

**2021 MUNICIPAL ANNUAL AUDIT
AND
FINANCIAL REPORT**

023423 VERONA BORO, ALLEGHENY COUNTY



BALANCE SHEET

DCED-CLGS-30 (09-09)

VERONA BORO, ALLEGHENY County
BALANCE SHEET
 December 31, 2021

		Governmental Funds				Proprietary Funds		Fid. Fund	Account Groups		Total
		General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Debt	Memorandum Only
Assets and Other Debits											
100-120	Cash and Investments	792,279	320,412	4,548				539,500			1,656,739
140-144	Tax Receivable										
121-129, 145-149	Accounts Receivable (excluding taxes)										
130.00	Due From Other Funds		597,123								597,123
131-139, 150-159	Other Current Assets										
160-169	Fixed Assets										
180-189	Other Debits									156,737	156,737
Total Assets and Other Debits		792,279	917,535	4,548				539,500		156,737	2,410,599

Liabilities and Other Credits											
210-229	Payroll Taxes and Other Payroll Withholdings	197									197
200-209, 231-239	All Other Current Liabilities										
230.00	Due To Other Funds	597,123									597,123

VERONA BORO, ALLEGHENY County

BALANCE SHEET

December 31, 2021

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Liabilities and Other Credits											
260-269	Long-Term-Liabilities									104,823	104,823
240-259	Current Portion of Long-Term Debt and Other Credits	201,179								51,914	253,093
Total Liabilities and Other Credits		798,499								156,737	955,236
Fund and Account Group Equity											
281-284	Contributed Capital										
290.00	Investment in General Fixed Assets										
270-289	Fund Balance / Retained Earnings on 12/31	-6,220	917,535	4,548				539,500			1,455,363
291-299	Other Equity										
Total Fund and Account Group Equity		-6,220	917,535	4,548				539,500			1,455,363
TOTAL LIABILITIES AND FUND AND ACCOUNT GROUP EQUITY											2,410,599

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Taxes								
301.00	Real Estate Taxes	807,671						807,671
305.00	Occupation Taxes (levied under municipal code)							
308.00	Residence Taxes (levied by cities of the 3rd Class)							
309.00	Regional Asset District Sales Tax (Allegheny County municipalities only)	100,398						100,398
310.00	Per Capita Taxes							
310.10	Real Estate Transfer Taxes	46,337						46,337
310.20	Earned Income Taxes / Wage Taxes	264,077						264,077
310.30	Business Gross Receipts Taxes							
310.40	Occupation Taxes (levied under Act 511)							
310.50	Local Services Tax **	51,041						51,041
310.60	Amusement / Admission Taxes							
310.70	Mechanical Device Taxes							
310.90	Other: _____							
	Other: _____							
Total Taxes		1,269,524						1,269,524

Licenses and Permits								
320-322	All Other Licenses and Permits	20,048						20,048
321.80	Cable Television Franchise Fees	36,539						36,539
Total Licenses and Permits		56,587						56,587

Fines and Forfeits								
330-332	Fines and Forfeits	19,185						19,185
Total Fines and Forfeits		19,185						19,185

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Interest, Rents and Royalties								
341.00	Interest Earnings	7	20	1			57,494	57,522
342.00	Rents and Royalties	135						135
Total Interest, Rents and Royalties		142	20	1			57,494	57,657

Federal								
351.03	Highways and Streets							
351.09	Community Development							
351.00	All Other Federal Capital and Operating Grants							
352.01	National Forest							
352.00	All Other Federal Shared Revenue and Entitlements							
353.00	Federal Payments in Lieu of Taxes							
Total Federal								

State								
354.03	Highways and Streets							
354.09	Community Development							
354.15	Recycling / Act 101							
354.00	All Other State Capital and Operating Grants	421,005						421,005
355.01	Public Utility Realty Tax (PURTA)	1,147						1,147
355.02-355.03	Motor Vehicle Fuel Tax (Liquid Fuels Tax) and State Road Turnback		70,500					70,500
355.04	Alcoholic Beverage Licenses	200						200
355.05	General Municipal Pension System State Aid	181,340						181,340
355.07	Foreign Fire Insurance Tax Distribution	9,991						9,991
355.08	Local Share Assessment/Gaming Proceeds							
355.09	Marcellus Shale Impact Fee Distribution	855						855

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

State								
355.00	All Other State Shared Revenues and Entitlements							
356.00	State Payments in Lieu of Taxes							
Total State		614,538	70,500					685,038

Local Government Units								
357.03	Highways and Streets							
357.00	All Other Local Governmental Units Capital and Operating Grants							
358.00	Local Government Unit Shared Payments for Contracted Intergovernmental Services							
359.00	Local Governmental Units and Authorities Payments in Lieu of Taxes							
Total Local Government Units								

