
2010	267,817.00
2009	267,817.00

5. WATER/SEWER 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 five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2013	\$ 4,816,236.03	\$ 4,894,007.67
2012	4,882,146.17	4,742,103.23
2011	4,839,149.25	4,754,070.74
2010	4,915,841.24	4,908,083.33
2009	4,754,310.87	4,781,627.51

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

6. SWIMMING POOL MEMBERSHIP FEES

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

<u>Year</u>	<u>Collections</u>
2013	\$ 462,100.00
2012	454,730.00
2011	442,000.00
2010	410,180.00
2009	402,015.00

7. FUND BALANCES APPROPRIATED

Year	Current Fund		Swimming Pool Utility Operating Fund		Water Sewer Utility Operating Fund	
	Balance	Utilized in	Balance	Utilized in	Balance	Utilized in
	Dec. 31st	Budget of Succeeding Year	Dec. 31st	Budget of Succeeding Year	Dec. 31st	Budget of Succeeding Year
2013	\$ 2,982,655.61	\$ 2,850,000.00 *	\$ 328,489.04	\$ 198,554.00 *	\$ 1,183,525.94	\$ 1,100,010.00 *
2012	2,793,683.97	2,650,000.00	270,906.48	154,114.00	942,890.46	783,000.00
2011	2,632,170.93	2,500,000.00	225,802.59	163,576.00	724,994.38	600,000.00
2010	2,512,493.07	2,465,000.00	208,657.83	165,000.00	1,024,813.86	894,618.00
2009	2,542,745.50	2,534,000.00	234,410.95	173,946.00	759,829.08	700,000.00

* As introduced.

8. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State Statute: the Public Employees' Retirement System ("PERS") or the Police and Firemen's Pension Fund ("PFRS"). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and the PFRS are considered cost sharing multiple-employer plans.

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service and twenty-five years for health care coverage.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/4 of 1% for each month the member lacks of attaining age 55).

Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12th of 1% each month the member lacks attaining age 60, but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 62 with

25 or more years of credited service. Members who retire early and is under age 62 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 or more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L. 2010 imposes maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3% contribution.

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for state employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the Defined Contribution Retirement Plan. PERS salary limited to Social Security maximum wage, minimum age to retire is 65 and the annual retirement benefit equals years of service divided by the average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 of Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit for officers who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any member hired after May 21, 2010 whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3% contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Defined Contribution Retirement Program

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.

Deferred Compensation Plan (Un-audited)

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

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

The "Small Business Job Protective Act of 1996" (the "Act") revised several provisions of Section 457 of the Internal Revenue Code. A provision of the Act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Administrator for the Township Plan is the Variable Annuity Life Insurance Company ("VALIC").

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds. The CPFPPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPPF Board of Trustees has the responsibility for the proper administration of the retirement system.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.71% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions and Benefits. Contributions to the Plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Township	Employees	Township	Employees
2013	\$ 596,911.00	\$ 410,316.41	\$ 778,682.00	\$ 466,991.02
2012	611,998.00	382,476.92	776,397.00	452,077.56
2011	584,917.00	334,779.04	796,967.00	410,043.16

For PERS participants the contribution rate will increase another 1.0% over the next seven years beginning July 1, 2012.

9. HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect
- when a CNA that is in effect on June 28, 2011 expires or is in almost any way modified

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution that amount is paid until the new contribution percentage is greater.

10. POST-RETIREMENT BENEFITS

The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment health care plan administered by the Division of Pensions. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers are required to adopt a resolution to participate in the SHBP and in November 2005, the Township authorized participation the SHBP's post-retirement benefits program through resolution number 148B, effective January 1, 2006. In 1989, the Township agreed to provide medical insurance coverage for all police officers who retire from the Verona Police Department with 25 or more years of credited police service, or who are authorized a disability retirement. This medical coverage benefit shall be administered by the Township at no cost to the retiree. Participation is mandatory for all officers and 2.10% of their annual base compensation is deducted for two years. Contributions to pay for the health premiums of participating retirees are billed to the Township on a monthly basis.

Effective June 1, 1993, all other employees were offered a "window" to participate for 60 days. Participation was voluntary and 2.10% of their annual base compensation was deducted for two years. Employees hired after December 31, 2005, are not eligible for retiree's medical coverage. In 2007, another "window" was offered from May to August for any employee employed in 1993, and still active, to buy in at 2.10% for two years.

The State Health Benefits Commission is the executive body established by Statute to be responsible for the operation of the SHBP. The Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information of the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-09295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

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

Contributions to pay for the health insurance premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township assumes cost through taxation.

The Township contributions to SHBP for the years ended December 31, 2013, 2012 and 2011 were \$761,391.72, \$688,469.10 and \$588,942.19, respectively, which equaled the required contributions for each year. There were approximately 47, 46 and 44 retired participants eligible at December 31, 2013, 2012 and 2011, respectively.

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.

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 28,037,373.85	\$ 28,516,393.76	\$ 28,092,600.51
Water/Sewer Utility:			
Bonds, Notes and Loans	8,282,521.94	9,119,426.58	9,958,772.13
Swimming Pool Utility:			
Bonds and Notes	<u>1,919,000.00</u>	<u>1,934,700.00</u>	<u>2,056,000.00</u>
	<u>38,238,895.79</u>	<u>39,570,520.34</u>	<u>40,107,372.64</u>
Less:			
Reserve to Pay Debt Service:			
General	<u>1,131.81</u>	<u>1,131.81</u>	<u>1,131.81</u>
	<u>1,131.81</u>	<u>1,131.81</u>	<u>1,131.81</u>
Net Debt Issued	<u>38,237,763.98</u>	<u>39,569,388.53</u>	<u>40,106,240.83</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	5,220,594.11	553,519.73	1,156,651.20
Water/Sewer Utility:			
Bonds and Notes	500.00	500.00	500.00
Swimming Pool Utility:			
Bonds and Notes	<u>700.00</u>		
Total Authorized but Not Issued	<u>5,221,794.11</u>	<u>554,019.73</u>	<u>1,157,151.20</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 43,459,558.09</u>	<u>\$ 40,123,408.26</u>	<u>\$ 41,263,392.03</u>

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.492%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 31,521,000.00	\$ 31,521,000.00	\$
Water/Sewer Utility Debt	8,283,021.94	8,283,021.94	
Swimming Pool Utility			
Debt	1,919,700.00	1,919,700.00	
General Debt	<u>33,257,967.96</u>	<u>1,131.81</u>	<u>33,256,836.15</u>
	<u>\$ 74,981,689.90</u>	<u>\$ 41,724,853.75</u>	<u>\$ 33,256,836.15</u>

Net debt, \$33,256,836.15, divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,228,545,985.33 equals 1.492%.

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

3 1/2% of Equalized Valuation Basis	\$ 77,999,109.49
Net Debt	<u>33,256,836.15</u>
Remaining Borrowing Power	<u>\$ 44,742,273.34</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% 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		\$ 6,201,309.90
Deductions:		
Operating and Maintenance Costs	\$ 4,328,469.00	
Debt Service per Water/Sewer Utility	<u>1,091,425.47</u>	
		<u>5,419,894.47</u>
Excess in Revenue		<u>\$ 781,415.43</u>

As there is an excess in revenue, all Water/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		\$ 720,100.60
Deductions:		
Operating and Maintenance Costs	\$ 402,132.00	
Debt Service per Swimming Pool Utility Operating Fund	<u>139,378.16</u>	
		<u>541,510.16</u>
Excess in Revenue		<u>\$ 178,590.44</u>

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

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

General Capital Improvement Bonds

As of December 31, 2013, the Township's long-term debt is as follows:

General Obligation Bonds

\$5,764,000, 2004 Bonds due in annual installments of \$449,000 to \$450,000 through November 2020, interest ranging from 3.50% to 4.00%	\$ 3,149,000.00
\$6,827,000, 2008 Bonds due in annual installments of \$600,000 to \$602,000 through May 2023, interest ranging from 3.45% to 5.00%	6,002,000.00
\$8,665,000, 2010 Bonds due in annual installments of \$640,000 to \$750,000 through May 2023, interest ranging from 2.00% to 3.25%	7,390,000.00
\$6,558,000, 2013 Bonds due in annual installments of \$265,000 to \$528,000 through July, 2027, interest ranging from 2.50% to 3.00%	<u>6,558,000.00</u>
	<u>\$ 23,099,000.00</u>
\$858,000, 2004 Bonds due in annual installments of \$68,000 to \$70,000 through November 2019, interest ranging from 3.50% to 3.80%	418,000.00
\$2,886,000, 2008 Bonds due in annual installments of \$200,000 to \$226,000 through May 2023, interest ranging from 3.45% to 5.00%	2,186,000.00
\$1,819,000, 2010 Bonds due in annual installments of \$150,000 to \$200,000 through November 2021, interest ranging from 2.00% to 3.00%	1,419,000.00
\$2,,043,000, 2013 Bonds due in annual installments of \$75,000 to \$150,000 through July 2028, interest ranging from 2.50% to 3.00%	<u>2,043,000.00</u>
	<u>\$ 6,275,000.00</u>
\$462,000, 2004 Bonds due in remaining annual installments of \$22,000 to \$40,000 through November, 2017, interest ranging from 3.50% to 3.60%	142,000.00
\$272,000, 2008 Bonds due in annual installments of \$20,000 to \$62,000 through May, 2018, interest at 5.00%	222,000.00
\$1,379,000, 2013 Bonds due in remaining annual installments of \$65,000 to \$130,000 through July, 2026, interest ranging from 2.50% to 3.00%	<u>1,379,000.00</u>
	<u>\$ 1,761,000.00</u>

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

Cash Basis							
Year	General		Water/Sewer Utility		Swimming Pool Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2014	\$ 2,065,000.00	\$ 731,567.56	\$ 724,000.00	\$ 200,030.22	\$ 143,000.00	\$ 53,469.08	\$ 3,917,066.86
2015	2,065,000.00	665,187.50	590,000.00	177,471.50	145,000.00	48,762.00	3,691,421.00
2016	2,300,000.00	597,812.50	590,000.00	157,396.50	145,000.00	43,737.00	3,833,946.00
2017	2,300,000.00	524,562.50	590,000.00	137,321.50	147,000.00	38,212.00	3,737,096.00
2018	2,302,000.00	448,937.50	596,000.00	116,589.00	147,000.00	32,745.00	3,643,271.50
2019	2,300,000.00	371,887.50	638,000.00	96,179.00	130,000.00	29,070.00	3,565,136.50
2020	2,299,000.00	298,937.50	570,000.00	76,200.00	130,000.00	25,820.00	3,399,957.50
2021	1,850,000.00	224,827.50	539,000.00	58,695.00	130,000.00	22,570.00	2,825,092.50
2022	1,850,000.00	168,227.50	370,000.00	41,955.00	130,000.00	19,320.00	2,579,502.50
2023	1,740,000.00	107,740.00	350,000.00	29,740.00	130,000.00	15,420.00	2,372,900.00
2024	500,000.00	60,840.00	150,000.00	21,540.00	130,000.00	11,520.00	873,900.00
2025	500,000.00	45,840.00	150,000.00	17,040.00	130,000.00	7,620.00	850,500.00
2026	500,000.00	30,840.00	150,000.00	12,540.00	124,000.00	3,720.00	821,100.00
2027	528,000.00	15,840.00	150,000.00	8,040.00			701,880.00
2028			118,000.00	3,540.00			121,540.00
	<u>\$ 23,099,000.00</u>	<u>\$ 4,293,047.56</u>	<u>\$ 6,275,000.00</u>	<u>\$ 1,154,277.72</u>	<u>\$ 1,761,000.00</u>	<u>\$ 351,985.08</u>	<u>\$ 36,934,310.36</u>

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

Year	General		
	Principal	Interest	Total
2014	\$ 93,869.51	\$ 28,320.47	\$ 122,189.98
2015	95,756.28	26,433.68	122,189.96
2016	97,680.98	24,508.99	122,189.97
2017	99,644.37	22,545.60	122,189.97
2018	101,647.22	20,542.75	122,189.97
2019	103,690.33	18,499.63	122,189.96
2020	105,774.50	16,415.46	122,189.96
2021	107,900.58	14,289.40	122,189.98
2022	110,069.37	12,120.59	122,189.96
2023	112,281.77	9,908.20	122,189.97
2024	114,538.64	7,651.34	122,189.98
2025	116,840.86	5,349.11	122,189.97
2026	119,189.36	3,000.60	122,189.96
2027	60,490.08	604.90	61,094.98
	<u>\$ 1,439,373.85</u>	<u>\$ 210,190.72</u>	<u>\$ 1,649,564.57</u>

Waste Water Treatment Loans:

Loan Number 3:

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

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

Loan Number 4:

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

Environmental Infrastructure Loans:

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

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

Year	Loan Number 3		Loan Number 4		Total
	Principal	Interest	Principal	Interest	
2014	\$ 71,258.55	\$ 20,450.00	\$ 83,147.98	\$ 26,556.26	\$ 201,412.79
2015	78,326.50	18,612.50	90,352.17	24,956.26	212,247.43
2016	77,018.70	16,612.50	89,185.25	23,156.26	205,972.71
2017	83,980.40	14,612.50	88,018.32	21,356.26	207,967.48
2018	82,509.12	12,362.50	94,801.13	19,106.26	208,779.01
2019	89,307.34	10,112.50	93,180.39	16,606.26	209,206.49
2020	87,672.60	7,612.50	99,801.12	14,106.26	209,192.48
2021	86,037.86	5,112.50	98,018.32	11,356.26	200,524.94
2022	92,672.81	2,612.50	104,476.98	8,606.26	208,368.55
2023			110,773.57	5,606.26	116,379.83
2024			108,982.48	2,843.76	111,826.24
	<u>\$ 748,783.88</u>	<u>\$ 108,100.00</u>	<u>\$ 1,060,737.71</u>	<u>\$ 174,256.36</u>	<u>\$ 2,091,877.95</u>

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital	07/25/14	1.00%	<u>\$ 3,499,000.00</u>
Water/Sewer Utility	07/25/14	1.00%	<u>\$ 198,000.00</u>
Swimming Pool Utility	07/25/14	1.00%	<u>\$ 158,000.00</u>

Bonds and Notes Authorized but Not Issued

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

	Balance Dec. 31, 2013	Balance Dec. 31, 2012
General Capital Fund:		
General Improvements	<u>\$ 5,220,594.11</u>	<u>\$ 553,519.73</u>
Water/Sewer Utility Capital Fund:		
General Improvements	<u>\$ 500.00</u>	<u>\$ 500.00</u>
Swimming Pool Utility Capital Fund:		
General Improvements	<u>\$ 700.00</u>	

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$	\$ 36,823.10
Federal and State Grant Fund	80,010.95	
General Trust Fund		143,893.51
General Capital Fund	100,000.00	
Payroll Fund	705.66	
	<u>\$ 180,716.61</u>	<u>\$ 180,716.61</u>

13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, there were no deferred charges.

