

BOROUGH OF OAKLAND
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2021

BOROUGH OF OAKLAND

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BOROUGH OF OAKLAND

BERGEN COUNTY

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
One Municipal Plaza
Oakland, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Oakland, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Oakland as of December 31, 2021 and 2020, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Oakland as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 Oakland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 21 percent and 19 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2021 and 2020, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Oakland on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. 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 misstatements, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement 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 Oakland’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 Oakland's ability to continue as a going concern for a reasonable period of time.

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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Oakland as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Oakland. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

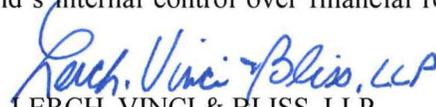
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 14, 2022 on our consideration of the Borough of Oakland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Oakland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Oakland's internal control over financial reporting and compliance.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
September 14, 2022

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	A-4	\$ 8,290,242	\$ 8,082,381
Cash - Change Funds	A-5	250	250
Due from State of New Jersey -Senior Citizens and Veterans Dedication	A-6	8,994	9,494
Grants Receivable	A-9	<u>835,653</u>	<u>720,885</u>
		<u>9,135,139</u>	<u>8,813,010</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-7	16,422	7,364
Tax Title Liens Receivable	A-8	308,261	357,196
Property Acquired for Taxes	A-10	1,140,550	1,054,950
Due from Unemployment Insurance Trust Fund	B-9		408
Due from Sewer Utility Operating Fund	A-20	87,690	
Revenue Accounts Receivable	A-11	<u>14,149</u>	<u>13,461</u>
		<u>1,567,072</u>	<u>1,433,379</u>
Deferred Charges			
Special Emergency Authorization	A-24	<u>200,000</u>	<u>-</u>
Total Assets		<u>\$ 10,902,211</u>	<u>\$ 10,246,389</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-12	\$ 996,684	\$ 1,662,498
Encumbrances/Accounts Payable	A-13	1,422,100	721,703
Prepaid Taxes	A-14	592,683	428,810
Tax Overpayments	A-15	65,243	162,730
County Taxes Payable	A-16	7,802	6,087
Due to Municipal Open Space Trust Fund	B-14	15	
Due to Other Trust Fund	B-10		250,000
Due to General Capital Fund	C-4		260,578
Reserve for Tax Appeals	A-19	337,709	320,009
Appropriated Grant Reserves	A-21	525,207	514,530
Unappropriated Grant Reserves	A-22	710,612	25,993
Due to State of New Jersey - Fees Payable	A-23	<u>12,583</u>	<u>5,083</u>
		4,670,638	4,358,021
Reserve for Receivables and Other Assets	A	1,567,072	1,433,379
Fund Balance	A-1	<u>4,664,501</u>	<u>4,454,989</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,902,211</u>	<u>\$ 10,246,389</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 1,925,000	\$ 1,555,000
Miscellaneous Revenues Anticipated	4,239,444	3,668,861
Receipts from Delinquent Taxes	14,797	20,137
Receipts from Current Taxes	66,662,887	65,107,390
Non-Budget Revenue	218,631	58,086
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	1,243,558	908,500
Accounts Payable Cancelled	14,937	
Reserves Cancelled		19,451
Prior Year Adjustment - Grants Receivable	2,172	122,316
	<u>74,321,426</u>	<u>71,459,741</u>
EXPENDITURES		
Budget Appropriations		
Operations		
Salaries and Wages	7,262,838	7,235,223
Other Expenses	8,673,321	8,166,063
Capital Improvements	1,130,000	1,130,000
Municipal Debt Service	2,278,235	1,783,494
Deferred Charges and Statutory Expenditures	2,103,099	1,822,450
County Taxes	6,601,146	6,539,720
Local District School Taxes	31,225,936	30,429,709
Regional School Taxes	12,770,613	12,443,338
Municipal Open Space Taxes	217,612	217,730
Other Debits		
Interfund Advance	87,282	408
Appropriated Grants	1,396	
Refund of Prior Year Revenue	35,436	20,789
	<u>72,386,914</u>	<u>69,788,924</u>
Excess in Revenue	1,934,512	1,670,817
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	200,000	-
Statutory Excess to Fund Balance	2,134,512	1,670,817
Fund Balance, January 1	<u>4,454,989</u>	<u>4,339,172</u>
	6,589,501	6,009,989
Decreased by:		
Utilization as Anticipated Revenue	<u>1,925,000</u>	<u>1,555,000</u>
Fund Balance, December 31	<u>\$ 4,664,501</u>	<u>\$ 4,454,989</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budget	Special NJS 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	\$ 1,925,000	-	\$ 1,925,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	24,000		24,450	\$ 450
Other	31,000		31,709	709
Fees and Permits				
Construction Code Official	175,000		162,105	(12,895)
Other	180,000		123,940	(56,060)
Fines and Costs				
Municipal Court	160,000		223,928	63,928
Interest and Costs on Taxes	45,000		50,638	5,638
Interest on Investments and Deposits	75,000		36,724	(38,276)
Recreation Fees	275,000		436,470	161,470
Energy Receipts Tax	1,312,169		1,312,169	-
Public and Private Revenues Offset with Appropriations				
Recycling Tonnage Grant	42,067		42,067	
Municipal Alliance for Alcoholism and Drug Abuse	9,876		9,876	
Alcohol Education Rehabilitation		\$ 454	454	
Audobon Society		1,500	1,500	
Police Body Worn Cameras		52,988	52,988	
Body Armor Grant	2,219		2,219	
BMED - Employee Wellness Grant	10,000		10,000	
Drunk Driving Enforcement Fund		6,502	6,502	
Safe Routes to School		70,202	70,202	
Reserve for Clean Communities Program	25,993		25,993	
County of Bergen - Roosevelt Riverfront		79,534	79,534	
Brotherton Tennis		30,000	30,000	
Great Oak Band Shell		40,200	40,200	
Bulletproof Vest Grant		458	458	
Clean Communities - Mini	300		300	
Bergen County Tennis		33,500	33,500	
CDBG - Water Main		75,000	75,000	
Driving While Impaired		6,000	6,000	
Community Forestry Grant		21,788	21,788	
Senior Center Upgrades		42,191	42,191	
Other Special Items				
Uniform Fire Safety Act	32,000		124,199	92,199
Open Space Trust Fund	200,000		200,000	-
Cellular Tower Lease	175,000		201,116	26,116
Cablevision Franchise Fee	116,000		116,495	495
Verizon Franchise Fee	66,000		67,676	1,676
Real Property Lease	82,000		82,584	584
Sale of Recyclables	12,000		18,586	6,586
Shared Service Agreement - School Crossing Guards	5,000		5,375	375
Off Duty Police Officers Administrative Fees	15,000		65,738	50,738
Pension Reimbursement - Library	45,000		49,000	4,000
Pension Reimbursement -Water Utility	100,000		79,000	(21,000)
Tree Permit Fees	12,650		17,175	4,525
Recreation/CAP Field Contribution	9,595		9,595	-
Health Benefit Reserve	250,000	-	250,000	-
Total Miscellaneous Revenues	<u>3,487,869</u>	<u>460,317</u>	<u>4,239,444</u>	<u>291,258</u>
RECEIPTS FROM DELINQUENT TAXES	<u>10,000</u>	<u>-</u>	<u>14,797</u>	<u>4,797</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	15,033,285		15,428,868	395,583
Minimum Library Tax	873,712	-	873,712	-
	<u>15,906,997</u>	<u>-</u>	<u>16,302,580</u>	<u>395,583</u>
Total General Revenues	<u>\$ 21,329,866</u>	<u>\$ 460,317</u>	<u>22,481,821</u>	<u>\$ 691,638</u>
Non-Budget Revenue			<u>218,631</u>	
			<u>\$22,700,452</u>	