Charges for Service								
361.00	General Government	11,397						11,397
362.00	Public Safety	29,245						29,245
363.20	Parking	3,642						3,642
363.00	All Other Charges for Highway & Street Services	8,284						8,284
364.10	Wastewater / Sewage (including connection / tapping fees, sewer usage charges, reserve capacity fee, etc.)		939,063					939,063
364.30	Solid Waste Collection and Disposal Charge (trash)							
364.60	Host Municipality Benefit Fee for Solid Waste Facility							
364.00	All Other Charges for Sanitation Services							
365.00	Health							
366.00	Human Services							
367.00	Culture and Recreation							
368.00	Airports							

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

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General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Charges for Service								
369.00	Bars							
370.00	Cemeteries							
372.00	Electric System							
373.00	Gas System							
374.00	Housing System							
375.00	Markets							
377.00	Transit Systems							
378.00	Water System							
379.00	All Other Charges for Service							
Total Charges for Service		52,568	939,063					991,631

Unclassified Operating Revenues								
383.00	Special Assessments							
386.00	Escheats (sale of personal property)							
387.00	Contributions and Donations from Private Sectors	2,470						2,470
388.00	Fiduciary Fund Pension Contributions					143,997		143,997
389.00	All Other Unclassified Operating Revenues	3,791						3,791
Total Unclassified Operating Revenues		6,261				143,997		150,258

Other Financing Sources								
391.00	Proceeds of General Fixed Asset Disposition	9,200						9,200
392.00	Interfund Operating Transfers							
393.00	Proceeds of General Long-Term Debt							
394.00	Proceeds of Short Term-Debt							

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

REVENUES

Other Financing Sources								
395.00	Refunds of Prior Year Expenditures	15,326						15,326
Total Other Financing Sources		24,526						24,526

TOTAL REVENUES

2,043,331	1,009,583	1				201,491	3,254,406
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EXPENDITURES

General Government								
400.00	Legislative (Governing) Body							
401.00	Executive (Manager or Mayor)	112,302						112,302
402.00	Auditing Services / Financial Administration	43,067						43,067
403.00	Tax Collection	20,849						20,849
404.00	Solicitor / Legal Services	47,853						47,853
405.00	Secretary / Clerk							
406.00	Other General Government Administration							
407.00	IT-Networking Services-Data Processing	5,526						5,526
408.00	Engineering Services	67,097						67,097
409.00	General Government Buildings and Plant	10,465						10,465
Total General Government		307,159						307,159

Public Safety

410.00	Police	641,613						641,613
411.00	Fire	52,538						52,538
412.00	Ambulance / Rescue							
413.00	UCC and Code Enforcement	18						18

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Safety								
414.00	Planning and Zoning	1,396						1,396
415.00	Emergency Management and Communications							
416.00	Militia and Armories							
417.00	Examination of Licensed Occupations							
418.00	Public Scales (weights and measures)							
419.00	Other Public Safety							
Total Public Safety		695,565						695,565

Health and Human Services								
420.00-425.00	Health and Human Services							
Total Health and Human Services								

Public Works - Sanitation								
426.00	Recycling Collection and Disposal							
427.00	Solid Waste Collection and Disposal (garbage)							
428.00	Weed Control							
429.00	Wastewater / Sewage Treatment and Collection		721,284					721,284
Total Public Works - Sanitation			721,284					721,284

Public Works - Highways and Streets								
430.00	General Services - Administration	257,753						257,753
431.00	Cleaning of Streets and Gutters							
432.00	Winter Maintenance -- Snow Removal		30,535					30,535
433.00	Traffic Control Devices							
434.00	Street Lighting	5,500	59,531					65,031

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Public Works - Highways and Streets								
435.00	Sidewalks and Crosswalks							
436.00	Storm Sewers and Drains							
437.00	Repairs of Tools and Machinery							
438.00	Maintenance and Repairs of Roads and Bridges	252,689						252,689
439.00	Highway Construction and Rebuilding Projects							
Total Public Works - Highways and Streets		515,942	90,066					606,008

Other Public Works Enterprises								
440.00	Airports							
441.00	Cemeteries							
442.00	Electric System							
443.00	Gas System							
444.00	Markets							
445.00	Parking							
446.00	Storm Water and Flood Control							
447.00	Transit System							
448.00	Water System							
449.00	Water Transport and Terminals							
Total Other Public Works Enterprises								

Culture and Recreation								
451.00	Culture-Recreation Administration							
452.00	Participant Recreation							
453.00	Spectator Recreation							
454.00	Parks	240,526						240,526

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Culture and Recreation								
455.00	Shade Trees							
456.00	Libraries							
457.00	Civil and Military Celebrations	3,744						3,744
458.00	Senior Citizens' Centers	7,000						7,000
459.00	All Other Culture and Recreation							
Total Culture and Recreation		251,270						251,270

Community Development								
461.00	Conservation of Natural Resources							
462.00	Community Development and Housing							
463.00	Economic Development							
464.00	Economic Opportunity							
465-469	All Other Community Development							
Total Community Development								

Debt Service								
471.00	Debt Principal (short-term and long-term)	51,716						51,716
472.00	Debt Interest (short-term and long-term)	6,321						6,321
475.00	Fiscal Agent Fees							
Total Debt Service		58,037						58,037

