



**TOWN OF VERONA
GENERAL FUND**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended December 31, 2021

**TOWN OF VERONA
GENERAL FUND
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INDEPENDENT AUDITOR'S REPORT

To the Town Board
Town of Verona
Verona, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the General Fund of the Town of Verona, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the General Fund of the Town of Verona, Wisconsin, as of December 31, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Town of Verona, and meet our other ethical responsibilities, in accordance with the relevant ethical 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the General Fund and do not purport to, and do not present fairly the financial position of the Town of Verona, Wisconsin, as of December 31, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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 financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 Town of Verona, Wisconsin'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.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 21, the Wisconsin Retirement System Schedules on page 22 and the Local Retiree Life Insurance Fund Schedule on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 18, 2022

**Town of Verona
Balance Sheet
General Fund
December 31, 2021**

	<u>General Fund</u>
ASSETS	
Cash and Investments:	
Advance Tax Collections	\$ 2,752,657
General Fund	840,927
Receivables:	
Taxes	5,207,090
Accounts	15,795
Due from Others - Sanitary District	7,628
Due from Other Governments	55,409
Prepaid Expenses	10,829
Total Assets	\$ 8,890,335
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 3,381
Accrued Liabilities	8,150
Due to Others - Sanitary District	88,658
Payable to Other Governments	6,569,630
Deposits Payable	132,583
Grant Advance - ARPA Funds	100,691
Total Liabilities	6,903,093
Deferred Inflows of Resources:	
2021 Tax Levy	1,374,596
Future Annexation Revenue	55,409
Total Deferred Inflows of Resources	1,430,005
Fund Balances:	
Nonspendable	20,932
Assigned	156,983
Unassigned	379,322
Total Fund Balances	557,237
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 8,890,335

See accompanying notes to the basic financial statements.

Town of Verona
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended December 31, 2021

	General Fund
REVENUES	
Property Taxes	\$ 1,200,668
Other Taxes	51,679
Intergovernmental	269,356
Licenses and Permits	114,862
Fines, Forfeits and Penalties	7,512
Charges for Services	133,704
Interest Income	4,588
Miscellaneous Income	7,528
Total Revenues	1,789,897
 EXPENDITURES	
Current:	
General Government	362,371
Public Safety	448,367
Public Works	404,271
Health and Human Services	39,325
Conservation and Development	7,593
Capital Outlay	425,855
Total Expenditures	1,687,782
Excess (Deficiency) of Revenues Over Expenditures	102,115
Fund Balance - Beginning of the Year	455,122
Fund Balance - End of the Year	\$ 557,237

See accompanying notes to the basic financial statements.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the Town of Verona's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be reviewed as an integral part of the accompanying financial statements. The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to municipalities. A summary of the significant accounting policies follows:

REPORTING ENTITY

This report only includes the general fund of the Town of Verona. The reporting entity for the Town consists of the primary government.

U.S. Generally Accepted Accounting Principles do not require government-wide statements for the financial statements of an individual fund. Therefore, the Town's capital assets, general long-term obligations, employee retirement and other post-employment benefit plans balances are not represented in the financial statements. The Town has disclosed information related to long-term debt in Note 4 and its employee retirement and other post-employment benefits plans at Notes 5 and 6.

The Town of Verona is a municipal corporation governed by an elected five-member board. The Town has no component units which must be included in the reporting entity because of the significance of their operational or financial relationships with the Town.

A. FUND FINANCIAL STATEMENTS

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by maintaining a separate set of self-balancing accounts which constitute its assets, liabilities, deferred inflows, net assets/fund equity, and expenditures/expenses. This report consists only of the general fund of the Town.

The Town's General Fund is its only major fund. The General fund accounts for the Town's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured, basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. Property taxes are levied in November on the assessed value as of the prior January 1. In addition to property taxes for the Town, taxes are collected for and remitted to the state and county governments as well as the local school districts and technical college district. Taxes for all state and other local governmental units billed in the current year for the succeeding year are reflected as due to other taxing units on the accompanying agency fund statement of net position.

Property tax calendar – 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due to County	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax deed by County - 2021 delinquent real estate taxes	October 2024

Intergovernmental aids and grants are recognized as revenues in the period the Town is entitled to the resources and the amounts are available. Amounts owed to the Town, which are not available, are recorded as receivables and deferred inflows. Amounts received prior to the entitlement period are also recorded as deferred inflows.