BOROUGH OF OAKLAND
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 66,662,887
Less: Allocation to School, County and Municipal Open Space Taxes	<u>50,815,307</u>
	15,847,580
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>455,000</u>
 Balance for Support of Municipal Budget Appropriations	 <u>\$ 16,302,580</u>
 Delinquent Taxes	
Taxes Receivable	\$ 11,700
Tax Title Liens	<u>3,097</u>
	<u>\$ 14,797</u>
 Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 23,888
Due from Animal Control Trust Fund	36
Due from Other Trust Fund	1,103
Due from General Capital Fund	<u>11,697</u>
	<u>\$ 36,724</u>
 Analysis of Non-Budget	
Misc. Tax Collector Fees and Charges	\$ 355
JIF Reimbursement	18,837
FEMA Reimbursements	6,124
Hotel Tax	1,072
NSF Check Fees	260
Alarm Fines	4,050
Refunds/Reimbursements	24,666
Abandoned Property Maintenance Fees	1,200
Administration Fee - Senior and Veterans	1,525
Copy Fees	448
Duplicate Check Fee	1,189
LOSAP - Unvested Return	28,899
Sale of Municipal Assets	26,250
Miscellaneous	<u>103,756</u>
	<u>\$ 218,631</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 310,000	\$ 310,000	\$ 307,945	\$ 2,055	
Other Expenses	7,000	7,000	3,936	3,064	
Communications Committee					
Other Expenses	12,100	12,100	9,515	2,585	
General Services					
Salaries and Wages	100,000	100,000	92,800	7,200	
Other Expenses	67,000	67,000	56,694	10,306	
Mayor and Council					
Salaries and Wages	50,950	50,950	49,821	1,129	
Other Expenses	30,000	25,000	24,819	181	
Municipal Clerk					
Salaries and Wages	96,750	96,750	96,710	40	
Other Expenses	23,100	31,100	28,939	2,161	
Elections					
Salaries and Wages	2,150	2,150	2,092	58	
Other Expenses	12,200	12,200	11,838	362	
Financial Administration					
Salaries and Wages	209,999	218,499	216,016	2,483	
Other Expenses	37,000	37,000	33,228	3,772	
Audit Services	41,000	41,000	40,463	537	
Information Technology					
Other Expenses	142,500	142,500	130,147	12,353	
Tax Assessment Administration					
Salaries and Wages	85,500	85,500	83,311	2,189	
Other Expenses	64,800	64,800	64,773	27	
Revaluation		200,000	200,000	-	
Revenue Administration					
Salaries and Wages	77,750	69,250	66,500	2,750	
Other Expenses	10,600	13,100	11,715	1,385	
Legal Services & Costs					
Other Expenses	185,000	185,000	173,140	11,860	
Engineering Service & Costs					
Other Expenses	65,000	65,000	51,150	13,850	
Land Use Administration					
Salaries and Wages	16,200	16,200	15,257	943	
Other Expenses	18,100	18,100	17,039	1,061	
Zoning Board of Adjustment					
Salaries and Wages	16,200	16,200	15,362	838	
Other Expenses	7,900	7,900	6,619	1,281	
Insurance					
Other Insurance	487,120	487,120	467,382	19,738	
Employee Group Health	1,936,748	1,936,748	1,905,560	31,188	
Employee Group Health Employee Waiver	26,252	26,252		26,252	
PUBLIC SAFETY					
Police Department					
Salaries and Wages	4,430,200	4,421,762	4,246,320	175,442	
Other Expenses	182,400	182,400	125,298	57,102	
Office of Emergency Management					
Salaries and Wages	9,200	9,200	9,200	-	
Other Expenses	10,000	10,000	2,250	7,750	
Flood Control Committee					
Salaries and Wages	5,025	5,025	4,670	355	
Other Expenses	1,500	1,500		1,500	
Aid to Volunteer First Aid	45,000	45,000	45,000	-	
Fire Department					
Salaries and Wages	83,000	83,000	67,129	15,871	
Other Expenses	100,000	100,000	96,079	3,921	

BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued)					
PUBLIC WORKS					
Streets and Roads					
Salaries and Wages	\$ 544,100	\$ 539,100	\$ 533,124	\$ 5,976	
Other Expenses	105,250	105,250	85,665	19,585	
Snow Removal					
Salaries and Wages	60,000	60,000	4,666	55,334	
Other Expenses	80,000	80,000	79,332	668	
Solid Waste Collection					
Salaries and Wages	65,000	65,000	62,809	2,191	
Other Expenses	1,600,000	1,600,000	1,448,924	151,076	
Buildings and Grounds					
Salaries and Wages	225,000	225,000	219,771	5,229	
Other Expenses	160,500	160,500	159,139	1,361	
Vehicle Maintenance					
Salaries and Wages	75,800	80,800	78,011	2,789	
Other Expenses	83,000	83,000	82,875	125	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Salaries and Wages	57,900	57,900	56,361	1,539	
Other Expenses	178,100	178,100	176,735	1,365	
Environmental Commission					
Salaries and Wages	1,200	1,200	1,196	4	
Other Expenses	1,300	1,300	900	400	
PARKS AND RECREATION					
Recreation Services and Programs					
Salaries and Wages	198,700	173,700	166,678	7,022	
Other Expenses	322,600	322,600	321,565	1,035	
Senior Citizens Activities					
Salaries and Wages	85,700	85,700	77,365	8,335	
Other Expenses	36,200	36,200	23,966	12,234	
Shade Tree					
Other Expenses	54,650	54,650	45,106	9,544	
OTHER COMMON OPERATING					
Accumulated Leave Compensation					
Salaries and Wages	70,000	70,000	70,000	-	
MUNICIPAL COURT					
Municipal Court					
Salaries and Wages	149,700	149,700	137,091	12,609	
Other Expenses	10,800	10,800	6,719	4,081	
Public Defender					
Other Expenses	10,600	10,600	9,000	1,600	
Municipal Prosecutor					
Other Expenses	21,000	21,000	19,950	1,050	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY					
DEDICATED REVENUES (NJAC5:23-4.17)					
Uniform Construction Code Enforcement					
Salaries and Wages	244,000	244,000	186,813	57,187	
Other Expenses	84,500	82,000	81,739	261	

BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	\$ 109,000	\$ 124,000	\$ 113,695	\$ 10,305	
Street Lighting	142,000	148,000	125,332	22,668	
Telephone	60,000	60,000	48,296	11,704	
Natural Gas	37,000	37,000	31,913	5,087	
Gasoline	150,000	129,000	125,000	4,000	-
Total Operations Within "CAPS"	<u>14,028,844</u>	<u>14,198,406</u>	<u>13,358,453</u>	<u>839,953</u>	-
Contingent	<u>5,000</u>	<u>5,000</u>	-	<u>5,000</u>	-
Total Operations Including Contingent - Within "CAPS"	<u>14,033,844</u>	<u>14,203,406</u>	<u>13,358,453</u>	<u>844,953</u>	-
Detail:					
Salaries and Wages	7,296,276	7,262,838	6,867,018	395,820	-
Other Expenses (Including Contingent)	<u>6,737,568</u>	<u>6,940,568</u>	<u>6,491,435</u>	<u>449,133</u>	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Anticipated Deficit Sewer Utility Fund	168,444	168,444	80,754	-	\$ 87,690
Statutory Charges					
Public Employees Retirement System	470,242	470,242	470,242	-	
Social Security System	505,000	530,000	526,520	3,480	
Police and Firemen's Retirement System	1,000,665	1,006,103	1,006,103	-	
Defined Contribution Retirement Plan	<u>16,000</u>	<u>16,000</u>	<u>11,216</u>	<u>4,784</u>	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	<u>2,160,351</u>	<u>2,190,789</u>	<u>2,094,835</u>	<u>8,264</u>	<u>87,690</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>16,194,195</u>	<u>16,394,195</u>	<u>15,453,288</u>	<u>853,217</u>	<u>87,690</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY					
Length of Service Awards Program					
Other Expenses	92,000	92,000		92,000	
Police Dispatch - 911					
Other Expenses	14,100	14,100	14,100	-	
PUBLIC WORKS					
Stormwater Management					
Salaries and Wages	66,100	66,100	65,980	120	
Other Expenses	28,000	28,000	14,810	13,190	
EDUCATION					
Maintenance of Free Public Library	873,712	873,712	837,555	36,157	
Supplemental Library Funding	8,600	8,600	8,600	-	
UNCLASSIFIED					
Reserve for Tax Appeals	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>	-	-
Total Other Operations Excluded From "CAPS"	<u>1,177,512</u>	<u>1,177,512</u>	<u>1,036,045</u>	<u>141,467</u>	-

**BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Matching Fund for Grants	\$ 2,000	\$ 2,000		\$ 2,000	
Municipal Alliance on Alcoholism and Drug Abuse					
County Share	9,876	9,876	\$ 9,876		
Local Share	2,469	2,469	2,469		
Recycling Tonnage Grant	42,067	42,067	42,067		
Drunk Driving Enforcement Fund		6,502	6,502		
Clean Communities	25,993	25,993	25,993		
Clean Communities - Mini	300	300	300		
Audubon Society Grant		1,500	1,500		
Alcohol Education Rehabilitation		454	454		
Police Body Worn Cameras		52,988	52,988		
BMED _ Employee Wellness Grant	10,000	10,000	10,000		
Safe Routes to School Grant		70,202	70,202		
Bulletproof Vest		458	458		
County of Bergen - Roosevelt Riverfront		79,534	79,534		
Body Armor Replacement	2,219	2,219	2,219		
Brotherton Tennis Grant		30,000	30,000		
Bergen County Tennis		33,500	33,500		
Great Oak Band Shell		40,200	40,200		
CDBG - Water Main		75,000	75,000		
Driving While Impaired		6,000	6,000		
Community Forestry Grant		21,788	21,788		
Senior Center Upgrades	-	42,191	42,191	-	-
Total Public and Private Programs					
Offset by Revenues	94,924	555,241	553,241	2,000	-
Total Operations Excluded from "CAPS"	1,272,436	1,732,753	1,589,286	143,467	-
Detail:					
Other Expenses (Including Contingent)	1,272,436	1,732,753	1,589,286	143,467	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	1,130,000	1,130,000	1,130,000	-	-
Total Capital Improvements	1,130,000	1,130,000	1,130,000	-	-
MUNICIPAL DEBT SERVICE					
Payment of Bond Principal	1,756,000	1,756,000	1,756,000		
Interest on Bonds	522,235	522,235	522,235	-	-
Total Municipal Debt Service	2,278,235	2,278,235	2,278,235	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,680,671	5,140,988	4,997,521	143,467	-
Subtotal General Appropriations	20,874,866	21,535,183	20,450,809	996,684	87,690
Reserve for Uncollected Taxes	455,000	455,000	455,000	-	-
Total General Appropriations	\$ 21,329,866	\$ 21,990,183	\$ 20,905,809	\$ 996,684	\$ 87,690
Budget as Adopted		\$ 21,329,866			
Special Emergency		200,000			
Added by N.J.S.A. 40A:4-87		460,317			
		\$ 21,990,183			
Cash Disbursed			\$ 18,519,850		
Encumbrances Payable			1,201,964		
Reserve for Tax Appeals			95,000		
Appropriated Grant Reserves			553,241		
Reserve for Uncollected Taxes			455,000		
Due to Sewer Utility Operating Fund			80,754		
			\$ 20,905,809		

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-3	\$ 23,121	\$ 21,689
Change Fund	B	<u>50</u>	<u>50</u>
		<u>23,171</u>	<u>21,739</u>
OTHER TRUST FUND			
Cash	B-3	8,542,624	8,150,385
Due from Current Fund	B-10	<u>-</u>	<u>250,000</u>
		<u>8,542,624</u>	<u>8,400,385</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>149,596</u>	<u>146,981</u>
		<u>149,596</u>	<u>146,981</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	778,870	766,336
Due from Current Fund	B-14	<u>15</u>	<u>-</u>
		<u>778,885</u>	<u>766,336</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Investment	B	2,404,802	2,067,801
Contribution Receivables	B	<u>57,075</u>	<u>86,725</u>
		<u>2,461,877</u>	<u>2,154,526</u>
Total Assets		<u>\$ 11,956,153</u>	<u>\$ 11,489,967</u>

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to State of New Jersey	B-4	\$ 30	\$ 30
Reserve for Animal Control Expenditures	B-6	<u>23,141</u>	<u>21,709</u>
		<u>23,171</u>	<u>21,739</u>
OTHER TRUST FUND			
Developer's Escrow and Other Reserves	B-11	3,498,234	3,307,118
Reserve for Health Benefit Claims	B-12	4,987,870	4,814,388
Reserve for Payroll Deductions Payable	B-13	<u>56,520</u>	<u>278,879</u>
		<u>8,542,624</u>	<u>8,400,385</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to State of New Jersey	B-7		7,471
Due to Current Fund	B-9		408
Reserve for Unemployment Claims	B-8	<u>149,596</u>	<u>139,102</u>
		<u>149,596</u>	<u>146,981</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Reserve for Expenditures	B-15	<u>778,885</u>	<u>766,336</u>
		<u>778,885</u>	<u>766,336</u>
LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)			
Reserve for Length of Service Award Program	B	<u>2,461,877</u>	<u>2,154,526</u>
		<u>2,461,877</u>	<u>2,154,526</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 11,956,153</u>	<u>\$ 11,489,967</u>