14. DEFERRED SCHOOL TAX

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

	Balance Dec. 31, 2013	Balance Dec. 31, 2012	Increase (Decrease)
*Balance of Tax	\$11,059,627.91	\$10,523,791.17	\$ 535,836.74
Amount of Deferred	<u>8,409,627.91</u>	<u>7,773,791.17</u>	<u>635,836.74</u>
Total Payable (Cash Liability)	<u>\$ 2,650,000.00</u>	<u>\$ 2,750,000.00</u>	<u>\$ (100,000.00)</u>

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

15. RISK MANAGEMENT

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

16. 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 \$21,135,681.00 is due and payable to employees and officials of the Township as of December 31, 2013 upon their retirements or other separations. This amount was not verified by audit.

The Township has set aside a reserve of \$300,359.56 in the General Trust Fund to fund a portion of the liability.

b. Tax Appeals

As of April 24, 2014, the Township Attorney indicated that there were 69 State Tax Appeals pending before the New Jersey Tax Court. These appeals have an assessed valuation totaling \$239,862,200.00.

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 and State Awards

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, 2012 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 appear to be in excess of insurance coverage limits.

17. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2013 through the date of April 24, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined that no subsequent events have occurred which require disclosure in the financial statements.

TOWNSHIP OF VERONA
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	
Balance, December 31, 2012	A		\$ 2,513,837.73
Increased by:			
Interest and Cost on Taxes	A-2a	171,785.41	
Miscellaneous Revenue Not Anticipated	A-2d	48,978.10	
Transferred from Cash Management Fund	A-6	3,600,000.00	
Petty Cash Fund Returned	A-9	460.25	
Due from State of New Jersey - Senior Citizens' and Veterans' Tax Deductions	A-10	102,603.03	
Taxes Receivable	A-11	56,006,511.81	
Other Accounts Receivable	A-13	54,287.58	
Revenue Accounts Receivable	A-14	4,313,697.81	
Protested Checks	A-15	91,570.09	
Interfunds Receivable	A-17	746,049.85	
State Library Aid	A-19	5,841.00	
Due to State of New Jersey			
License Surcharges	A-20	1,750.00	
Tax Overpayments	A-22	128,167.07	
Accounts Payable	A-25	19,415.69	
Interfunds Payable	A-26	238,205.35	
Prepaid Taxes	A-27	646,318.79	
Prepaid Revenue	A-28	9,485.53	
Sale of Township-Owned Property	A-29	16,898.94	
Contra Items:			
Appropriation Refunds	Contra	<u>474,450.59</u>	
			<u>66,676,476.89</u>
			69,190,314.62
Decreased by:			
Disbursements per Schedule	A-5	64,132,155.79	
Contra Items	Contra	<u>474,450.59</u>	
			<u>64,606,606.38</u>
Balance, December 31, 2013	A		<u>\$ 4,583,708.24</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

CASH DISBURSEMENTS - COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

A-5

	<u>Ref.</u>	<u>Regular Fund</u>
Budget Appropriations	A-3	\$ 19,279,992.66
Transferred to Cash Management Fund	A-6	1,575,000.00
Petty Cash Funds	A-9	500.00
Other Accounts Receivable	A-13	47,123.66
Protested Checks	A-15	91,570.09
Interfunds Receivable	A-17	594,363.02
Appropriation Reserves	A-18	823,435.16
Reserve for Maintenance of Free Public Library with State Aid	A-19	9,664.90
Due to State of New Jersey Surcharge	A-20	1,525.00
Emergency Note Payable	A-21	350,000.00
Tax Overpayments Refunded	A-22	253,115.23
Local School District Tax	A-23	30,214,266.26
County Taxes	A-24	10,619,791.64
Accounts Payable	A-25	39,148.72
Interfunds Payable	A-26	232,659.45
	A-4	<u>\$ 64,132,155.79</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

A-6

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 5,342,500.00
Increased by:		
Transferred from Checking Account	A-5	<u>1,575,000.00</u> 6,917,500.00
Decreased by:		
Transferred to Checking Account	A-4	<u>3,600,000.00</u>
Balance, December 31, 2013	A	<u><u>\$ 3,317,500.00</u></u>

CASH SAVINGS
YEAR ENDED DECEMBER 31, 2013

A-7

	<u>Ref.</u>	
Balance, December 31, 2012	A	<u>\$ 20,000.00</u>
Balance, December 31, 2013	A	<u><u>\$ 20,000.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

CHANGE FUND
DECEMBER 31, 2013

A-8

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	425.00
Balance, December 31, 2013	A	\$	425.00
<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			50.00
		\$	425.00

PETTY CASH FUNDS
DECEMBER 31, 2013

A-9

	<u>Ref.</u>		
Increased by:			
Petty Cash Funds Advanced:			
Administration		\$	250.00
Library			100.00
Recreation			100.00
Board of Health			50.00
	A-5	\$	500.00
Decreased by:			
Charge to Budget Appropriation	A-3		39.75
Petty Cash Funds Returned	A-4		460.25
			500.00
		\$	

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

DUE FROM (TO) STATE OF NEW JERSEY
VETERANS AND SENIOR CITIZENS TAX DEDUCTIONS
YEAR ENDED DECEMBER 31, 2013

A-10

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 853.03
Increased by:			
Tax Deductions:			
Per Tax Duplicate:			
Senior Citizens		\$ 10,000.00	
Veterans		93,500.00	
Allowed by Tax Collector:			
Senior Citizens		500.00	
Veterans		1,500.00	
		<u>105,500.00</u>	
Disallowed by Tax Collector:			
Senior Citizens		3,679.40	
	A-11		<u>101,820.60</u>
			102,673.63
Decreased by:			
Prior Year Tax Deduction Disallowed	A-1	1,250.00	
Collections	A-4	<u>102,603.03</u>	
			<u>103,853.03</u>
Balance, December 31, 2013 (Due To)	A		<u>\$ (1,179.40)</u>

See Independent Auditors' Report

**TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2013**

Year	Balance Dec. 31, 2012	2013 Levy	Added Taxes	2012	Collected 2013	Due from State of New Jersey	Overpayments Applied	Cancelled	Balance Dec. 31, 2013
2012	\$ 670,957.77	\$ 56,330,146.32	\$ 1,250.00	\$ 280,650.46	\$ 672,203.06	\$ 101,820.60	\$ 3,345.04	\$ 4.71	\$
2013					55,334,308.75			60,550.24	549,471.23
	\$ 678,485.40	\$ 56,330,146.32	\$ 1,250.00	\$ 280,650.46	\$ 56,006,511.81	\$ 101,820.60	\$ 3,345.04	\$ 60,550.24	\$ 549,471.23
Ref.	A	Below	Reserve	A-2c, A-27	A-2c, A-4	A-2c, A-10	A-2c,22	Reserve	A

-63-

Tax Yield	
General Purpose Tax:	
Tax Levy	\$ 56,193,155.05
Business Personal Property Tax	46,519.01
Added Taxes	90,472.26
	<hr/>
	\$ 56,330,146.32
	<hr/>
Above	

Tax Levy			
Local School District Tax (Abstract)		A-2c, A-23	\$ 30,750,103.00
County Taxes:			
County Tax (Abstract)		A-24	\$ 10,608,506.58
Due County for Added Taxes (N.J.S.A. 54:4-63.1)		A-24 A-2c	<u>17,082.01</u>
			10,625,588.59
Local Tax for Municipal Purpose (Budget)		A-2	14,865,208.00
Plus: Additional Taxes Levied			<u>89,246.73</u>
			<u>14,954,454.73</u>
		Above	\$ 56,330,146.32

TOWNSHIP OF VERONA
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)
DECEMBER 31, 2013

A-12

	<u>Ref.</u>	
Balance, December 31, 2012	A	<u>\$ 267,817.00</u>
Balance, December 31, 2013	A	<u>\$ 267,817.00</u>

Analysis of Balance

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

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-13

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 29,436.46
Increased by:			
Cash Disbursed	A-5	\$ 47,123.66	
Accrual	Reserve	<u>300.00</u>	
			<u>47,423.66</u>
			76,860.12
Decreased by:			
Collections	A-4	54,287.58	
Charged Off - Appropriation Reserves	A-18	<u>3,758.28</u>	
			<u>58,045.86</u>
Balance, December 31, 2013	A		<u>\$ 18,814.26</u>
 <u>Net Credit to Operations</u>			
Balance, December 31, 2012	Above		\$ 29,436.46
Add: Accrual	Above		<u>300.00</u>
			29,736.46
Balance, December 31, 2013	Above		<u>18,814.26</u>
Net Credit	A-1		<u>\$ 10,922.20</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-14

	Ref.	Balance December 31, 2012	Accrued in 2013	2012	Collections 2013	Balance December 31, 2013
Township Clerk:						
Alcoholic Beverage Licenses	A-2a	\$	\$ 9,700.00	\$	\$ 9,700.00	\$
Other Business Licenses	A-2b		3,240.00		3,240.00	
Other Fees and Permits	A-2b		552.97		552.97	
Construction Code Official:						
Other Licenses	A-2b		50.00		50.00	
Building Fees and Permits	A-2a		207,985.00		207,985.00	
Health Department:						
Health Licenses	A-2b		12,720.00		12,720.00	
Fire Department:						
State of New Jersey Rebate	A-2a		15,326.42		15,326.42	
Fire Detectors	A-2b		10,150.00		10,150.00	
Registrar of Vital Statistics:						
Marriage Licenses	A-2b		210.00		210.00	
Fees and Permits	A-2b		10,710.00		10,710.00	
Tax Collector:						
Fees and Permits	A-2b		100.00		100.00	
Parking Permits	A-2b		11,042.11		11,042.11	
Parking Meters	A-2a		32,790.96	4,640.00	28,150.96	
Health Transport Fees	A-2b		14,137.00		14,137.00	
6% Delinquent Penalty	A-1	19,083.48	14,107.28		19,083.48	14,107.28
Public Works Department:						
Fees and Permits	A-2b		47,211.81		47,211.81	
Police Department:						
Fees and Permits	A-2b		3,566.80		3,566.80	
Board of Adjustment:						
Fees and Permits	A-2b		9,880.00		9,880.00	
Recreation Department:						
Fees and Permits	A-2a		271,785.00		271,785.00	
Municipal Court:						
Fines and Costs	A-2a		110,951.14		110,951.14	
Treasurer:						
Community Center Rental	A-2a		66,530.00		66,530.00	
Comcast Cablevision Franchise Fee	A-2a		101,604.69		101,604.69	
Payments in Lieu of Taxes:						
Senior Citizens' Associates	A-2a		160,753.44		160,753.44	
Children's Institute	A-2a		15,986.00		15,986.00	
Hilltop	A-2a		367,093.08		367,093.08	
Recycling	A-2a		20,155.30		20,155.30	
Verizon Franchise Fee	A-2a		112,517.79		112,517.79	
General Capital Surplus	A-2a		1,000,000.00		1,000,000.00	
Leaf Bag Sales	A-2a		11,353.25		11,353.25	
Tower Lease	A-2a		145,375.67	1,445.53	143,930.14	
FEMA - Reimbursements			230,908.03		230,908.03	
Interlocal Agreements:						
Roseland	A-2a		136,691.00		136,691.00	
State of New Jersey:						
Net CMPTRA Allocation	A-2a		96,156.00		96,156.00	
Energy Receipts Tax	A-2a		1,063,466.40		1,063,466.40	
		<u>\$ 19,083.48</u>	<u>\$ 4,314,807.14</u>	<u>\$ 6,085.53</u>	<u>\$ 4,313,697.81</u>	<u>\$ 14,107.28</u>
Ref.		A	Reserve	A-28	A-4	A

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

PROTESTED CHECKS
YEAR ENDED DECEMBER 31, 2013

A-15

	<u>Ref.</u>	
Increased by:		
Returned by Depository	A-5	\$ 91,570.09
Decreased by:		
Collections	A-4	<u>91,570.09</u>
Balance, December 31, 2013		<u><u>\$</u></u>

DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

A-16

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 350,000.00
Decreased by:		
Budget Appropriation	A-3	<u>350,000.00</u>
Balance, December 31, 2013		<u><u>\$</u></u>

TOWNSHIP OF VERONA
CURRENT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-17

<u>Interfund Account</u>	<u>Balance</u> <u>December 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>December 31, 2013</u>
General Trust Fund	\$ 8.96	\$ 154,567.56	\$ 154,576.52	\$
Pool Operating Fund		35,311.00	35,311.00	
Water/Sewer Utility Operating Fund		346,162.33	346,162.33	
General Capital Fund		210,000.00	210,000.00	
	<u>\$ 8.96</u>	<u>\$ 746,040.89</u>	<u>\$ 746,049.85</u>	<u>\$</u>
<u>Ref.</u>	A, A-1	Below	A-4	
	<u>Ref.</u>			
Cash Disbursements	A-5	\$ 594,363.02		
Tax Appeal Refunds	A-22	149,633.14		
Miscellaneous Revenue Not Anticipated	A-2d	2,044.73		
		<u>\$ 746,040.89</u>		