Special assessments are recognized as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows. Delinquent special assessments being held for collection by the county are reported as receivables and non-spendable fund balance in the General Fund.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Town reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred inflows also arise when resources are received before the Town has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Since the Town is reporting only the General Fund, the balance sheet reports all of the activity related to tax collections that are used for the Town's operations and those that are due to other taxing jurisdictions. Taxes receivable includes the 2021 tax roll levied (\$7,944,226) in 2021 less the advanced tax collections received in December (\$2,752,657). The advanced tax collections of \$2,752,657 is included in cash at December 31, 2021. The amount reported as deferred inflows (\$1,374,596) represents the Town's portion of the levy to be used for 2022 operations. The amount reported as payable to other governments (\$6,569,630) represents the amount of taxes levied in 2021 that are due to all of the taxing jurisdictions for 2022 operations.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

C. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for the General Fund as described in Note 1. B. See notes to required supplementary information for additional information.

D. CASH AND CASH EQUIVALENTS

All deposits of the Town are made in board designated official depositories and are secured as required by State Statute. The Town may designate, as an official depository, any bank or savings association. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices.

The Town considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. At December 31, 2021, all investments held were cash equivalents. See Note 2 for additional information.

E. RECEIVABLES

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the fund financial statements.

G. COMPENSATED ABSENCES

Under terms of employment, employees are granted sick leave and vacation time in varying amounts. Only benefits considered to be vested are disclosed in these statements.

Employees may convert 100% of sick leave to pay for health care premiums upon retirement. The cost is recognized as an expenditure as the premiums are paid. The entire cost is paid by the Town. The accumulated sick leave liability for current retired Town employee is \$4,081 as of December 31, 2021.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments. Accumulated sick pay is estimated to be \$44,807 as of December 31, 2021. This amount is not included as a liability on the fund financial statements.

H. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred inflow of resources represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

I. CLAIMS AND JUDGMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. There were no significant claims or judgments at year-end.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. EQUITY CLASSIFICATIONS

In the fund financial statements, governmental fund balance is presented in five possible categories:

Nonspendable – Resources which cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Resources with constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned – Resources neither restricted nor committed for which a government has a stated intended use as established by the Town Board or a body or official to which the Town Board has delegated the authority to assign amounts for specific purposes.

Unassigned – Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When both restricted and unrestricted resources are available, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

K. LIMITATIONS ON THE TOWN'S TAX LEVY

As part of Wisconsin's Act 28 (2009), legislation was passed that limits the Town's future tax levies. Generally, the Town is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the Town's equalized value due to new construction, or 0%. Changes in debt service from one year to the next are generally exempt from this limit.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

2. CASH AND INVESTMENTS

Investments Authorized by Wisconsin Statutes

Investment of Town funds is restricted by State statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bond issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority

The Town's deposits and investments at year end were comprised of the following:

	<u>Bank Balance</u>	<u>Carrying Value Balance</u>	<u>Associated Risk</u>
Deposits	\$ 3,466,506	\$ 3,434,001	Custodial credit risk
LGIP	<u>159,583</u>	<u>159,583</u>	Credit risk, interest rate risk
Total Cash and Investments	<u><u>\$ 3,626,089</u></u>	<u><u>\$ 3,593,584</u></u>	

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure of fair value losses arising from increasing interest rates.

The Wisconsin Local Government Investment Pool (LGIP) investments have an average maturity of no more than 61 days.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

2. CASH AND INVESTMENTS (Continued)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Town has no investment policy that would further limit its investments choices.

Custodial Credit Risk

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term "time and savings deposits" includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts (which were permitted after July 21, 2011). The term "demand deposits" means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside of the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000. Time and savings deposits are not insured separately from demand deposits.

Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations.

Fluctuating cash flows during the year due to tax collections, receipt of state aids and/or proceeds from borrowing may have resulted in temporary balances exceeding insured amounts by substantially higher amounts.

The Town's deposits were exposed to custodial credit risk as follows:

Insured by FDIC and state coverage	\$ 942,897
Collateralized by securities held by the pledging financial institution	2,683,192
Total	<u>\$ 3,626,089</u>

The difference between the balance of deposits with financial institutions and the balance of cash and investments reported on the financial statements is due to outstanding checks and/or deposits in transit.

Concentration of Credit Risk

The Town does not have a policy for concentration of credit risk. No Town investment represents 5% or more of the total investments.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

2. CASH AND INVESTMENTS (Continued)

Wisconsin Local Government Investment Pool

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the Town's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of December 31, 2021, was: 81% in U.S. Government Securities, 3% in Certificates of Deposit and Bankers' Acceptances and 16% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

3. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

The General Fund report deferred inflow in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. The General Fund also defers revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows reported in the General Fund were as follows:

	<u>Unearned</u>
Property taxes receivable for subsequent year	\$ 1,374,596
Future annexation revenue	55,409
Total Deferred Inflows	<u><u>\$ 1,430,005</u></u>

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

4. LONG-TERM OBLIGATIONS

In accordance with Wisconsin Statutes, total indebtedness of the Town may not exceed five percent of the equalized value of taxable property within the Town's jurisdiction. The debt limit as of December 31, 2021, is \$19,342,110.