**BOROUGH OF OAKLAND
STATEMENT OF REVENUES-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 217,354	\$ 217,354	\$ 217,612	\$ 258
Interest on Deposits	<u>-</u>	<u>-</u>	<u>937</u>	<u>937</u>
	<u>\$ 217,354</u>	<u>\$ 217,354</u>	<u>\$ 218,549</u>	<u>\$ 1,195</u>

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Variance</u>
Debt Service				
Payment of Bond Principal	\$ 200,000	\$ 200,000	\$ 200,000	
Other Expenses	<u>17,354</u>	<u>17,354</u>	<u>6,000</u>	<u>\$ 11,354</u>
	<u>\$ 217,354</u>	<u>\$ 217,354</u>	<u>\$ 206,000</u>	<u>\$ 11,354</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	C-2,C-3	\$ 9,831,267	\$ 9,950,952
Due from Current Fund	C-4		260,578
Deferred Charges to Future Taxation			
Funded	C-5	23,670,000	25,426,000
Unfunded	C-6	4,547,699	2,000,699
Grants Receivable	C-7	<u>2,618,436</u>	<u>4,362,395</u>
		<u>\$ 40,667,402</u>	<u>\$ 42,000,624</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-8	\$ 23,670,000	\$ 25,426,000
Improvement Authorizations			
Funded	C-9	6,345,206	8,310,287
Unfunded	C-9	4,547,699	2,000,699
Accounts Payable	C-10	3,238,921	3,809,800
Reserve for Payment of Debt Service	C-13	1,572,331	1,414,331
Reserve for Preliminary Costs	C-14	9,000	9,000
Reserve for Fire Truck	C-11		1,478
Reserve for Grants Receivable	C-7		150,000
Capital Improvement Fund	C-12	529,852	272,975
Fund Balance	C-1	<u>754,393</u>	<u>606,054</u>
		<u>\$ 40,667,402</u>	<u>\$ 42,000,624</u>

There were bonds and notes authorized but not issued of \$4,547,699 and \$2,000,699 at December 31, 2021 and 2020 respectively (Exhibit C-15).

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ <u>606,054</u>	\$ <u>449,636</u>
Increased by:		
Premium on Sale of Bonds and Notes		154,861
Cancelled Improvement Authorizations	<u>148,339</u>	<u>1,557</u>
	<u>148,339</u>	<u>156,418</u>
Balance, December 31	<u>\$ 754,393</u>	<u>\$ 606,054</u>

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
OPERATING FUND			
Cash	D-5	\$ 2,153,798	\$ 2,167,798
Change Fund	D	<u>50</u>	<u>50</u>
		<u>2,153,848</u>	<u>2,167,848</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-7	<u>186,166</u>	<u>261,399</u>
		<u>2,340,014</u>	<u>2,429,247</u>
CAPITAL FUND			
Cash	D-5,D-6	2,154,056	1,957,892
Fixed Capital	D-9	13,869,176	13,869,176
Fixed Capital Authorized and Uncompleted	D-12	<u>1,805,000</u>	<u>205,000</u>
		<u>17,828,232</u>	<u>16,032,068</u>
 Total Assets		 <u>\$ 20,168,246</u>	 <u>\$ 18,461,315</u>

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Liabilities			
Appropriation Reserves	D-4,D-13	\$ 217,789	\$ 256,170
Accounts Payable	D-14	152,651	44,404
Reserve for Rate Stabilization	D-10	360,000	260,000
Accrued Interest Payable on Bonds	D-19	<u>2,714</u>	<u>3,051</u>
		733,154	563,625
Reserve for Receivables	D	186,166	261,399
Fund Balance	D-1	<u>1,420,694</u>	<u>1,604,223</u>
		<u>2,340,014</u>	<u>2,429,247</u>
CAPITAL FUND			
Serial Bonds Payable	D-18	1,080,000	1,215,000
Accounts Payable	D-8	674,585	27,668
Improvement Authorization			
Funded	D-15	664,155	34,152
Reserves for			
Amortization	D-20	11,882,671	11,747,671
Deferred Amortization	D-11	2,334,142	734,142
Payment of Debt	D-21	169,230	169,230
Capital Improvement Fund	D-16	709,291	1,790,047
Fund Balance	D-2	<u>314,158</u>	<u>314,158</u>
		<u>17,828,232</u>	<u>16,032,068</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 20,168,246</u>	<u>\$ 18,461,315</u>

There were bonds and notes authorized but not issued in the amount of \$377,363 and \$377,363 at December 31, 2021 and 2020 (Exhibit D-23).

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME		
Fund Balance Anticipated	\$ 577,363	\$ 200,000
Rents	2,217,243	2,187,452
Miscellaneous	16,585	25,390
Other Credits to Income		
Cancellation of Accounts Payable		11,041
Unexpended Balance of Appropriation Reserves	<u>167,164</u>	<u>132,010</u>
	<u>2,978,355</u>	<u>2,555,893</u>
EXPENDITURES		
Budget Appropriations		
Operating	1,693,500	1,504,700
Capital Improvements	582,244	405,802
Debt Service	171,282	169,598
Deferred Charges and Statutory Expenditures	135,000	124,900
Refund of Prior Year Revenue	<u>2,495</u>	<u>-</u>
	<u>2,584,521</u>	<u>2,205,000</u>
Excess in Revenue	393,834	350,893
Fund Balance, January 1	<u>1,604,223</u>	<u>1,453,330</u>
	1,998,057	1,804,223
Decreased by:		
Utilization as Anticipated Revenue	<u>577,363</u>	<u>200,000</u>
Fund Balance, December 31	<u>\$ 1,420,694</u>	<u>\$ 1,604,223</u>