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2013

Appropriation	Balance December 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Uncommitted			
APPROPRIATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages:					
Manager's Office		\$ 443.06	\$ 443.06	\$	443.06
Mayor and Council		61.84	61.84		61.84
Township Clerk	1,261.84	707.62	1,969.46	1,261.84	707.62
Other Expenses	8,014.38	19,298.91	27,313.29	2,375.34	24,937.95
Elections:					
Other Expenses		1,019.18	1,019.18		1,019.18
Assessment of Taxes:					
Salaries and Wages		2,663.32	2,663.32		2,663.32
Other Expenses	2,550.00	783.36	3,333.36	2,550.18	783.18
Collection of Taxes:					
Salaries and Wages	2,213.58	7,404.15	4,617.73	2,213.58	2,404.15
Other Expenses:					
Tax Sale Costs		47.28	47.28		47.28
Miscellaneous Other Expenses	8,478.83	4,905.68	13,384.51	6,025.73	7,358.78
Liquidation of Tax Title Liens					
Legal Services and Costs:					
Salaries and Wages	800.00	2,099.92	2,899.92	800.00	2,099.92
Other Expenses	13,675.67	17,541.76	31,217.43	15,333.45	15,883.98
Public Buildings and Grounds:					
Salaries and Wages	6,934.92	15,424.29	12,359.21	6,934.92	5,424.29
Other Expenses	34,136.28	7,822.65	51,958.93	31,498.44	20,460.49
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages		3,525.27	3,525.27		3,525.27
Other Expenses	53.36	2,124.64	2,178.00	(350.00)	2,528.00
Board of Adjustment:					
Salaries and Wages	234.68	2,969.51	1,204.19	234.68	969.51
Other Expenses		215.20	2,215.20	1,751.72	463.48
Rent Leveling Board:					
Salaries and Wages		500.00	500.00		500.00
Other Expenses		407.60	407.60		407.60

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2013

Appropriation	Balance December 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Uncommitted			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Shade Trees:					
Other Expenses					
Municipal Court:					
Salaries and Wages					
Other Expenses					
Insurance:					
General Liability					
Employee Group Health					
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses:					
Miscellaneous Other Expenses					
Fire Prevention:					
Salaries and Wages					
Other Expenses					
Police:					
Salaries and Wages					
Other Expenses					
Communication Equipment					
Parking Meter Maintenance:					
Other Expenses					
Purchase Police Vehicle					
Rescue Squad:					
Other Expenses					
Police Dispatchers:					
Salaries and Wages					
Emergency Management Services:					
Other Expenses					
Road Repairs and Maintenance:					
Salaries and Wages					
Other Expenses					
Street Lighting					

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2013

Appropriation	Balance December 31, 2012		Balance After Transfers	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	\$ 378.00	\$ 1,537.39	\$ 1,915.39	\$ (8,847.00)	\$ 10,762.39
Other Expenses	4,625.00	7,524.70	12,149.70	2,265.70	9,884.00
Administration of Public Assistance:					
Other Expenses		100.00	100.00		100.00
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Salaries and Wages	1,633.75	23,943.92	8,077.67	1,633.75	6,443.92
Other Expenses	12,392.00	2,360.80	32,252.80	21,798.25	10,454.55
Field Maintenance		675.18	675.18		675.18
Celebration of Public Event, Anniversary or Holiday:					
Other Expenses	14,904.31	12,004.04	26,908.35	6,504.00	20,404.35
Contribution to Senior Citizens' Center					
(N.J.S.A. 40:48-9.4):					
Salaries and Wages	994.50	1,952.57	2,947.07	994.50	1,952.57
Other Expenses		4,620.32	4,620.32		4,620.32
<u>MISCELLANEOUS AND OTHER</u>					
Mandatory Recycling:					
Salaries and Wages	291.50	1,796.75	2,088.25	291.50	1,796.75
Other Expenses	92,275.18	11,746.26	104,021.44	84,240.18	19,781.26
Single Audit Act:					
Financial Administration:					
Other Expenses		8,500.00	8,500.00	8,500.00	

TOWNSHIP OF VERONA
CURRENT FUNDAPPROPRIATION RESERVES
DECEMBER 31, 2013

Appropriation	Balance December 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Uncommitted			
APPROPRIATIONS WITHIN "CAPS"					
MISCELLANEOUS AND OTHER					
Garbage and Trash Removal - Contractual	\$ 266,339.22	\$ 748.93	\$ 287,088.15	\$ 208,984.51	\$ 78,103.64
Commercial Revitalization:					
Other Expenses		92.39	92.39		92.39
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code: Construction Official (Chief Administrator of Enforcement Agency):					
Salaries and Wages	395.00	4,265.52	24,660.52	395.00	24,265.52
Other Expenses		3,122.79	3,122.79		3,122.79
UNCLASSIFIED					
Utilities:					
Electricity	45,030.64	31,070.99	76,101.63	7,560.72	68,540.91
Telephone and Telegraph	14,956.08	13,956.40	28,912.48	13,306.91	15,605.57
Gasoline	25,274.95	23,468.05	48,743.00	25,271.05	23,471.95
Salary and Wage Adjustment					
CONTINGENT		19,021.92	39,021.92	5.97	39,015.95

TOWNSHIP OF VERONA
CURRENT FUND

A-18
Sheet # 5

APPROPRIATION RESERVES
DECEMBER 31, 2013

Appropriation	Balance December 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Committed	Uncommitted			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Social Security System (OASI)	\$ 4,097.28	\$ 11,786.21	\$ 15,883.49	\$ 4,097.28	\$ 11,786.21
Defined Contribution Retirement Plan		822.00	822.00		822.00
Total Appropriations Within "CAPS"	847,775.66	498,925.09	1,346,700.75	726,646.86	620,053.89
<u>OTHER OPERATIONS</u>					
Maintenance of Free Public Library:					
Other Expenses	22,030.28	49,459.07	71,489.35	22,030.28	49,459.07
Sandy (Emergency)	265,536.75	5,531.69	271,068.44	109,756.30	161,312.14
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Roseland:					
Construction Code Official	1,700.00	2,240.00	3,940.00	1,700.00	2,240.00
Fire Sub-Code Official	560.00	360.00	920.00	560.00	360.00
Communications		16,000.04	16,000.04		16,000.04
Total Appropriations Excluded from "CAPS"	289,827.03	73,590.80	363,417.83	134,046.58	229,371.25
Total Appropriations	\$ 1,137,602.69	\$ 572,515.89	\$ 1,710,118.58	\$ 860,693.44	\$ 849,425.14

A-1

Below

Ref.

Cash Disbursements
Transfer to Accounts Payable
Applied to Other Accounts Receivable

\$ 823,435.16
33,500.00
3,758.28

A-5
A-25
A-13

\$ 860,693.44

TOWNSHIP OF VERONA
CURRENT FUND

RESERVE FOR MAINTENANCE OF FREE PUBLIC LIBRARY
WITH STATE AID
YEAR ENDED DECEMBER 31, 2013

A-19

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 10,254.66
Increased by:		
Receipts	A-4	5,841.00
		<u>16,095.66</u>
Decreased by:		
Payments	A-5	9,664.90
Balance, December 31, 2013	A	<u>\$ 6,430.76</u>

DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSE SURCHARGE
YEAR ENDED DECEMBER 31, 2013

A-20

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 425.00
Increased by:		
Receipts	A-4	1,750.00
		<u>2,175.00</u>
Decreased by:		
Payments	A-5	1,525.00
Balance, December 31, 2013	A	<u>\$ 650.00</u>

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-21

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 350,000.00
Decreased by:		
Note Paid	A-5	350,000.00
Balance, December 31, 2013	A	<u>\$</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

A-22

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 190,002.08
Increased by:			
Collections	A-4	\$ 128,167.07	
Interfunds Receivable	A-17	<u>149,633.14</u>	
			<u>277,800.21</u>
			467,802.29
Decreased by:			
Cancelled	A-1	79,114.15	
Refunds	A-5	253,115.23	
Applied to:			
Taxes Receivable	A-11	<u>3,345.04</u>	
			<u>335,574.42</u>
Balance, December 31, 2013	A		<u>\$ 132,227.87</u>

LOCAL SCHOOL DISTRICT TAX
YEAR ENDED DECEMBER 31, 2013

A-23

	<u>Ref.</u>	<u>School Tax Payable</u>	<u>Deferred School Tax</u>
Balance, December 31, 2012	A	\$ 2,750,000.00	\$ 7,773,791.17
Increased by:			
Levy for Fiscal Year 2013-2014	A-1, A-2c, A-11	30,750,103.00	
School Tax Deferred	Reserve	<u>33,500,103.00</u>	
			<u>635,836.74</u>
			8,409,627.91
Decreased by:			
Payments	A-5	30,214,266.26	
Increase in Deferred School			
Taxes	A-1	<u>635,836.74</u>	
		<u>30,850,103.00</u>	
Balance, December 31, 2013	A	<u>\$ 2,650,000.00</u>	<u>\$ 8,409,627.91</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

COUNTY TAXES
YEAR ENDED DECEMBER 31, 2013

A-24

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 11,285.06
Increased by:			
General Levy	A-11	\$ 10,280,463.87	
County Open Space	A-11	328,042.71	
Due County for Added Taxes per N.J.S.A. 54:4-63.1 et seq.	A-11	<u>17,082.01</u>	
	A-1,2c		<u>10,625,588.59</u>
			10,636,873.65
Decreased by:			
Payments	A-5		<u>10,619,791.64</u>
Balance, December 31, 2013	A		<u>\$ 17,082.01</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-25

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 101,345.44
Increased by:			
Transferred from Appropriation			
Reserve Budget	A-18	\$ 33,500.00	
Cash Receipts	A-4	<u>19,415.69</u>	
			<u>52,915.69</u>
			154,261.13
Decreased by:			
Cash Disbursements	A-5	\$ 39,148.72	
Cancelled	A-1	<u>2,346.00</u>	
			<u>41,494.72</u>
Balance, December 31, 2013	A, Below		<u>\$ 112,766.41</u>

Analysis of Balance

Condominium Services	\$ 74,850.72
County of Essex - 5% PILOT	19,320.69
Budget Consultant	8,500.00
Bank Fee	95.00
Single Audit/Fixed Assets	<u>10,000.00</u>
Above	<u>\$ 112,766.41</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-26

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 21,415.73
Increased by:			
Grant Budget	A-3	\$ 85,575.53	
Payroll Adjustment	A-1	496.55	
Cash Receipts	A-4	<u>238,205.35</u>	
			<u>324,277.43</u>
			<u>345,693.16</u>
Decreased by:			
Cash Disbursements	A-5	232,659.45	
Grant Anticipated Revenue	A-2	75,825.53	
Reserves Cancelled	A-1	<u>385.08</u>	
			<u>308,870.06</u>
Balance, December 31, 2013	A		<u><u>\$ 36,823.10</u></u>
<u>Analysis of Balance</u>			
Payroll Account			\$ 705.66
Due Federal/State Grant Fund			<u>36,117.44</u>
			<u><u>\$ 36,823.10</u></u>

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2013

A-27

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 280,650.46
Increased by:			
Collections	A-4		<u>646,318.79</u>
			<u>926,969.25</u>
Decreased by:			
Applied to Taxes Receivable	A-11		<u>280,650.46</u>
Balance, December 31, 2013	A		<u><u>\$ 646,318.79</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

PREPAID REVENUE
YEAR ENDED DECEMBER 31, 2013

A-28

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 6,085.53
Increased by:		
Prepaid Fees	A-4	9,485.53
		<u>15,571.06</u>
Decreased by:		
Realized as Current Year Revenue	A-14	6,085.53
		<u>6,085.53</u>
Balance, December 31, 2013	A	<u>\$ 9,485.53</u>
 <u>Analysis of Balance</u>		
Parking Permits		\$ 5,195.00
Tower Lease		4,290.53
		<u>\$ 9,485.53</u>

RESERVE FOR SALE OF TOWNSHIP-OWNED PROPERTY
YEAR ENDED DECEMBER 31, 2013

A-29

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 2,349.25
Increased by:		
Collections	A-4	16,898.94
		<u>16,898.94</u>
Balance, December 31, 2013	A	<u>\$ 19,248.19</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-30

	<u>Balance</u> <u>December 31, 2012</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Collections</u>	<u>Balance</u> <u>December 31, 2013</u>
Municipal Alliance on Alcoholism and Drug Abuse	\$ 25,952.43	\$ 39,000.00	\$ 52,161.63	\$ 12,790.80
Clean Communities Program		22,461.26	22,461.26	
Body Armor Grant		2,864.27	2,864.27	
Drunk Driving Enforcement Fund		1,500.00	1,500.00	
Medical Transport		10,000.00	10,000.00	
	<u>\$ 25,952.43</u>	<u>\$ 75,825.53</u>	<u>\$ 88,987.16</u>	<u>\$ 12,790.80</u>
<u>Ref.</u>	A	A-32	Below	A
		<u>Ref.</u>		
Due from Current Fund		A-31	\$ 87,487.16	
Unappropriated Grant Reserves		A-33	1,500.00	
		Above	<u>\$ 88,987.16</u>	

See Independent Auditors' Report

TOWNSHIP OF VERONA
FEDERAL/STATE GRANT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-31

	<u>Ref.</u>	<u>Federal and State Grant Fund</u>	
Balance, December 31, 2012	A		\$ 21,206.62
Increased by:			
Grants Receivable	A-30	\$ 87,487.16	
Unappropriated Revenue	A-33	44,611.70	
Grant Match	A-32	<u>9,750.00</u>	
			<u>141,848.86</u>
			163,055.48
Decreased by:			
Expenses Paid Through Current Fund	A-32	82,659.45	
Grant Reserves Cancelled	A-32	<u>385.08</u>	
			<u>83,044.53</u>
Balance, December 31, 2013	A		<u><u>\$ 80,010.95</u></u>
<u>Analysis of Balance</u>			
Due from Current Fund			\$ 36,117.44
Due from General Trust Fund			<u>43,893.51</u>
			<u><u>\$ 80,010.95</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
CURRENT FUND