As of December 31, 2021, the Town of Verona did not have any outstanding debt obligations.

5. EMPLOYEE RETIREMENT PLAN

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

5. EMPLOYEE RETIREMENT PLAN (Continued)

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.

The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment (%)</u>	<u>Variable Fund Adjustment (%)</u>
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$14,025 in contributions from the employer.

Contribution rates as of December 31, 2021, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

5. EMPLOYEE RETIREMENT PLAN (Continued)

Net Pension Liability (Asset). At December 31, 2021, the Town had a liability (asset) of (\$89,640) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net pension liability (asset) was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the Town's proportion was 0.00143583%, which was a decrease of 0.00014256% from its proportion measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments	1.9%*

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

Long-term Expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

5. EMPLOYEE RETIREMENT PLAN (Continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2020

<u>Core Fund Asset Class</u>	<u>Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	<u>115</u>	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	<u>100</u>	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

5. EMPLOYEE RETIREMENT PLAN (Continued)

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Town's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00 percent, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
Town's proportionate share of the net pension liability (asset)	\$ 85,325	\$ (89,640)	\$ (218,152)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

6. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Benefits Provided. The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions. The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021, are:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of Member Contribution

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2020, are as listed below:

Life Insurance		
Employee Contribution Rates*		
For the year ended December 31, 2020		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$138 in contributions from the employer.

Net OPEB Liability. At December 31, 2021, the Town had a liability (asset) of \$38,247 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2020, rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Town's proportion of the net OPEB liability (asset) was based on the Town's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the Town's proportion was 0.00695300%, which was a decrease of 0.003177% from its proportion measured as of December 31, 2019.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions. The total OPEB liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

Long-Term Expected Return on Plan Assets. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Single Discount Rate. A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Town's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the Town's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the Town's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Town's proportionate share of the net OPEB liability (asset)	\$ 52,026	\$ 38,247	\$ 27,825

7. ARPA FUNDS

The Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. Municipalities can spend the fund into the following four eligible use categories: replace lost public-sector revenue; support the COVID-19 public health and economic response; provide premium pay for eligible workers performing essential work; and invest in water, sewer, and broadband infrastructure.

In June 2021, Town of Verona, received \$100,691 in American Rescue Plan Act - Local Fiscal Recovery Funds. As of December 31, 2021, the Town had no plan on how to spend the funds. Therefore, the funds were reported as a grant advance as of December 31, 2021 and will be recognized as revenue when the eligible expenses are incurred.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

8. FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

NONSPENDABLE	
Delinquent personal property taxes and special charges	\$ 10,103
Prepaid items	10,829
Total Nonspendable Fund Balance	<u>\$ 20,932</u>
ASSIGNED	
Leave Time Escrow	\$ 23,953
Future Capital Projects	133,030
Total Assigned Fund Balance	<u>\$ 156,983</u>

9. JOINT VENTURE

Fitch-Rona EMS District

The Town of Verona and the Cities of Fitchburg and Verona jointly operate the local EMS District, which is called the Fitch-Rona EMS District.

The District adopts its own budget. Net operating costs are shared by the three communities based on the ratio of equalized values. The District is governed by the Fitch-Rona EMS Commission. The board consists of the citizens from each community. Town of Verona representatives are appointed by the Town Chair. The Town made payments to the District in 2021 of \$88,890 for operations and capital purchases. The Town believes that the district will continue to provide services in the future at similar rates. The Town's equity interest in the EMS District is equal to its percentage share of participation. The Town's share of the District's assets and liabilities is about 5% or \$111,057 based on 2021 audited financial statements. This amount is not presented in the General Fund Financial Statements.

Verona Fire District

The Town contracts fire services from the City of Verona which operates its own fire department. Annual payments for services include a variable cost component for operating expenses and a fixed component for future capital expenses. The Town made payments to the City in 2021 of \$180,782 for operations, \$11,829 for pass-through of 2% fire dues, and \$33,389 for capital outlay. Separate financial statements of the District were not available.

**TOWN OF VERONA
GENERAL FUND
NOTES TO FINANCIAL STATEMENTS
December 31, 2021**

10. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health claims; unemployment compensation claims; and environmental damage for which the Town purchases commercial insurance. There has been no reduction in insurance coverage from the coverage in the prior year. Insurance settlements for claims resulting from the risks covered by commercial insurance have not exceeded the insurance coverage in any of the past three years.

11. CONTINGENCIES AND COMMITMENTS

From time to time the Town may be involved in legal actions and claims, most of which normally occur in governmental operations. These actions and claims are being defended by the Town's various insurance carriers, since claims brought against the Town are generally covered by insurance policies. In the opinion of Town management, these actions, claims and any other proceedings known to exist at December 31, 2021, are not likely to have a material adverse impact on the Town's financial position.