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ 314,158	\$ 314,158
Balance, December 31	<u>\$ 314,158</u>	<u>\$ 314,158</u>

EXHIBIT D-3

STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 577,363	\$ 577,363	
Rents	2,000,000	2,217,243	\$ 217,243
Miscellaneous	<u>5,000</u>	<u>16,585</u>	<u>11,585</u>
	<u>\$ 2,582,363</u>	<u>\$ 2,811,191</u>	<u>\$ 228,828</u>
Analysis of Miscellaneous Revenues			
Interest on Investments and Deposits		\$ 5,374	
Other Miscellaneous		<u>11,211</u>	
		<u>\$ 16,585</u>	
Analysis of Miscellaneous Revenues			
Cash Receipts		\$ 13,925	
Due from Water Utility Capital Fund		<u>2,660</u>	
		<u>\$ 16,585</u>	

BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 800,300	\$ 800,300	\$ 727,865	\$ 72,435	
Other Expenses	893,200	893,200	751,421	141,779	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	582,244	582,244	582,244	-	
DEBT SERVICE					
Payment of Bond Principal	135,000	135,000	135,000	-	
Interest on Bonds	36,619	36,619	36,282	-	\$ 337
STATUTORY EXPENDITURES					
Public Employees Retirement System	79,000	79,000	79,000	-	
Social Security System	56,000	56,000	52,425	3,575	-
	<u>\$ 2,582,363</u>	<u>\$ 2,582,363</u>	<u>\$ 2,364,237</u>	<u>\$ 217,789</u>	<u>\$ 337</u>
			Cash Disbursed	\$ 2,075,304	
			Accounts Payable	152,651	
			Rate Stabilization Fund	100,000	
			Accrued Interest on Bonds	<u>36,282</u>	
				<u>\$ 2,364,237</u>	

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
OPERATING FUND			
Cash	E-5	\$ 565,822	\$ 436,257
Change Fund	E	<u>25</u>	<u>25</u>
		565,847	436,282
Receivables with Full Reserves			
Consumer Accounts Receivable	E-7	<u>77,263</u>	<u>102,657</u>
		<u>643,110</u>	<u>538,939</u>
CAPITAL FUND			
Cash	E-5,E-6	403,670	156,366
Fixed Capital	E	304,100	304,100
Fixed Capital Authorized and Uncompleted	E-16	<u>6,315,798</u>	<u>6,315,798</u>
		<u>7,023,568</u>	<u>6,776,264</u>
Total Assets		<u>\$ 7,666,678</u>	<u>\$ 7,315,203</u>

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	E-4,E-10	\$ 146,233	\$ 80,173
Encumbrances Payable	E-11	43,056	42,734
Accrued Interest on Bonds and Notes	E-13	982	489
Due to Current Fund	A-19	87,690	
Reserve for Sewer Rate Stabilization	E-12	<u>79,000</u>	<u>79,000</u>
		356,961	202,396
Reserve for Receivables	E	77,263	102,657
Fund Balance	E-1	<u>208,886</u>	<u>233,886</u>
		<u>643,110</u>	<u>538,939</u>
CAPITAL FUND			
Encumbrances Payable	E-9	537,945	46,362
Improvement Authorizations			
Funded	E-18	9,328	9,328
Unfunded	E-18	5,226,326	5,875,000
Serial Bonds Payable	E-17	125,000	140,000
Bond Anticipation Notes	E-21	720,000	300,000
Reserve for Amortization	E-15	179,100	164,100
Deferred Reserve for Amortization	E-14	36,157	36,157
Reserve for Debt Service	E	60,000	60,000
Capital Improvement Fund	E-19	120,064	100,127
Reserve for Preliminary Expenses	E-20	340	35,882
Fund Balance	E-2	<u>9,308</u>	<u>9,308</u>
		<u>7,023,568</u>	<u>6,776,264</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,666,678</u>	<u>\$ 7,315,203</u>

There were bonds and notes authorized but not issued in the amount of \$5,559,641 and \$5,979,641 at December 31, 2021 and 2020. (Exhibit E-22).

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED		
Operating Surplus Anticipated	\$ 25,000	\$ 105,000
Sewer Rents	413,452	413,574
Non-Budget Revenue	800	2,833
Other Credits		
Cancellation of Prior Year Encumbrances		2,385
Unexpended Balance of Appropriation Reserves	<u>88,438</u>	<u>68,456</u>
Total Income	<u>527,690</u>	<u>592,248</u>
EXPENDITURES		
Budget Appropriations		
Operating	567,144	411,800
Capital Improvements	19,937	19,854
Debt Service	<u>21,363</u>	<u>25,346</u>
Total Expenditures	<u>608,444</u>	<u>457,000</u>
Excess (Deficit) in Revenue	(80,754)	135,248
Adjustments to Income Before Fund Balance		
Realized from General Budget for Anticipated Deficit	<u>80,754</u>	<u>-</u>
Statutory Excess to Fund Balance	-	135,248
Fund Balance, January 1	<u>233,886</u>	<u>203,638</u>
	233,886	338,886
Decreased by:		
Utilization as Anticipated Revenue	<u>25,000</u>	<u>105,000</u>
Fund Balance, December 31	<u>\$ 208,886</u>	<u>\$ 233,886</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ 9,308	\$ 9,308
Balance, December 31	<u>\$ 9,308</u>	<u>\$ 9,308</u>