APPROPRIATED RESERVES FOR STATE GRANTS
YEAR ENDED DECEMBER 31, 2013

A-32

<u>Grant</u>	<u>Balance</u> December 31, 2012	<u>Transferred</u> from Budget Appropriations	<u>Local</u> Match	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> December 31, 2013
Municipal Alliance Committee - DARE	\$ 4,159.76	\$ 39,000.00	\$ 9,750.00	\$ 39,708.72	\$ 147.83	\$ 8,893.45
Municipal Alliance Committee - DARE	2,432.19	22,461.26		3,922.51	237.25	0.00
Clean Communities Program	11,899.46	1,500.00		24,893.45		(0.00)
Drunk Driving Enforcement Fund	14,187.13	10,000.00		10,387.05		13,399.46
United Way Medical Transport	3,262.35	2,864.27				13,800.08
Body Armor Grant	9,718.16			3,747.72		6,126.62
Library Grant						5,970.44
	<u>\$ 45,659.05</u>	<u>\$ 75,825.53</u>	<u>\$ 9,750.00</u>	<u>\$ 82,659.45</u>	<u>\$ 385.08</u>	<u>\$ 48,190.05</u>
<u>Ref.</u>	A	A-3	A-3, A-31	A-31	A-31	A

TOWNSHIP OF VERONA
CURRENT FUND

UNAPPROPRIATED GRANT RESERVES
YEAR ENDED DECEMBER 31, 2013

A-33

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 1,500.00
Increased by:			
Due from Current Fund	A-31	\$ 718.19	
Due from General Trust Fund	A-31	<u>43,893.51</u>	
			<u>44,611.70</u>
			46,111.70
Decreased by:			
Realized as Revenue	A-30		<u>1,500.00</u>
Balance, December 31, 2013	A		<u><u>\$ 44,611.70</u></u>
<u>Analysis of Balance</u>			
Police Body Armor			\$ 718.19
Medical Transport			<u>43,893.51</u>
			<u><u>\$ 44,611.70</u></u>

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TOWNSHIP OF VERONA
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

B-2

	Ref.	Animal Control Trust Fund	General Trust Fund	Special Health Fund
Balance, December 31, 2012	B	\$ 16,992.29	\$ 714,327.73	\$ 17,021.59
Increased by Receipts:				
Interfund Accounts	B-5	\$	\$ 43,893.51	\$
Special Deposits	B-6		818,448.65	
State Unemployment Compensation Insurance Fund	B-7		16,900.34	
Dog and Cat License Fees	B-9	35,000.00		
Budget Appropriation	B-9	6,573.00		
Escrow Deposits	B-10		91,129.50	
		<u>41,573.00</u>	<u>970,372.00</u>	<u>17,021.59</u>
		58,565.29	1,684,699.73	
Decreased by Disbursements:				
Investment Purchases	B-3		200,000.00	
Interfund Accounts	B-5		8.96	
Special Deposits	B-6		610,446.36	
Reserve for Unemployment Insurance	B-7		6,410.36	
Expenditures Under R.S. 41:19-15.11	B-9	28,624.75		
Escrow Deposits	B-10		20,795.10	
Health Fund Expenditures	B-11			5,611.16
		<u>28,624.75</u>	<u>837,660.78</u>	<u>5,611.16</u>
Balance, December 31, 2013	B	<u>\$ 29,940.54</u>	<u>\$ 847,038.95</u>	<u>\$ 11,410.43</u>

TOWNSHIP OF VERONA
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

B-3

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 1,222,000.00
Increased by:		
Investment Purchases	B-2	<u>200,000.00</u>
Balance, December 31, 2013	B	<u><u>\$ 1,422,000.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

DUE FROM COUNTY OF ESSEX
(COMMUNITY DEVELOPMENT BLOCK GRANT)
YEAR ENDED DECEMBER 31, 2013

B-4

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 290,118.26
Increased by:		
Grant Award	B-8	<u>100,000.00</u>
		390,118.26
Decreased by:		
Cash Received in General Capital Fund	B-5	<u>290,118.26</u>
Balance, December 31, 2013	B	<u><u>\$ 100,000.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-5

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Federal/State Grant Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2012	B	\$ 290,127.22	\$ 8.96	\$	\$ 290,118.26
Increased by:					
Cash Receipts	B-2	43,893.51		43,893.51	
CDBG Grants	B-8	100,000.00			100,000.00
		<u>434,020.73</u>	<u>8.96</u>	<u>43,893.51</u>	<u>390,118.26</u>
Decreased by:					
Cash Disbursements	B-2	8.96	8.96		
Grant Received in Capital Fund	B-4	290,118.26			290,118.26
		<u>290,127.22</u>	<u>8.96</u>		<u>290,118.26</u>
Balance, December 31, 2013	B	<u>\$ 143,893.51</u>	<u>\$</u>	<u>\$ 43,893.51</u>	<u>\$ 100,000.00</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS
 SPECIAL DEPOSITS
 YEAR ENDED DECEMBER 31, 2013

B-6

	Balance Dec. 31, 2012	Increase	Decrease	Balance Dec. 31, 2013
State Construction Code Fees	\$ 2,729.00	\$ 13,987.00	\$ 11,961.00	\$ 4,755.00
Reserve for Hilltop	35,867.56	10,000.00	12,937.31	32,930.25
Senior Citizen - Donations	2,812.08			2,812.08
Law Enforcement Escrow Funds	3,069.02	3,259.11		6,328.13
Crime Prevention	1,086.55			1,086.55
Children's Fund	42,444.34	9,401.00	5,165.00	46,680.34
WTC 9/11 Fund	6,262.84	1,050.00	600.00	6,712.84
Firemen's Pension	89,905.00	38,500.00	30,360.00	98,045.00
Comcast	28,113.85		3,530.00	24,583.85
Reserve for Terminal Leave	300,359.56	334,000.00	107,354.59	527,004.97
Swim Team	2,254.36		937.50	1,316.86
Fire Code Penalties	1,282.33		420.62	861.71
Environmental Commission	235.00			235.00
Reserve for Eric Mortenson Scholarship	9,962.04	22,476.19	20,180.66	12,257.57
Community Center	99.68			99.68
Reserve for Recreation	2,144.75		1,660.02	484.73
Elevator Inspections	4,544.00			4,544.00
Recycling	75,795.95	13,388.33	250.00	88,934.28
Reserve for Repairs to AT&T Tower	30,000.00			30,000.00
Reserve for Snow Removal	148,635.85	15,000.00		163,635.85
Shade Tree Special Fund	14,532.70	71.60		14,604.30
Commercial - Revitalization	1,752.16	3,020.00	96.36	4,675.80
Security Deposit - Tower Lease	12,855.88			12,855.88
COAH Contribution	107,193.68	7,076.18		114,269.86
Reserve for MAC	28,099.21	622.00	500.00	28,221.21
Reserve for DARE	2,969.30			2,969.30
Parking Adjudication Account	11,984.22	690.00	799.99	11,874.23
Reserve for Metricom	2,500.00		44.95	2,455.05
Pool Concession Bond	7,500.00	10,000.00	7,500.00	10,000.00
Self-Insurance Reserve - General	43,345.17	6,166.00	5,579.25	43,931.92
Reserve TTL		173,741.24	173,741.24	
Reserve Premium on Tax Sale	62,800.00	99,000.00	67,400.00	94,400.00
Reserve for Tax Appeals	346,794.37	50,000.00	151,677.87	245,116.50
Concert Series	750.00	7,000.00	7,750.00	
Lion's Club Library Donation	396.54			396.54
	<u>\$ 1,431,076.99</u>	<u>\$ 818,448.65</u>	<u>\$ 610,446.36</u>	<u>\$ 1,639,079.28</u>

Ref.

B

B-2

B-2

B

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2013

B-7

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 399,694.46
Increased by:		
Employee Deductions	B-2	16,900.34
		<u>416,594.80</u>
Decreased by:		
Payments:		
Quarterly Premiums and		
Claims	B-2	6,410.36
Balance, December 31, 2013	B	<u>\$ 410,184.44</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

B-8

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 1.00
Increased by:		
Grant Award	B-4	100,000.00
		<u>100,001.00</u>
Decreased by:		
Due to General Capital	B-5	100,000.00
Balance, December 31, 2013	B	<u>\$ 1.00</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-9

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$ 16,992.29
Increased by:			
License Fees:			
2013 Collections:			
Dog		\$ 6,162.50	
Cat		410.50	
	B-2	6,573.00	
Budget Appropriation	B-2	35,000.00	
			<u>41,573.00</u>
			58,565.29
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-2		<u>28,624.75</u>
Balance, December 31, 2013	B		<u>\$ 29,940.54</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

ESCROW DEPOSITS
YEAR ENDED DECEMBER 31, 2013

B-10

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$105,545.94
Increased by:		
Deposits	B-2	<u>91,129.50</u>
		196,675.44
Decreased by:		
Refunds	B-2	<u>20,795.10</u>
Balance, December 31, 2013	B	<u><u>\$175,880.34</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
TRUST FUNDS

RESERVE FOR HEALTH CLINIC
YEAR ENDED DECEMBER 31, 2013

B-11

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 17,021.59
Decreased by:		
Cash Disbursements	B-2	<u>5,611.16</u>
Balance, December 31, 2013	B	<u><u>\$ 11,410.43</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

C-2

	<u>Ref.</u>		
Balance, December 31, 2012 (Overdraft)	C		\$ (94,587.22)
Increased by Collections:			
Premium on Sale of Notes and Bonds	C-1	\$ 77,825.84	
Transferred from Investment Account	C-3	525,000.00	
Due from State of New Jersey	C-5	210,000.00	
Notes Receivable	C-10	350,000.00	
Due from General Trust Fund	C-6	290,118.26	
Capital Improvement Fund	C-11	250,000.00	
Contra	Below	4.28	
Serial Bonds Issued	C-19	6,558,000.00	
Bond Anticipation Notes Purchased	C-17	<u>3,499,000.00</u>	
			<u>11,759,948.38</u>
			11,665,361.16
Decreased by Disbursements:			
Fund Balance Utilized in Current			
Fund Budget	C-1	1,000,000.00	
Improvement Authorizations	C-16	1,566,716.64	
Bond Anticipation Notes Matured	C-17	8,738,000.00	
Contra	Above	<u>4.28</u>	
			<u>11,304,720.92</u>
Balance, December 31, 2013	C		<u><u>\$ 360,640.24</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENT ACCOUNT
YEAR ENDED DECEMBER 31, 2013

C-3

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 9,720,800.00
Decreased by:		
Transferred to Checking Account	C-2	<u>525,000.00</u>
Balance, December 31, 2013	C	<u><u>\$ 9,195,800.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

C-4
Sheet # 1

Ordinance Number	Balance December 31, 2012	Receipts	Disbursements		Transfers		Balance December 31, 2013
			Improvement Authorizations	Other	From	To	
<u>Improvement Authorizations - General</u>							
Various Capital Improvements	8-98 \$ 22,000.00	\$	\$ 2,159.20	\$	\$	\$	19,840.80
Various Capital Improvements	6-99 336,883.23		2,355.92				334,527.31
Acquisition of Land	10-01 2,959.43		248.00				2,711.43
Various Capital Improvements	1-02 27,531.23						27,531.23
Various Capital Improvements	13-03 30,380.47						30,380.47
Various Capital Improvements	5-04 31,248.42				5,000.00		26,248.42
Various Capital Improvements	19-04 23,650.44		16,437.19				7,213.25
Various Capital Improvements	18-05 72,855.32		5,790.69		39,185.00		27,879.63
Various Capital Improvements	5-06 92,505.93				46,586.26		45,919.67
Various Capital Improvements	8-07 134,258.22		23,966.38		35,718.52		74,573.32
Various Capital Improvements	1-08 67,506.16						67,506.16
Various Capital Improvements	5-08 301,291.98		115,173.60		10,347.15		175,771.23

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

C-4
Sheet # 2

Ordinance Number	Balance December 31, 2012	Receipts	Disbursements		Transfers		Balance December 31, 2013
			Improvement Authorizations	Other	From	To	
Improvement Authorizations - General							
Various Capital Improvements	1-09	\$ 812,072.49	\$ 1,114.70	\$	\$ 123,763.61	\$	\$ 687,194.18
Various Capital Improvements	5-09	722,200.66	104,974.24		70,318.98	500.00	547,407.44
Various Capital Improvements	1-10	325,520.48	525.43		125,003.24	43.06	200,034.87
Various Capital Improvements	2-10	1,309,654.09	12,917.90		95,317.64		1,199,214.46
Various Capital Improvements	6-10	963,267.11	19,411.02		2,204.09		874,437.75
Various Capital Improvements	3-11	911,022.12	40,117.02		69,418.34		810,068.01
Various Capital Improvements	7-11	244,380.65	37,031.24		211,294.03		207,349.41
Reconstruction of Church Street	15-11	8,205.00	29,822.35		1,100.97		
Various Capital Improvements	3-12	1,576,979.47	461,177.56	2,180,000.00	38,027.35	153,762.00	1,437,301.91
Various Capital Improvements	1-13	1,470,000.00	720,338.85			41,500.00	791,161.15
Construction of Hilltop Park - II	3-13		2,977.70				(2,977.70)
General Accounts							
Fund Balance		1,006,376.42					803,182.38
Capital Improvement Fund		512,281.65		1,000,000.00	41,500.00	718,980.12	720,781.65
Reserve for Debt Service		1,131.81					1,131.81
Reserve for Future Improvements		440,050.00					440,050.00
Notes Receivable		(350,000.00)					
		<u>\$ 9,626,212.78</u>	<u>\$ 4,676,944.10</u>	<u>\$ 1,566,716.64</u>	<u>\$ 914,785.18</u>	<u>\$ 914,785.18</u>	<u>\$ 9,556,440.24</u>
Ref.	C				Contra	Contra	Below
						Ref.	
				Cash - Checking		C-2	\$ 360,640.24
				Cash - Investment Account		C-3	9,195,800.00
							<u>\$ 9,556,440.24</u>