12. SUBSEQUENT EVENT

In April 2022, The Town approved bids for approximately \$436,000 in road work to be completed.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Verona
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (with Variances) - General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variances with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property Taxes	\$ 1,200,862	\$ 1,200,862	\$ 1,200,668	\$ (194)
Other Taxes	-	-	51,679	51,679
Intergovernmental	251,693	251,693	269,356	17,663
Licenses and Permits	79,270	79,270	114,862	35,592
Fines, Forfeits and Penalties	8,000	8,000	7,512	(488)
Charges for services	124,828	124,828	133,704	8,876
Interest Income	14,000	14,000	4,588	(9,412)
Miscellaneous Income	18,000	18,000	7,528	(10,472)
Total Revenues	<u>1,696,653</u>	<u>1,696,653</u>	<u>1,789,897</u>	<u>93,244</u>
Expenditures:				
Current				
General Government	347,390	347,390	362,371	(14,981)
Public Safety	399,770	399,770	448,367	(48,597)
Public Works	391,892	391,892	404,271	(12,379)
Health and Human Services	39,830	39,830	39,325	505
Conservation and Development	5,890	5,890	7,593	(1,703)
Capital Outlay	437,791	437,791	425,855	11,936
Total Expenditures	<u>1,622,563</u>	<u>1,622,563</u>	<u>1,687,782</u>	<u>(65,219)</u>
Excess (deficiency) of revenues over expenditures	<u>74,090</u>	<u>74,090</u>	<u>102,115</u>	<u>28,025</u>
Net change in fund balance	74,090	74,090	102,115	28,025
Fund Balance - Beginning of the Year	455,122	455,122	455,122	-
Fund Balance - End of the Year	<u>\$ 529,212</u>	<u>\$ 529,212</u>	<u>\$ 557,237</u>	<u>\$ 28,025</u>

See accompanying notes to the required supplementary information.

Town of Verona
Wisconsin Retirement System Schedules
December 31, 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2020	(0.00143583%)	\$ (89,640)	\$ 207,758	(43.15%)	(105.26%)
2019	(0.00157839%)	(50,894)	236,591	(21.51%)	(102.96%)
2018	0.00164832%	58,642	246,375	23.80%	96.45%
2017	(0.00171484%)	(50,915)	246,256	(20.68%)	(102.93%)
2016	0.00173230%	14,278	243,899	5.85%	99.12%
2015	0.00174507%	28,357	255,909	11.08%	98.20%
2014	(0.00175483%)	(43,092)	239,079	(18.02%)	(102.74%)

Schedule of Town's Contributions
For the Year Ended

Year ended December 31,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2021	\$ 13,848	\$ (13,848)	\$ -	\$ 205,222	6.75%
2020	13,994	(13,994)	-	207,317	6.75%
2019	16,436	(16,436)	-	250,931	6.55%
2018	16,507	(16,507)	-	246,394	6.70%
2017	16,745	(16,745)	-	246,256	6.80%
2016	16,097	(16,097)	-	243,899	6.60%
2015	17,402	(17,402)	-	255,909	6.80%

See accompanying notes to required supplementary information.

Town of Verona
Local Retiree Life Insurance Fund Schedule
December 31, 2021

SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
(ASSET)
AS OF THE MEASUREMENT DATE

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2020	0.00695300%	\$ 38,247	\$ 113,000	33.85%	31.36%
2019	0.01013000%	43,136	255,000	16.92%	37.58%
2018	0.00968100%	24,980	252,000	9.91%	48.69%
2017	0.00888300%	26,725	373,556	7.15%	44.81%

See accompanying notes to required supplementary information.

TOWN OF VERONA
GENERAL FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

1. Budgetary Information and Excess Expenditures and Other Financing Uses Over Appropriations

Annual budgets, as required by state statutes, are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and subsequent revisions authorized by the Town Board. Changes to the overall budget must be approved by a two-thirds Town Board action. Such revisions are required by a statutory provision which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Appropriations lapse at year end, except those specifically carried forward by Board action.

The Town does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

The Town controls expenditures at the department level. During 2021, the Town had expenses in excess of budget of more than \$1,000 as follows:

General Government	\$ 14,981
Public Safety	\$ 48,597
Public Works	\$ 12,379
Conservation and Development	\$ 1,703

2. Wisconsin Retirement System Schedules

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 3 preceding years.

Changes to Benefit Terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions: No significant change in assumptions were noted from the prior year.

3. Local Retiree Life Insurance Fund Schedules

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 6 preceding years.

Changes to Benefit Terms: There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions: The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year. Please refer to the Actuarial Assumptions section in Note 6 for additional detail.