EXHIBIT E-3

STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 25,000	\$ 25,000	
Sewer Rents	415,000	413,452	\$ (1,548)
Deficit (General Budget)	<u>168,444</u>	<u>80,754</u>	<u>(87,690)</u>
	<u>\$ 608,444</u>	<u>\$ 519,206</u>	<u>\$ (89,238)</u>
Non Budget			
Miscellaneous		596	
Interest Earned Due from Sewer Utility Capital Fund		<u>204</u>	
		<u>\$ 520,006</u>	

BOROUGH OF OAKLAND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Other Expenses	\$ 567,144	\$ 567,144	\$ 420,911	\$ 146,233
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	19,937	19,937	19,937	
DEBT SERVICE				
Payment of Bond Principal	15,000	15,000	15,000	
Interest on Bonds	2,112	2,112	2,112	
Interest on Notes	4,251	4,251	4,251	-
	<u>\$ 608,444</u>	<u>\$ 608,444</u>	<u>\$ 462,211</u>	<u>\$ 146,233</u>
Cash Disbursed			\$ 412,792	
Accrued Interest on Bonds and Notes			6,363	
Encumbrances Payable			<u>43,056</u>	
			<u>\$ 462,211</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF OAKLAND
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Land	\$ 26,942,000	\$ 26,856,400
Buildings and Building Improvements	9,734,851	9,284,701
Machinery and Equipment	<u>10,086,326</u>	<u>9,635,859</u>
 Total Assets	 <u>\$ 46,763,177</u>	 <u>\$ 45,776,960</u>
 FUND BALANCE		
Investment in General Fixed Assets	 <u>\$ 46,763,177</u>	 <u>\$ 45,776,960</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Oakland (the "Borough") was incorporated in 1902 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer ambulance squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Oakland have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Municipal Open Space Trust Fund - This fund is used to account for the resources which have accumulated from a dedicated tax, to be used for the preservation of open space, recreation and farmland property.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's sanitary sewerage system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the water and sewer utility funds. The Borough's infrastructure is not reported in the account group.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications - Certain reclassifications may have been made to the December 31, 2020 balances to conform to the December 31, 2021 presentation.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Oakland follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's water and sewer utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges – Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and 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.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. 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, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. 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 are recorded as a long-term obligation in the government-wide financial statements.

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Borough has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Borough has not received notices or report of losses (i.e. IBNR). Additionally, the Borough has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). 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 potential claims are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**BOROUGH OF OAKLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Oakland has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the water and sewer utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities do not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. **Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Trust Funds (Except for Open Space Trust Fund)
General Capital Fund
Water Capital Fund
Sewer Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the Borough Council increased the original budget by \$660,317 and \$259,410. The 2021 increase was attributable to a special emergency authorization for the revaluation of real property and additional aid allotted to the Borough. The 2020 increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2020 and 2019.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. **Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the Borough's deposits were \$32,893,441 and \$31,837,412 and bank and brokerage firm balances of the Borough's deposits amounted to \$33,530,992 and \$32,253,988, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured	\$ 33,530,992	\$ 32,253,988

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, none of the Borough’s bank balances were exposed to custodial credit risk.

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2021 and 2020, the Borough had the following investments:

	<u>2021</u>	<u>Fair Value</u>	<u>2020</u>
Investment:			
Length of Service Awards Program			
Lincoln Financial (Unaudited)	\$ 2,404,802		\$ 2,067,801

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2021 and 2020, \$2,404,802 and \$2,067,801 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</u>
<u>Uninsured and Collateralized:</u>		
Collateral held by pledging financial institution's trust department not in the Borough's name (Unaudited)	\$ 2,404,802	\$ 2,067,801

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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 as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investors Services.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Oakland measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2021 and 2020 are categorized as Level 2.

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

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Utility</u>		<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	
<u>2021</u>				
Property Taxes	\$ 16,422			\$ 16,422
Tax Title Liens	308,261			308,261
Utility Rents	-	\$ 186,166	\$ 77,263	263,429
	<u>\$ 324,683</u>	<u>\$ 186,166</u>	<u>\$ 77,263</u>	<u>\$ 588,112</u>

In 2021, the Borough collected \$14,797 and \$364,056 from delinquent taxes and utility charges and fees, which represented 4% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2020.

Receivables at December 31, 2020 consisted of the following:

	<u>Current</u>	<u>Utility</u>		<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	
<u>2020</u>				
Property Taxes	\$ 7,364			\$ 7,364
Tax Title Liens	357,196			357,196
Utility Rents	-	\$ 261,399	\$ 102,657	364,056
	<u>\$ 364,560</u>	<u>\$ 261,399</u>	<u>\$ 102,657</u>	<u>\$ 728,616</u>

In 2020, the Borough collected \$20,137 and \$268,785 from delinquent taxes and utility charges and fees, which represented 6% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2019.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2021</u>		<u>2020</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 87,690	\$ 15	\$ 408	\$ 510,578
Trust Funds				
Other Trust Fund			250,000	
Unemployment Trust Fund				408
Municipal Open Space	15			
General Capital Fund			260,578	
Sewer Utility Operating Fund	-	87,690	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 Total	 <u>\$ 87,705</u>	 <u>\$ 87,705</u>	 <u>\$ 510,986</u>	 <u>\$ 510,986</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2021</u>			
Current Fund			
Special Emergency Authorization (40A:4-55)	\$ 200,000	\$ 40,000	\$ 160,000