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY GRANTS AND AID
YEAR ENDED DECEMBER 31, 2013

C-5

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 210,000.00
Increased by:		
2013 Grant Awards	C-14	200,000.00
		<u>410,000.00</u>
Decreased by:		
Cash Receipts	C-2	210,000.00
		<u>210,000.00</u>
Balance, December 31, 2013	C, Below	<u>\$ 200,000.00</u>

Analysis of Balance

Ordinance Number	Description	Amount
1-13	Department of Transportation - Reconstruction of Section II of Linden Ave from Wildwood Terrace to Grove Avenue	\$ 200,000.00
		<u>\$ 200,000.00</u>
	<u>Ref.</u>	Above

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DUE FROM GENERAL TRUST FUND
YEAR ENDED DECEMBER 31, 2013

C-6

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 290,118.26
Increased by:		
Community Development Block Grant Awards	C-15	100,000.00
		<u>390,118.26</u>
Decreased by:		
Cash Receipt	C-2	290,118.26
		<u>290,118.26</u>
Balance, December 31, 2013	C, Below	<u>\$ 100,000.00</u>

Analysis of Balance

<u>Ordinance Number</u>	<u>Description</u>	<u>Amount</u>
1-13	CDBG - Reconstruction of section II of Personett Ave	\$ 100,000.00

DUE FROM ESSEX COUNTY - OPEN SPACE
YEAR ENDED DECEMBER 31, 2013

C-7

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 250,000.00
Decreased by:		
Cancelled	C-16	250,000.00
		<u>250,000.00</u>
Balance, December 31, 2013	C	<u>\$</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES ON FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2013

C-8

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 19,778,393.76
Increased by:			
Serial Bonds Issued	C-9		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">6,558,000.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
			26,336,393.76
Decreased by:			
Serial Bonds Redeemed	C-19	\$ 1,706,000.00	
Green Acres Loan	C-18	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">92,019.91</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;">1,798,019.91</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2013	C		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 24,538,373.85</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2013

C-9

Improvement Description	Ordinance Number	Date	Balance December 31, 2012	2013 Authorizations	Serial Bonds Issued	Decrease	Balance December 31, 2013	Bond Anticipation Notes	Analysis of Balance December 31, 2013		Improvement Authorization Unfunded
									Expended		
Various Capital Improvements	1-09	3-16-09	\$ 81,673.94	\$	\$	\$ 81,673.94	\$	\$	\$	\$	
Various Capital Improvements	1-10	1-29-10	23,755.80			23,755.80					
Various Capital Improvements	2-10	3-15-10	2,469,767.64		2,373,000.00	1,673.53	95,094.11				95,094.11
Various Capital Improvements	6-10	6-21-10	2,014,000.00		2,014,000.00						
Various Capital Improvements	3-11	3-07-11	1,758,000.00		1,758,000.00						
Various Capital Improvements	7-11	8-15-11	413,000.00		413,000.00						
Various Capital Improvements	15-11	11-7-11	29,822.35			29,822.35					
Various Capital Improvements	3-12	5-21-12	2,501,500.00			472,500.00	2,029,000.00	2,029,000.00			
Various Capital Improvements	1-13	3-04-13		1,470,500.00			1,470,500.00	1,470,000.00			500.00
Various Capital Improvements	3-13	7-15-13		5,125,000.00			5,125,000.00		2,977.70		5,122,022.30
			<u>\$ 9,291,519.73</u>	<u>\$ 6,595,500.00</u>	<u>6,558,000.00</u>	<u>\$ 609,425.62</u>	<u>\$ 8,719,594.11</u>	<u>\$ 3,499,000.00</u>	<u>\$ 2,977.70</u>	<u>\$ 5,217,616.41</u>	
			C	C-16	C-8	Below	C	C-17	C-4	C-16	
				Ref.							
Applied from Reserve for State Grants				C-14		\$ 210,000.00					
Cancelled				C-16		109,307.36					
Applied from Reserve for CDBG				C-15		290,118.26					
				Above		<u>\$ 609,425.62</u>					

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

NOTES RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

C-10

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 350,000.00
Decreased by:		
Cash Receipts	C-2	<u>350,000.00</u>
Balance, December 31, 2013		<u><u>\$</u></u>

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

C-11

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 512,281.65
Increased by:		
Current Fund Budget Appropriation	C-2	<u>250,000.00</u>
		762,281.65
Decreased by:		
Appropriation to Finance Improvement Authorization	C-16	<u>41,500.00</u>
Balance, December 31, 2013	C	<u><u>\$ 720,781.65</u></u>

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TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR PAYMENT OF DEBT SERVICE
YEAR ENDED DECEMBER 31, 2013

C-12

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 1,131.81
Balance, December 31, 2013	C	<u>\$ 1,131.81</u>

RESERVE FOR FUTURE IMPROVEMENTS
YEAR ENDED DECEMBER 31, 2013

C-13

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 440,050.00
Balance, December 31, 2013	C	<u>\$ 440,050.00</u>

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TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANTS AND AID RECEIVABLE C-14
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 210,000.00
Increased by:		
Grant Award	C-5	200,000.00
		<u>410,000.00</u>
Decreased by:		
Applied to Deferred Charges Unfunded	C-9	210,000.00
Balance, December 31, 2013	C	<u>\$ 200,000.00</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

C-15

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 290,118.26
Increased by:		
Grant Award	C-6	100,000.00
		<u>390,118.26</u>
Decreased by:		
Applied to Deferred Charges Unfunded	C-9	290,118.26
Balance, December 31, 2013	C	<u>\$ 100,000.00</u>

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IMPROVEMENTS AUTHORIZATIONS

Improvement Description	Number	Ordinance		Balance December 31, 2012		2013		Paid or		Balance December 31, 2013	
		Date	Amount	Funded	Unfunded	Authorizations	Charged	Cancelled	Funded	Unfunded	
Various Capital Improvements	8-98(d)	7-13-98	\$ 360,000.00	\$ 22,000.00	\$	\$	\$	\$	19,840.80	\$	
Various Capital Improvements	6-99	8-16-99	2,541,000.00	336,883.23					334,527.31		
Acquisition of Land	10-01	9-24-01	100,000.00	2,959.43					2,711.43		
Various Capital Improvements	1-02	3-21-02	1,344,000.00	27,531.23					27,531.23		
Various Capital Improvements	13-03	11-03-03	593,000.00	30,380.47					30,380.47		
Various Capital Improvements	5-04	5-03-04	1,037,850.00	31,248.42					26,248.42		
Various Capital Improvements	19-04	12-20-04	786,500.00	23,650.44					7,213.25		
Various Capital Improvements	18-05	11-07-05	2,084,500.00	72,855.32					27,879.63		
Various Capital Improvements	5-06	7-10-06	8,829,000.00	92,505.93					45,919.67		
Various Capital Improvements	8-07	5-21-07	2,809,000.00	134,258.22					74,573.32		
Various Capital Improvements	1-08	3-03-08	1,820,000.00	67,506.16					67,506.16		
Various Capital Improvements	5-08	6-02-08	2,155,000.00	301,291.98					175,771.23		
Various Capital Improvements	1-09	3-16-09	2,414,550.00	812,072.49					687,194.18		
Various Capital Improvements	5-09	6-01-09	1,757,000.00	722,700.66					547,407.44		
Various Capital Improvements	1-10	1-29-10	1,049,000.00	325,563.54					200,034.87		
Various Capital Improvements	2-10	3-15-10	2,984,500.00						1,199,214.46	95,094.11	
Various Capital Improvements	6-10	6-21-10	2,354,000.00						874,437.75		
Various Capital Improvements	3-11	3-07-11	2,187,522.00						810,068.01		
Various Capital Improvements	7-11	8-15-11	434,500.00						207,349.41		
Reconstruction of Church Street	15-11	11-07-11	184,000.00						38,027.35		
Various Capital Improvements	3-12	5-21-12	2,595,000.00						461,177.56	1,437,301.91	
Various Capital Improvements	1-13	3-04-13	1,512,000.00						720,338.85	791,661.15	
Construction of Hilltop Park - II	3-13	4-15-13	5,125,000.00						2,977.70	5,122,022.30	
				\$ 3,003,407.52	\$ 5,816,485.11	\$ 6,637,000.00	\$ 1,566,716.64	\$ 1,078,287.48	\$ 5,365,809.04	\$ 7,446,079.47	

Ref.	C	Ref.	C	Below	C-2	Below	C
Fund Balance							
County of Essex Grant Cancelled		C-1				\$ 718,980.12	
Deferred Charges to Future Taxation - Unfunded		C-7				250,000.00	
Capital Improvement Fund		C-9		6,595,500.00		109,307.36	
		C-11		41,500.00			
		Above		\$ 6,637,000.00		\$ 1,078,287.48	

Fund Balance
County of Essex Grant Cancelled
Deferred Charges to Future Taxation - Unfunded
Capital Improvement Fund

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

C-17

Ordinance Number	Date	Description	Date of Issue of Original Note	Date of Maturity	Rate of Interest	Balance December 31, 2012	Notes Issued	Decrease	Balance December 31, 2013
2-10	3-15-10	Various Improvements				\$ 2,309,050.00	\$	\$ 2,309,050.00	\$
2-10	3-15-10	Various Improvements				63,950.00		63,950.00	
6-10	6-21-10	Various Improvements				2,014,000.00		2,014,000.00	
3-11	3-7-11	Various Improvements				1,758,000.00		1,758,000.00	
7-11	8-15-11	Various Improvements				413,000.00		413,000.00	
3-12	5-21-12	Various Improvements	8-9-12	7-25-14	1.00	2,180,000.00	2,029,000.00	2,180,000.00	2,029,000.00
1-13	3-04-13	Various Improvements	7-25-13	7-25-14	1.00		1,470,000.00		1,470,000.00
					<u>Ref.</u>	<u>\$ 8,738,000.00</u>	<u>\$ 3,499,000.00</u>	<u>\$ 8,738,000.00</u>	<u>\$ 3,499,000.00</u>
					C		C-2	C-2	C

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

C-18

<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Interest Rate</u>	<u>Balance December 31, 2012</u>	<u>Loan Paid</u>	<u>Balance December 31, 2013</u>
9-18-07	\$ 1,965,000.00	2.00	<u>\$ 1,531,393.76</u>	<u>\$ 92,019.91</u>	<u>\$ 1,439,373.85</u>
		<u>Ref.</u>	C	C-8	C

See Independent Auditors' Report

TOWNSHIP OF VERONA
GENERAL CAPITAL BONDS

SERIAL BONDS

YEAR ENDED DECEMBER 31, 2013

C-19

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2012	Bonds Issued	Bonds Redeemed	Balance December 31, 2013	
			Date	Amount						
General Bonds of 2000	3-15-99	5,726,000.00			%	\$ 476,000.00	\$	\$ 476,000.00	\$	
General Bonds of 2004	11-01-04	5,764,000.00	11-01-14/16	450,000.00	3.50					
			11-01-17	450,000.00	3.60					
			11-01-18	450,000.00	3.70					
			11-01-19	450,000.00	3.80					
			11-01-20	449,000.00	4.00	3,599,000.00		450,000.00	3,149,000.00	
General Bonds of 2008	5-01-08	6,827,000.00	5-01-14/17	600,000.00	5.00					
			5-01-18	602,000.00	5.00					
			5-01-19	600,000.00	3.45					
			5-01-20	600,000.00	3.50					
			5-01-21	600,000.00	3.55					
			5-01-22	600,000.00	3.65					
			5-01-23	600,000.00	3.70	6,332,000.00		330,000.00	6,002,000.00	
General Bonds of 2010	11-01-10	8,665,000.00	11-01-14/16	750,000.00	2.00					
			11-01-17	750,000.00	2.25					
			11-01-18/21	750,000.00	3.00					
			11-01-22	750,000.00	3.125					
			11-01-23	640,000.00	3.25	7,840,000.00		450,000.00	7,390,000.00	
General Bonds of 2013	7-15-13	6,558,000.00	7-15-14/15	265,000.00	2.50					
			7-15-16/21	500,000.00	2.50					
			7-15-22/26	500,000.00	3.00		6,558,000.00			6,558,000.00
			7-15-27	528,000.00	3.00					
						\$ 18,247,000.00	\$ 6,558,000.00	\$ 1,706,000.00	\$ 23,099,000.00	
Ref.						C	C-2	C-8	C	

Ref.

TOWNSHIP OF VERONA
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

C-20

Ordinance Number	Date	Debt Authorized	Balance December 31, 2012	2013 Authorization	Notes Reauthorized	Notes Issued	Cancelled and Grants Received	Balance December 31, 2013
Various Improvements	1-09	3-02-09	\$ 2,414,550.00	\$ 81,673.94	\$	\$	81,673.94	\$
Various Improvements	1-10	1-29-10	1,045,000.00	23,755.80			23,755.80	
Various Improvements	2-10	3-15-10	2,948,500.00	160,767.64			65,673.53	95,094.11
Reconstruction of Church St.	15-11	11-7-11	175,000.00	29,822.35			29,822.35	
Various Improvements	3-12	5-21-12	2,501,500.00	257,500.00	151,000.00		408,500.00	
Various Improvements	1-13	3-4-13	1,470,000.00	1,470,500.00		1,470,000.00		500.00
Various Improvements	3-13	7-15-13	6,595,500.00	5,125,000.00				5,125,000.00
			\$ 553,519.73	\$ 6,595,500.00	\$ 151,000.00	\$ 1,470,000.00	\$ 609,425.62	\$ 5,220,594.11

Ref.