Employer Paid Benefits and Withholding Items								
481.00	Employer Paid Withholding Taxes and Unemployment Compensation							
482.00	Judgments and Losses							
483.00	Pension / Retirement Fund Contributions							

VERONA BORO, ALLEGHENY County
STATEMENT OF REVENUES AND EXPENDITURES

December 31, 2021

Governmental Funds				Proprietary Funds		Fiduciary Fund	Total
General Fund	Special Revenue (Including State Liquid Fuels)	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency	Memorandum Only

EXPENDITURES

Employer Paid Benefits and Withholding Items									
484.00	Worker Compensation Insurance								
487.00	Other Group Insurance Benefits								
Total Employer Paid Benefits and Withholding Items									

Insurance									
486.00	Insurance, Casualty, and Surety								
Total Insurance									

Unclassified Operating Expenditures									
488.00	Fiduciary Fund Benefits and Refunds Paid							29,020	29,020
489.00	All Other Unclassified Expenditures							8,323	8,323
Total Unclassified Operating Expenditures								37,343	37,343

Other Financing Uses									
491.00	Refund of Prior Year Revenues								
492.00	Interfund Operating Transfers								
493.00	All Other Financing Uses								
Total Other Financing Uses									

TOTAL EXPENDITURES	1,827,973	811,350					37,343	2,676,666
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EXCESS/DEFICIT OF REVENUES OVER EXPENDITURES	215,358	198,233	1				164,148	577,740
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VERONA BORO
December 31, 2021

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond (B) Capital Lease (C) Lease Rental (L) Note (N)	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year (1)	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End (1)	Plus (less) Unamortized Premium (Discount)	Total Balance
General Obligation Bonds and Notes											
Revenue Bonds and Notes											
Lease Rental Debt											
First National-Rescue Pumper	Capital Leases	2017	2024	456,829	208,453		51,716		156,737		156,737
Other											

(1) - excludes unamortized premium/discount

Total bonds and notes outstanding	156,737
Capitalized lease obligations	0
Net debt	156,737

VERONA BORO, ALLEGHENY County
STATEMENT OF CAPITAL EXPENDITURES

December 31, 2021

Category	Capital Purchases	Capital Construction	Total
Community Development			
Electric			
Fire			
Gas System			
General Government			
Health			
Housing			
Libraries			
Mass Transit			
Parks		208,066	208,066
Police			
Recreation			
Sewer			
Solid Waste			
Streets / Highways		261,335	261,335
Water			
Other: _____			
TOTAL CAPITAL EXPENDITURES		469,401	469,401

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

535,378

Independent Public Accountant/Certified Public Accountant Submission Page
Opinion page was provided in lieu of signature page.

SIGNATURE AND VERIFICATION

Signed: Peter J. Vancheri Appointed Auditor/CPA

December 31, 2021

NOTES / COMMENTS

Total ARPA funds received	\$126,179
ARPA funds recognized as revenues in 2021	\$-0-
Balance reported on Balance Sheet in Account 200	\$126,179

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Independent Auditor's Report

Members of Council
Borough of Verona
Verona, Pennsylvania

Opinion

We have audited the accompanying Balance Sheet, Statement of Revenues and Expenditures, Debt Statement, Statement of Capital Expenditures, and Other Information (the Schedules) included in the Annual Audit and Financial Report of the Borough of Verona, Allegheny County, Pennsylvania, as of and for the year ended December 31, 2021.

In our opinion, (except for the effects of not reporting the nonuniform pension funds and the general fixed assets account group as described below) the Schedules referred to above present fairly, in all material respects, the assets, liabilities and fund equity of the Borough of Verona as of December 31, 2021, and its revenues, expenditures and other financing sources and uses for the year then ended, in accordance with the financial report provisions prescribed or permitted by the Pennsylvania Department of Community and Economic Development (DCED).

Basis for Modification

The Schedules do not include the nonuniform pension funds administered by Pennsylvania Municipal Retirement System and also do not include the general fixed assets of the Borough of Verona. The accounting practices and procedures prescribed and permitted by DCED require that the pension funds and general fixed asset account group be reported in the Schedules. The amount by which this departure would affect the assets, liabilities and fund balance, is not reasonably determinable.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Verona and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to the following which describes the basis of accounting. The Schedules are prepared by the Borough of Verona on the basis of the financial reporting provisions prescribed or permitted by the DCED in the instructions to the Annual Audit and Financial Report to demonstrate compliance with the DCED's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the DCED. These requirements permit the Schedules to be prepared on the cash basis of accounting without the presentation of the management's discussion and analysis, the government-wide financial statements, budget and actual information and financial statement disclosures. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Schedules in accordance with the financial reporting provisions prescribed or permitted by the DCED as described above. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Restriction on Use

This report is intended solely for the information and use of management, the governing body of the Borough of Verona, and for filing with the DCED and other local and state departments or offices and is not intended to be and should not be used by anyone other than these specified parties.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
May 31, 2022