C

C

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

D-5

	Ref.	Operating Fund	Capital Fund
Balance, December 31, 2012	D	\$ 626,055.85	\$ 35,606.22
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 524,302.23	
Water/Sewer Capital Fund Balance	D-3	92,000.00	
Transfer from Cash Management Fund	D-6	350,000.00	205,000.00
Interfund Accounts	D-8	301.09	
Protested Checks Honored	D-9	2,706.31	
Rents Receivable	D-10	4,890,072.09	
Utility Rent Overpayments	D-18	5,535.96	
Capital Improvement Fund	D-19		60,000.00
Bond Anticipation Notes Issued	D-23		198,000.00
Serial Bonds	D-25		2,043,000.00
		<u>5,864,917.68</u>	<u>2,506,000.00</u>
		6,490,973.53	2,541,606.22
Decreased by Disbursements:			
Anticipated in Operating Fund	D-2		92,000.00
Budget Appropriations	D-4	4,690,330.95	
Transfer to Cash Management Fund	D-6	595,000.00	
Interfund Accounts	D-8	16,745.31	
Checks Returned by Depository	D-9	2,706.31	
Appropriation Reserves	D-14	256,263.62	
Payment of Interest on Notes	D-15	28,520.50	
Payment of Interest on Bonds	D-16	170,260.50	
Payment of Interest on Loans	D-17	44,360.44	
Improvement Authorizations	D-22		137,742.73
Bond Anticipation Notes Matured	D-23		2,241,000.00
		<u>5,804,187.63</u>	<u>2,470,742.73</u>
Balance, December 31, 2013	D	<u>\$ 686,785.90</u>	<u>\$ 70,863.49</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

CASH - CASH MANAGEMENT FUND
YEAR ENDED DECEMBER 31, 2013

D-6

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 839,000.00	\$ 3,477,500.00
Increased by:			
Transfer from Checking Account	D-5	595,000.00	
		<u>1,434,000.00</u>	<u>3,477,500.00</u>
Decreased by:			
Transfer to Checking Account	D-5	350,000.00	205,000.00
Balance, December 31, 2013	D	<u>\$ 1,084,000.00</u>	<u>\$ 3,272,500.00</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2013

D-7

	Balance December 31, 2012	Receipts	Disbursements		Transfers		Balance December 31, 2013
			Improvement Authorizations	Other	From	To	
Fund Balance	\$ 92,819.61	\$	\$	\$ 92,000.00	\$	513.89	\$ 1,333.50
Capital Improvement Fund	129,800.00	60,000.00					189,800.00
Water/Sewer Improvements							
Ordinance #14-03	5,490.76		5,490.76				
Ordinance #15-03	19,170.03		18,989.38		180.65		
Ordinance #19-05	180,783.42		2,617.81				178,165.61
Ordinance #07-06	0.62				0.62		
Ordinance #09-07	332.62				332.62		
Ordinance #10-07	218,169.88						218,169.88
Ordinance #06-08	158,862.73		59,376.00				99,486.73
Ordinance #07-08	251,878.60		(523.03)				252,401.63
Ordinance #06-09	395,937.96						395,937.96
Ordinance #07-09	177,376.06		5,798.99				171,577.07
Ordinance #07-10	254,866.93		1,548.07				253,318.86
Ordinance #08-10	725,305.84		6,217.77				719,088.07
Ordinance #08-11	184,590.68		34,030.39				150,560.29
Ordinance #09-11	717,720.48		4,196.59				713,523.89
	\$ 3,513,106.22	\$ 60,000.00	\$ 137,742.73	\$ 92,000.00	\$ 513.89	\$ 513.89	\$ 3,343,363.49
Ref.	D				Contra	Contra	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2013

D-8

<u>Water/Sewer Operating</u>			
<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Pool Operating Fund</u>
Increased by:			
Cash Disbursements			
	D-5 16,745.31	16,545.31	200.00
	<u>16,745.31</u>	<u>16,545.31</u>	<u>200.00</u>
Decreased by:			
Budget Appropriation	D-4 16,444.22	16,444.22	
Cash Receipts	D-5 301.09	101.09	200.00
	<u>16,745.31</u>	<u>16,545.31</u>	<u>200.00</u>
Balance December 31, 2013	<u>\$</u>	<u>\$</u>	<u>\$</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

PROTESTED CHECKS
YEAR ENDED DECEMBER 31, 2013

D-9

	<u>Ref.</u>	
Increased by:		
Checks Returned by Depository:		
Redeposited	D-5	\$ 2,706.31
Decreased by:		
Checks Honored	D-5	<u>2,706.31</u>
Balance, December 31, 2013		<u><u>\$</u></u>

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-10

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 426,018.71
Increased by:		
Billings	Reserve	<u>4,816,236.03</u>
		5,242,254.74
Decreased by:		
Collections	D-5	\$ 4,890,072.09
Overpayments Applied	D-18	<u>3,935.58</u>
	D-3	<u>4,894,007.67</u>
Balance, December 31, 2013	D	<u><u>\$ 348,247.07</u></u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

INVENTORY - MATERIALS AND SUPPLIES
YEAR ENDED DECEMBER 31, 2013

D-11

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 195,735.61
Balance, December 31, 2013	D	<u>\$ 195,735.61</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2013

D-12

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 42,872,128.70
Increased by:		
Transferred from Fixed Capital		
Authorized and Uncompleted	D-13	<u>24,480.14</u>
Balance, December 31, 2013	D	<u>\$ 42,896,608.84</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

D-13

Ordinance Number	Improvement Description	Ordinance		Balance December 31, 2012	Decrease	Balance December 31, 2013
		Date	Amount			
Water/Sewer Improvements						
14-03	Various Water/Sewer Capital Improvements	12-15-03	215,000.00	\$ 5,490.76	\$ 5,490.76	\$
15-03	Various Water/Sewer Capital Improvements	12-15-03	110,000.00	19,170.03	19,170.03	
19-05	Various Water/Sewer Capital Improvements	11-07-05	462,500.00	180,783.42		180,783.42
7-06	Various Sewer Capital Improvements	7-10-06	1,050,000.00	0.62	0.62	
9-07	Improvement of Water System	5-21-07	320,000.00	332.62	332.62	
10-07	Various Sewer Capital Improvements	5-21-07	342,000.00	218,169.88		218,169.88
06-08	Improvement of Water System	6-02-08	410,000.00	158,862.73		158,862.73
07-08	Various Sewer Capital Improvements	6-02-08	785,000.00	251,878.60		251,878.60
06-09	Improvement of Water System	6-01-09	445,000.00	395,937.96		395,937.96
07-09	Various Sewer Capital Improvements	6-01-09	274,000.00	177,376.06		177,376.06
07-10	Improvement of Water System	6-21-10	660,000.00	254,866.93		254,866.93
08-10	Various Sewer Capital Improvements	6-21-10	764,500.00	725,305.84		725,305.84
08-11	Improvement of Water System	8-15-11	209,000.00	185,090.68		185,090.68
09-11	Various Sewer Capital Improvements	8-15-11	723,800.00	717,720.48		717,720.48
				<u>\$ 3,290,986.61</u>	<u>\$ 24,994.03</u>	<u>\$ 3,265,992.58</u>
				D	Below	D
				<u>Ref.</u>		
Transferred to Fixed Capital				D-12	\$ 24,480.14	
Improvement Authorizations Cancelled				D-22	513.89	
					<u>\$ 24,994.03</u>	

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

D-14

Appropriation	Balance December 31, 2012		Balance After Transfers	Expenditures	Balance Lapsed
	Committed	Uncommitted			
Operating					
Salaries and Wages	\$ 13,241.42	\$ 17,100.33	\$ 30,341.75	\$ 13,241.42	\$ 17,100.33
Other Expenses	248,839.87	187,302.05	436,141.92	243,022.20	193,119.72
	<u>\$ 262,081.29</u>	<u>\$ 204,402.38</u>	<u>\$ 466,483.67</u>	<u>\$ 256,263.62</u>	<u>\$ 210,220.05</u>
Ref.	D	D		D-5	D-1

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2013

D-15

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 8,588.21
Increased by:		
Budget Appropriation	D-4	20,812.29
		<u>29,400.50</u>
Decreased by:		
Cash Disbursements	D-5	28,520.50
		<u>28,520.50</u>
Balance, December 31, 2013	D	<u>\$ 880.00</u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
7-25-13	\$ 198,000.00	1.00	7-25-13	12-31-13	160 Days	\$ 880.00
						<u>\$ 880.00</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2013

D-16

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 32,695.48
Increased by:		
Budget Appropriation	D-4	190,147.58
		<u>222,843.06</u>
Decreased by:		
Interest Payments	D-5	170,260.50
		<u>170,260.50</u>
Balance, December 31, 2013	D	<u>\$ 52,582.56</u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
3-15-99	\$ 209,000.00	4.350 %	9-15-13	12-31-13	3.50 Months	\$ 2,651.69
11-1-04	210,000.00	3.500	11-1-13	12-31-13	2.00	1,225.00
	70,000.00	3.600	11-1-13	12-31-13	2.00	420.00
	70,000.00	3.700	11-1-13	12-31-13	2.00	431.67
	68,000.00	3.800	11-1-13	12-31-13	2.00	430.67
5-1-08	880,000.00	5.00	11-1-13	12-31-13	2.00	7,333.33
	226,000.00	5.00	11-1-13	12-31-13	2.00	1,883.33
	220,000.00	3.45	11-1-13	12-31-13	2.00	1,265.00
	220,000.00	3.50	11-1-13	12-31-13	2.00	1,283.33
	220,000.00	3.55	11-1-13	12-31-13	2.00	1,301.67
	220,000.00	3.65	11-1-13	12-31-13	2.00	1,338.33
	200,000.00	3.70	11-1-13	12-31-13	2.00	1,233.33
11-1-10	500,000.00	2.00	11-1-13	12-31-13	2.00	1,666.67
	175,000.00	2.25	11-1-13	12-31-13	2.00	656.25
	744,000.00	3.00	11-1-13	12-31-13	2.00	3,720.00
7-15-13	1,025,000.00	2.50	7-15-13	12-31-13	5.50	11,744.79
	<u>1,018,000.00</u>	3.00	7-15-13	12-31-13	5.50	<u>13,997.50</u>
	<u>\$ 6,275,000.00</u>			As of 12/31/2013		<u>\$ 52,582.56</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2013

D-17

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 10,592.45
Increased by:		
Budget Appropriation	D-4	43,560.96
		<u>54,153.41</u>
Decreased by:		
Interest Payments	D-5	44,360.44
	D	<u>44,360.44</u>
Balance, December 31, 2013		<u><u>\$ 9,792.97</u></u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance Due February 2014</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
11-01-02	\$ 10,225.00	8-01	12-31	5 Months	\$ 4,260.42
11-01-04	13,278.13	8-01	12-31	5 Months	<u>5,532.55</u>
					<u><u>\$ 9,792.97</u></u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

D-18

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 3,935.58
Increased by:		
Cash Received	D-5	5,535.96
		<u>9,471.54</u>
Decreased by:		
Applied to Rents	D-10	3,935.58
		<u>3,935.58</u>
Balance, December 31, 2013	D	<u>\$ 5,535.96</u>

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

D-19

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 129,800.00
Increased by:		
Budget Appropriation	D-5	60,000.00
		<u>60,000.00</u>
Balance, December 31, 2013	D	<u>\$ 189,800.00</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

D-20

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 36,786,190.79
Increased by:			
Transferred from Deferred Reserve for Amortization	D-21	\$ 49,184.05	
Repayment of State Loan	D-24	156,904.64	
Serial Bonds Redeemed	D-25	<u>680,000.00</u>	
			<u>886,088.69</u>
Balance, December 31, 2013	D		<u>\$ 37,672,279.48</u>

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TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

D-21

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance December 31, 2012</u>	<u>Decrease</u>	<u>Balance December 31, 2013</u>
	<u>Water/Sewer Improvements</u>				
14-03	Various Water/Sewer Improvements	12-15-03	\$ 9,597.68	\$ 9,597.68	\$
15-03	Various Water/Sewer Improvements	12-15-03	5,500.00	5,500.00	
07-04	Various Water/Sewer Improvements	5-17-04	8,917.25	8,917.25	
08-04	Various Water/Sewer Improvements	5-17-04	10,183.01	10,183.01	
9-07	Various Water Improvements	5-21-07	15,500.00	15,500.00	
10-07	Various Sewer Improvements	5-21-07	16,500.00		16,500.00
7-08	Various Sewer Improvements	6-02-08	38,000.00		38,000.00
6-09	Various Water Improvements	6-01-09	23,000.00		23,000.00
7-09	Various Sewer Improvements	6-01-09	14,000.00		14,000.00
7-10	Various Water Improvements	6-21-10	32,000.00		32,000.00
8-10	Various Sewer Improvements	6-21-10	37,500.00		37,500.00
8-11	Various Water Improvements	8-15-11	10,500.00		10,500.00
9-11	Various Sewer Improvements	8-15-11	35,800.00		35,800.00
			<u>\$ 256,997.94</u>	<u>\$ 49,697.94</u>	<u>\$ 207,300.00</u>
		<u>Ref.</u>	<u>D</u>	<u>Below</u>	<u>D</u>
		<u>Ref.</u>			
	Transferred to Fund Balance	D-2	\$ 513.89		
	Transferred to Reserve for Amortization	D-20	49,184.05		
			<u>\$ 49,697.94</u>		

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

D-22

Improvement Description	Ordinance Number	Amount	Balance December 31, 2012		Paid or Charged	Cancelled	Balance December 31, 2013	
			Funded	Unfunded			Funded	Unfunded
Water/Sewer Improvements								
Various Water Capital Improvements	14-03	\$ 215,000.00	\$ 5,490.76	\$	\$	\$	\$	\$
Various Sewer Capital Improvements	15-03	110,000.00	19,170.03		5,490.76			
Various Water Capital Improvements	19-05	462,500.00	180,783.42		18,989.38	180.65		
Various Sewer Capital Improvements	20-05	635,000.00			2,617.81		178,165.61	
Various Water Capital Improvements	07-06	1,050,000.00	0.62			0.62		
Various Sewer Capital Improvements	09-07	320,000.00	332.62			332.62		
Various Water Capital Improvements	10-07	342,000.00	218,169.88				0.00	
Various Sewer Capital Improvements	06-08	410,000.00	158,862.73		59,376.00		218,169.88	
Various Water Capital Improvements	07-08	785,000.00	251,878.60		(523.03)		99,486.73	
Various Sewer Capital Improvements	06-09	445,000.00	395,937.96				252,401.63	
Various Water Capital Improvements	07-09	274,000.00	177,376.06		5,798.99		395,937.96	
Various Sewer Capital Improvements	07-10	660,000.00		254,866.93	1,548.07		171,577.07	
Various Water Capital Improvements	08-10	764,500.00		725,305.84	6,217.77		253,318.86	
Various Sewer Capital Improvements	08-11	209,000.00		185,090.68	34,030.39		719,088.07	
Various Water Capital Improvements	09-11	723,800.00	29,720.48	688,000.00	4,196.59		713,523.89	151,060.29
			<u>\$ 1,437,723.16</u>	<u>\$ 1,853,263.45</u>	<u>\$ 137,742.73</u>	<u>\$ 513.89</u>	<u>\$ 3,001,669.70</u>	<u>\$ 151,060.29</u>
			D	D	D-5	D-13	D	D

Ref.

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

D-23

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Rate of Interest	Balance December 31, 2012	Notes Issued	Notes Paid	Balance December 31, 2013
7-10	Improvement of Water System				\$ 628,000.00	\$	628,000.00	\$
8-10	Various Sewer Improvements				727,000.00		727,000.00	
8-11	Improvement of Water System	12/14/11	12/14/14	1.00	198,000.00	198,000.00	198,000.00	198,000.00
9-11	Various Sewer Improvements				688,000.00		688,000.00	
					<u>\$ 2,241,000.00</u>	<u>\$ 198,000.00</u>	<u>\$ 2,241,000.00</u>	<u>\$ 198,000.00</u>
		Ref.			D	D-5	D-5	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

WASTE WATER TREATMENT LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2013

D-24

<u>Original Issue</u>		<u>Balance</u>	<u>Decrease</u>	<u>Balance</u>
<u>Date</u>	<u>Amount</u>	<u>December 31, 2012</u>		<u>December 31, 2013</u>
11-01-02	\$ 700,000.00	\$ 445,000.00	\$ 35,000.00	\$ 410,000.00
11-01-02	735,250.00	376,243.95	37,460.08	338,783.87
11-01-04	850,000.00	615,000.00	40,000.00	575,000.00
11-01-04	864,348.00	530,182.63	44,444.56	485,738.07
		<u>\$ 1,966,426.58</u>	<u>\$ 156,904.64</u>	<u>\$ 1,809,521.94</u>
	<u>Ref.</u>	D	D-20	D

New Jersey Waste Water Treatment

Loan Program:

Loan Number 3:

Trust Share

Fund Share

Loan Number 4:

Trust Share

Fund Share

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

D-25

SERIAL BONDS

YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance December 31, 2012	Bonds Issued	Bonds Redeemed	Balance December 31, 2013
			Date	Outstanding December 31, 2013 Amount					
Water/Sewer Improvements	3-15-99	\$ 2,859,000.00	3-15-14	209,000.00	4.35	\$ 459,000.00	\$	\$ 250,000.00	\$ 209,000.00
Water/Sewer Improvements	11-01-04	858,000.00	11-01-14/16	70,000.00	3.50				
			11-01-17	70,000.00	3.60				
			11-01-18	70,000.00	3.70				
			11-01-19	68,000.00	3.80	478,000.00		60,000.00	418,000.00
Water/Sewer Improvements	5-01-08	2,886,000.00	5-01-14/17	220,000.00	5.00				
			5-01-18	226,000.00	5.00				
			5-01-19	220,000.00	3.45				
			5-01-20	220,000.00	3.50				
			5-01-21	220,000.00	3.55				
			5-01-22	220,000.00	3.65	2,406,000.00		220,000.00	2,186,000.00
			5-01-23	200,000.00	3.70				
Water/Sewer Improvements	11-01-10	1,819,000.00	11-01-14	150,000.00	2.00				
			11-01-15/16	175,000.00	2.00				
			11-01-17	175,000.00	2.25				
			11-01-18	175,000.00	3.00				
			11-01-19/20	200,000.00	3.00				
			11-01-21	169,000.00	3.00	1,569,000.00		150,000.00	1,419,000.00
Water/Sewer Improvements	7-15-13	2,043,000.00	01-15-14	75,000.00	2.50				
			01-15-15/18	125,000.00	2.50				
			01-15-19/21	150,000.00	2.50				
			01-15-22/27	150,000.00	3.00				
			01-15-28	118,000.00	3.00				
							2,043,000.00		2,043,000.00
						\$ 4,912,000.00	\$ 2,043,000.00	\$ 680,000.00	\$ 6,275,000.00
					Ref.	D	D-5	D-20	D

TOWNSHIP OF VERONA
WATER AND SEWER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

D-26

	<u>Ordinance</u>		<u>Debt Authorized</u>	<u>Balance</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>		<u>December 31, 2012</u>	<u>December 31, 2013</u>
Various Sewer Improvements	8-11	8-15-11	\$ 198,500.00	<u>\$ 500.00</u>	<u>\$ 500.00</u>
			<u>Ref.</u>	D	D

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance, December 31, 2012	E	\$ 44,766.56	\$ 38,293.65
Increased by Receipts:			
Membership Fees	E-3	\$ 462,100.00	\$
Miscellaneous Revenue	E-3	103,886.60	
Pool Capital Surplus	E-3	16,000.00	
Petty Cash Returned	E-8	100.00	
Capital Improvement Fund	E-14		30,000.00
Bond Anticipation Notes Issued	E-18		158,000.00
Serial Bonds	E-19		1,379,000.00
Contra Items:			
Protested Checks	Below	<u>13,004.00</u>	
		595,090.60	<u>1,567,000.00</u>
		<u>639,857.16</u>	<u>1,605,293.65</u>
Decreased by Disbursements:			
Budget Appropriations	E-4	456,864.83	
Petty Cash Advanced	E-8	100.00	
Appropriation Reserves	E-11	366.33	
Interest on Notes	E-13	16,353.21	
Interest on Bonds	E-12	19,427.50	
Improvement Authorizations	E-17		26,814.71
Bond Anticipation Notes Redeemed	E-18		1,462,700.00
Fund Balance - Anticipated Revenue	E-2		16,000.00
Contra Items	Above	<u>13,004.00</u>	
		506,115.87	<u>1,505,514.71</u>
Balance, December 31, 2013	E	<u>\$ 133,741.29</u>	<u>\$ 99,778.94</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
NEW JERSEY CASH MANAGEMENT FUND
YEAR ENDED DECEMBER 31, 2013

E-6

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	E	<u>\$ 285,900.00</u>	<u>\$ 297,678.00</u>
Balance, December 31, 2013	E	<u><u>\$ 285,900.00</u></u>	<u><u>\$ 297,678.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2013

E-7

Ordinance Number	Balance December 31, 2012	Receipts	Disbursements		Transfers	To	Balance December 31, 2013
			Improvement Authorizations	Other		From	
16-03	\$ 2,348.00	\$	\$ 348.00	\$	\$	2,000.00	\$
8-08	10,922.00					10,922.00	
8-09				700.00			(700.00)
9-10	110,712.03		18,176.55				92,535.48
10-11	59,703.06		1,079.44				58,623.62
2-13		75,000.00	7,210.72				67,789.28
	16,611.56			16,000.00		12,922.00	13,533.56
	135,675.00	30,000.00					165,675.00
	\$ 335,971.65	\$ 105,000.00	\$ 26,814.71	\$ 16,700.00	\$ 12,922.00	\$ 12,922.00	\$ 397,456.94
Ref.	E	E-5	E-5	E-5	Contra	Contra	E

Improvement Authorizations - General

Improvements to Municipal Pool and
Installation of Security System
Improvements to Pool Facility
Improvements to Pool Facility
Improvements to Pool Facility
Improvements to Pool Facility
Improvements to Pool Facility
Improvements to Pool Facility

General Accounts

Fund Balance
Capital Improvement Fund
Bond Anticipation Notes

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

PETTY CASH FUND
YEAR ENDED DECEMBER 31, 2013

E-8

	<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>\$</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2013

E-9

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 4,532,278.18
Decreased by:		
Transferred from Fixed Capital Authorized and Uncompleted	E-10	<u>348.00</u>
Balance, December 31, 2013	E	<u><u>\$ 4,532,626.18</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

E-10

	Number	Ordinance		Amount	Balance December 31, 2012	2013 Authorizations	Decrease	Balance December 31, 2013
		Date						
<u>General Improvements</u>								
Improvements to Municipal Pool and Installation of Security System	16-03	11-03-03		\$ 454,000.00	\$ 2,348.00	\$	\$ 2,348.00	\$
Improvements to Municipal Pool	08-08	06-02-08		905,000.00	10,922.00		10,922.00	
Improvements to Municipal Pool	09-10	06-21-10		517,000.00	110,712.03			110,712.03
Improvements to Municipal Pool	10-11	08-15-11		88,000.00	59,703.06			59,703.06
Improvements to Municipal Pool	2-13	2-19-13		78,750.00	78,750.00			78,750.00
					<u>\$ 183,685.09</u>	<u>\$ 78,750.00</u>	<u>\$ 13,270.00</u>	<u>\$ 249,165.09</u>
			Ref.	E	E-17	Below	E	
			Ref.					
			Transferred to Fixed Capital Cancelled	E-9 E-17		\$ 348.00 12,922.00		
			Above			\$ 13,270.00		

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

E-11

<u>Appropriation</u>	<u>Balance</u> <u>December 31, 2012</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	\$	\$ 11,011.06	\$ 11,011.06	\$	\$ 11,011.06
Other Expenses	16,074.83	25,386.56	41,461.39	366.33	41,095.06
	<u>\$ 16,074.83</u>	<u>\$ 36,397.62</u>	<u>\$ 52,472.45</u>	<u>\$ 366.33</u>	<u>\$ 52,106.12</u>
<u>Ref.</u>	E	E		E-5	E-1

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2013

E-12

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 3,691.00
Increased by:		
Budget Appropriation	E-4	<u>35,923.75</u> 39,614.75
Decreased by:		
Payments	E-5	<u>19,427.50</u>
Balance, December 31, 2013	E	<u><u>\$ 20,187.25</u></u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
3/15/99	\$ 18,000.00	4.35 %	9-15-13	12-31-13	3.5 Months	\$ 228.38
11/1/04	120,000.00	3.50	11-01-13	12-31-13	2 Months	700.00
	22,000.00	3.60	11-01-13	12-31-13	2 Months	132.00
5/1/08	222,000.00	5.00	11-01-13	12-31-13	2 Months	1,850.00
7/15/13	735,000.00	2.50	7-15-13	12-31-13	5.5 Months	8,421.88
	644,000.00	3.00	7-15-13	12-31-13	5.5 Months	8,855.00
	<u>\$ 1,761,000.00</u>					<u><u>\$ 20,187.25</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2013

E-13

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 3,596.63
Increased by:		
Budget Appropriation	E-4	13,454.41
		<u>17,051.04</u>
Decreased by:		
Payments	E-5	16,353.21
		<u>16,353.21</u>
Balance, December 31, 2013	E	<u>\$ 697.83</u>

Analysis of Balance

<u>Date of Issue</u>	<u>Balance December 31, 2013</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
07/25/13	\$ 75,000.00	1.00%	7-25-13	12-31-13	159 Days	\$ 331.25
07/25/13	<u>83,000.00</u>	1.00%	7-25-13	12-31-13	159 Days	<u>366.58</u>
	<u>\$ 158,000.00</u>					<u>\$ 697.83</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

E-14

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 135,675.00
Increased by:		
2013 Budget Appropriation:		
Cash Received	E-5	30,000.00
		<u>165,675.00</u>
Decreased by:		
Down Payments on Improvement		
Authorizations	E-16	3,750.00
		<u>3,750.00</u>
Balance, December 31, 2013	E	<u>\$ 161,925.00</u>

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

E-15

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$ 2,649,484.90
Increased by:			
2013 Budget Appropriation:			
Bonds Redeemed	E-19	90,000.00	
Transferred from Deferred Reserve	E-16	<u>87,856.37</u>	
			<u>177,856.37</u>
Balance, December 31, 2013	E		<u>\$ 2,827,341.27</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

DEFERRED RESERVE FOR AMORIZATION
YEAR ENDED DECEMBER 31, 2013

E-16

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$ 131,778.37
Increased by:			
Capital Improvement Fund	E-14		3,750.00
			<u>135,528.37</u>
Decreased by:			
Funded Improvement Authorization Cancelled	E-2	\$ 12,922.00	
Transferred to Reserve for Amortization	E-15	<u>87,856.37</u>	
			<u>100,778.37</u>
Balance, December 31, 2013	E		<u><u>\$ 34,750.00</u></u>

Analysis of Balance

<u>Improvement</u>	<u>Ordinance Number</u>	<u>Amount</u>
Improvement to Pool Facility	09-10	\$ 26,000.00
Improvement to Pool Facility	10-11	5,000.00
Improvement to Pool Facility	2-13	<u>3,750.00</u>
		<u><u>\$ 34,750.00</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

E-17

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

Improvement	Ordinance		Balance December 31, 2012		2013 Authorizations	Paid or Charged	Cancelled	Balance December 31, 2013	
	Number	Date	Amount	Funded	Unfunded			Funded	Unfunded
General Improvements Various Improvements to the Municipal Pool Complex	16-03	11-03-03	\$ 454,000.00	\$ 2,348.00	\$	\$ 348.00	\$ 2,000.00	\$	\$
Improvements to Pool Facility	08-08	6-02-08	905,000.00		10,922.00		10,922.00		
Improvements to Pool Facility	9-10	6-21-10	517,000.00		110,712.03	18,176.55		92,535.48	
Improvements to Pool Facility	10-11	8-15-11	88,000.00		59,703.06	1,079.44		58,623.62	
Improvements to Pool Facility	2-13	2-19-13	78,750.00			7,210.72			71,539.28
				\$ 2,348.00	\$ 181,337.09	\$ 26,814.71	\$ 12,922.00	\$ 151,159.10	\$ 71,539.28
				E	E	E-5	E-10	E	E
			Ref.						

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

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, 2012</u>	<u>Notes Issued</u>	<u>Notes Paid</u>	<u>Balance December 31, 2013</u>
8-08	Improvement of Pool Utility			%	\$ 801,000.00	\$	\$ 801,000.00	\$
8-09	Improvement of Pool Utility				87,700.00		87,700.00	
9-10	Improvement of Pool Utility				491,000.00		491,000.00	
10-11	Improvement of Pool Utility	8-15-11	8-09-13	1.00	83,000.00	83,000.00	83,000.00	83,000.00
2-13	Improvement of Pool Utility	7-2-13	7-25-14	1.00		75,000.00		75,000.00
					<u>\$ 1,462,700.00</u>	<u>\$ 158,000.00</u>	<u>\$ 1,462,700.00</u>	<u>\$ 158,000.00</u>
		<u>Ref.</u>			E	E-5	E-5	E

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

SERIAL BONDS

YEAR ENDED DECEMBER 31, 2013

E-19

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2013		Interest Rate	Balance December 31, 2012	Bonds Issued	Bonds Redeemed	Balance December 31, 2013
			Date	Amount					
Improvements to Pool Facilities	3-15-99	393,000.00	3-15-14	18,000.00	4.35	\$ 48,000.00	\$	\$ 30,000.00	\$ 18,000.00
Improvements to Pool Facilities	11-01-04	462,000.00	11-01-14/16	40,000.00	3.50	182,000.00		40,000.00	142,000.00
			11-01-17	22,000.00	3.60				
Improvements to Pool Facilities	5-01-08	272,000.00	5-01-14	20,000.00	5.00	242,000.00		20,000.00	222,000.00
			5-01-15/16	40,000.00	5.00				
			5-01-17	60,000.00	5.00				
			5-01-18	62,000.00	5.00				
Improvements to Pool Facilities	7-15-13	1,379,000.00	7-15-14/17	65,000.00	2.50		1,379,000.00		1,379,000.00
			7-15-18	85,000.00	2.50				
			7-15-19/21	130,000.00	2.50				
			7-15-22/25	130,000.00	3.00				
			7-15-26	124,000.00	3.00				
						<u>\$ 472,000.00</u>	<u>\$ 1,379,000.00</u>	<u>\$ 90,000.00</u>	<u>\$ 1,761,000.00</u>
						E	E-5	E-15	E
Ref.									

TOWNSHIP OF VERONA
SWIMMING POOL UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

E-20

<u>Ordinance</u>			<u>Debt Authorized</u>	<u>2013 Authorizations</u>	<u>Notes Reauthorized</u>	<u>Decrease</u>	<u>Balance December 31, 2013</u>
<u>Number</u>	<u>Date</u>						
Various Sewer Improvements	8-09	6-01-2009	94,000.00	\$	\$ 700.00	\$	\$ 700.00
Various Sewer Improvements	2-13	3-04-2013	75,000.00	75,000.00		75,000.00	
				<u>\$ 75,000.00</u>	<u>\$ 700.00</u>	<u>\$ 75,000.00</u>	<u>\$ 700.00</u>
			<u>Ref.</u>	D			

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

F-1

	<u>Ref.</u>	
Balance, December 31, 2012	F	\$ 2,893.88
Increased by Receipts:		
Interest on Deposits	F-2	<u>14.48</u>
Balance, December 31, 2013	F	<u><u>\$ 2,908.36</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
PUBLIC ASSISTANCE TRUST FUND

RESERVES FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

F-2

	<u>Ref.</u>	
Balance December 31, 2012	F	\$ 2,893.88
Increased by:		
Interest on Deposits	F-1	<u>14.48</u>
Balance December 31, 2013	F	<u>\$ 2,908.36</u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2013

G-1

	<u>Ref.</u>	<u>Fees Account</u>	<u>Memorial Fund</u>
Balance, December 31, 2012	G	<u>\$ 58,404.19</u>	<u>\$ 136,864.66</u>
Increased by:			
Miscellaneous Library Revenue	G-2	16,884.20	
Interest in Investments and Savings Account	G-2	<u>290.31</u>	<u>854.52</u>
		<u>17,174.51</u>	<u>854.52</u>
		<u>75,578.70</u>	<u>137,719.18</u>
Decreased by:			
Expenditures:			
Purchases of Books, Magazine Subscriptions, Records, etc.	G-2	<u>18,718.70</u>	
		<u>18,718.70</u>	
Balance, December 31, 2013	G	<u><u>\$ 56,860.00</u></u>	<u><u>\$ 137,719.18</u></u>

See Independent Auditors' Report

TOWNSHIP OF VERONA
FREE PUBLIC LIBRARY

CASH RECEIPT AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

G-2

	Ref.	Fees Account	Memorial Account
Balance, December 31, 2012	G	\$ 58,404.19	\$ 136,864.66
Increased by Receipts:			
Fees and Fines	G-1	\$ 8,210.60	
Book Sales and Miscellaneous	G-1	6,952.97	
Donations	G-1	1,348.47	
Lost Book Fees	G-1	372.16	
Interest on Fees Account	G-1	290.31	
Interest on Memorial Fund	G-1		854.52
		<u>17,174.51</u>	<u>854.52</u>
		75,578.70	137,719.18
Decreased by Disbursements:			
Books, Compact Discs, Supplies, Dues,			
Registrations, Refunds, Postage,			
Subscriptions and Programs	G-1	<u>18,718.70</u>	
Balance, December 31, 2013	G	<u>\$ 56,860.00</u>	<u>\$ 137,719.18</u>

TOWNSHIP OF VERONA
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

H-1

	Balance December 31, 2012	Gross Payroll	Other Receipts	Disbursements	Adjustments	Balance December 31, 2013
Net Salaries and Wages	\$	\$ 6,282,367.43	\$	\$ 6,282,367.43	\$	\$
Federal Income Tax		1,335,036.61		1,335,036.61		
New Jersey State Income Tax		338,267.24		338,267.24		
Social Security		387,845.06	387,845.06	775,690.12		
Medicare		136,441.06	136,377.79	272,819.15	0.30	
Family Leave	264.90	3,976.33	1,529.45	5,429.93		340.75
State Unemployment Compensation Insurance		16,898.96		16,898.96		
Pennsylvania State Income Tax		3,215.19		3,215.18	(0.01)	
Public Employees' Retirement System	1,870.79	410,316.41	595,911.00	1,009,094.45		3.75
Public Employees' Retirement System - Insurance	142.64	23,757.98		23,900.48	(0.14)	
Public Employees' Retirement System - Annuity	(28.60)	10,406.00		10,406.00		
Defined Contribution Retirement		3,548.60	1,920.00	5,440.00		
Police and Firemen's Retirement System		466,991.02	778,682.00	1,245,673.02		
PBA Dues		16,250.00		16,250.00		
Tax Levy BLAHA						
Tax Levy Open						
Valic	100.00	299,281.19		299,381.19		
Police Federal Credit Union		3,900.00		3,900.00		
County Educators FCU		58,815.00		58,815.00		
Life Insurance		3,857.20		3,857.20		
Colonial Life		791.70		791.70		
OPEIU (Union Dues)		23,828.60		23,833.60		(5.00)
Roth - IRA		650.00		650.00		
College Fund		9,750.00		9,750.00		
Valic 401A Profit Sharing	1,614.87	4,015.70		4,015.70		1,614.87
State Health Benefits		43,103.80		43,103.80		
AFLAC	75.66	16,744.78		16,549.12		271.32
FSA Medical						
Garnishments		55,922.32		55,922.32		
Medical Contribution Upon Retirement		1,354.34		1,354.34		
Gross Payroll	4,040.26	9,957,332.52	1,903,265.30	11,862,412.54	0.15	2,225.69
Other:						
Interfund			150,000.00	150,000.00	(0.15)	(705.66)
Due To/(From) Current Fund	(209.11)		(496.40)			
	(209.11)		149,503.60	150,000.00	(0.15)	(705.66)
	\$ 3,831.15	\$ 9,957,332.52	\$ 2,052,768.90	\$ 12,012,412.54	\$	\$ 1,520.03
Ref.	H				Ref.	H
			Due to Various Agencies		H	\$ 2,225.69
			Due from Current Fund		H	(705.66)
				Above		\$ 1,520.03

PART II

**REPORT ON INTERNAL CONTROL
AND OTHER MATTERS**

ROSTER OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

**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***

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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Township of Verona, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2013, the related statement of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated April 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Township's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 may exist that have not been identified.

Compliance and Other Matters

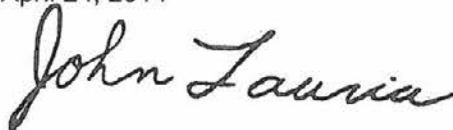
As part of obtaining reasonable assurance about whether the Township's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "The County, Brady, Cingery, LLC".

Livingston, New Jersey
April 24, 2014

A handwritten signature in cursive script, appearing to read "John Lauria".

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS AT DECEMBER 31, 2013

<u>Name</u>	<u>Title</u>	<u>Amount of Surety</u>
Bob Manley	Mayor	\$
Jay Sniatkowski	Deputy Mayor	
Frank Sapienza	Councilman	
Kevin Ryan	Councilman	
Michael Nochimson	Councilman	
Joseph A. Martin	Township Manager	
Douglas J. Huber	Director of Public Safety	
Susan F. Neal	Acting Assessment Search Officer	
	Acting Dog License Official	
	Acting Municipal Clerk	
Dorothy Trimmer	Tax Collector - Chief Financial Officer	1,000,000.00
	Water Rent Collector	
	Tax Search Officer	
George Librizzi	Assessor	
Paul J. Giblin	Township Attorney	
John A. Paparazzo	Magistrate	1,000,000.00
Jean DePoe	Court Clerk	1,000,000.00
Brian Aloia	Prosecutor	
Thomas Jacobsen	Construction Code Enforcement Officer	
Constance Pifher	Director of Public Welfare	
	Deputy Registrar of Vital Statistics	
Jim Cunningham	Registrar of Vital Statistics	
Sue Portuese	Health Officer	
James Helb	Township Engineer	
Lenny Waterman	Buildings and Grounds Superintendent	
Cheryl Ashley	Interim Library Director	
Diane Lundy	Treasurer of Library Board of Trustees	10,000.00

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

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

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 was \$17,500.00 in accordance with the provisions of N.J.S.A. 40A:11-3c since the Township does not have a qualified purchasing agent.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

The minutes indicate that bids were requested by public advertising for all required purchases.

The minutes indicate that proposals were solicited for "Professional Services" in accordance with N.J.S.A. 19:44A-20-5.

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 \$2,625.00 at least two quotations as to the cost or price are required. Quotations, 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.

It was noted that an emergency purchase was made and purchases were made for specialized services above the quote threshold without an approving resolution of the governing board.

It is recommended:

That all emergency purchases and specialized service purchases be approved by the governing body.

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, on January 4, 1999, adopted the following resolution 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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held in 2013 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.

Administrative Procedures

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A:11.5 and 1 or 2) under an independent contract as determined in accordance with rules and policy of the IRS are ineligible for membership in the State's Pension System – PERS. There were no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities are required to remove them from the pension rolls.

It appears that one individual who is enrolled in PERS do not meet the requirements under the Statute. The Township is awaiting an opinion from the State Division of Pensions.

Police Special Duty

A review of activity for police special duty work disclosed that fees are not being collected from vendors before the work is scheduled as required. This has resulted in the Township paying the cost for police special duty work.

It is recommended:

That vendor's pay in advance for projects in which police officers are scheduled to provide traffic patrol duties.

Dedication by Rider

Certain accounts classified herein as Special Deposits in the General Trust Fund may be subject to the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

Statutory regulations require that resolutions be adopted by the Governing Body and subsequent approval by the Division of Local Government Services for any accounts dedicated by rider to the municipal budget.

It is recommended that certain trust accounts be reviewed by Township officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

Capital Fixed Assets

The Division of Local Government Services in the Department of Community Affairs in the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs of other valuations of all of its fixed assets, including land, buildings, improvements, machinery, furniture and equipment. Such accounts, to be included under "Capital Fixed Assets", would ensure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish data on aging, anticipated life and other information on assets. Failure to maintain fixed asset records could jeopardize the Township's eligibility for future Federal and State Grants.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and 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. A Corrective Action Plan was prepared for the 2012 audit.

Status of Prior Years' Audit Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of the following, which is included in this year's recommendations:

General

That vendor's pay in advance for projects in which police officers are scheduled to provide traffic patrol duties.

That certain trust accounts be reviewed by Township officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

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.

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.

Registers of fixed assets by title or account grouping are not maintained in the Water/Sewer and Swimming Pool Utility Capital Funds. The fixed capital reported on Exhibits D-14 and E-9 is as taken from municipal records and does not necessarily reflect the true condition of such fixed capital.

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.

RECOMMENDATIONS

Purchasing

That all emergency purchases and specialized services purchases be approved by the Township Manager.

Financial Reporting

That vendor's pay in advance for projects in which police officers are scheduled to provide traffic patrol duties.

Dedication by Rider

That certain trust accounts be reviewed by Township officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

* * *

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 shall 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.

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,



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

Livingston, New Jersey
April 24, 2014