2020

None

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	2021		2020	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 3,619,854	\$ 1,870,000	\$ 3,724,610	\$ 1,925,000
Non-Cash Surplus	<u>1,044,647</u>	<u>-</u>	<u>730,379</u>	<u>-</u>
	<u>\$ 4,664,501</u>	<u>\$ 1,870,000</u>	<u>\$ 4,454,989</u>	<u>\$ 1,925,000</u>
Water Utility Operating Fund				
Cash Surplus	<u>\$ 1,420,694</u>	<u>\$ 556,603</u>	<u>\$ 1,604,223</u>	<u>\$ 577,363</u>
Sewer Utility Operating Fund				
Cash Surplus	<u>\$ 208,886</u>	<u>\$ 37,000</u>	<u>\$ 233,886</u>	<u>\$ 25,000</u>

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	Balance December 31, 2020	Additions	Reductions	Balance, December 31, 2021
	Land	\$ 26,856,400	\$ 85,600	
Buildings and Building Improvements	9,284,701	450,150		9,734,851
Machinery and Equipment	<u>9,635,859</u>	<u>450,467</u>	<u>\$ -</u>	<u>10,086,326</u>
	<u>\$ 45,776,960</u>	<u>\$ 986,217</u>	<u>\$ -</u>	<u>\$ 46,763,177</u>
	Balance December 31, 2019	Additions	Reductions	Balance, December 31, 2020
Land	\$ 26,856,400			\$ 26,856,400
Buildings and Building Improvements	9,284,701			9,284,701
Machinery and Equipment	<u>9,360,061</u>	<u>\$ 366,298</u>	<u>\$ 90,500</u>	<u>9,635,859</u>
	<u>\$ 45,501,162</u>	<u>\$ 366,298</u>	<u>\$ 90,500</u>	<u>\$ 45,776,960</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2021 and 2020.

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
Water Utility Capital Fund				
Fixed Capital Unallocated	\$ 13,869,176	\$ -	\$ -	\$ 13,869,176
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
Fixed Capital Unallocated	\$ 13,813,896	\$ 55,280	\$ -	\$ 13,869,176
Sewer Utility Capital Fund				
Fixed Capital Unallocated	\$ 304,100	\$ -	\$ -	\$ 304,100
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
Fixed Capital Unallocated	\$ 304,100	\$ -	\$ -	\$ 304,100

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects and acquisition or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds and Notes	\$ 23,670,000	\$ 25,426,000
Water Utility		
Bonds	1,080,000	1,215,000
Sewer Utility		
Bonds and Notes	<u>845,000</u>	<u>440,000</u>
Total Issued	25,595,000	27,081,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,801,561</u>	<u>1,643,561</u>
Net Debt Issued	23,793,439	25,437,439
Authorized But Not Issued		
General		
Bonds and Notes	4,547,699	2,000,699
Water Utility		
Bonds and Notes	377,363	377,363
Sewer Utility		
Bonds and Notes	<u>5,559,641</u>	<u>5,979,641</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 34,278,142</u>	<u>\$ 33,795,142</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and Report of Audit indicates a statutory net debt of 1.00% and 1.01% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 28,217,699	\$ 1,572,331	\$ 26,645,368
School Debt	3,117,652	3,117,652	
Water and Sewer Utility Debt	<u>7,862,004</u>	<u>7,862,004</u>	<u>-</u>
Total	<u>\$ 39,197,355</u>	<u>\$ 12,551,987</u>	<u>\$ 26,645,368</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 27,426,699	\$ 1,414,331	\$ 26,012,368
School Debt	3,797,646	3,797,646	
Water and Sewer Utility Debt	<u>8,012,004</u>	<u>8,012,004</u>	<u>-</u>
Total	<u>\$ 39,236,349</u>	<u>\$ 13,223,981</u>	<u>\$ 26,012,368</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 93,471,689	\$ 90,176,893
Less: Net Debt	<u>26,645,368</u>	<u>26,012,368</u>
Remaining Borrowing Power	<u>\$ 66,826,321</u>	<u>\$ 64,164,525</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$1,096,000, 2006 Bonds, due in annual installments of \$96,000 on December 1, 2021, interest at 4.00%		\$ 96,000
\$14,235,000, 2015 Bonds, due in annual installments of \$1,025,000 to \$1,120,000 through December 1, 2029, interest at 3.00-3.125%	\$ 8,560,000	9,560,000
\$15,770,000, 2020 Bonds, due in annual installments of \$750,000 to \$1,030,000 through December 1, 2038, interest at 1.00-2.00%	<u>15,110,000</u>	<u>15,770,000</u>
	<u>\$ 23,670,000</u>	<u>\$ 25,426,000</u>

Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The water and sewer utility bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Water Utility		
\$1,995,000, 2015 Bonds, due in annual installments of \$135,000 through December 1, 2029, interest at 3.00-3.125%	<u>\$ 1,080,000</u>	<u>\$ 1,215,000</u>
Sewer Utility		
\$230,000, 2015 Bonds, due in annual installments of \$15,000 to \$20,000 through December 1, 2029, interest at 3.00-3.125%	<u>\$ 125,000</u>	<u>\$ 140,000</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	General Bonds		Water Utility Bonds		Sewer Utility Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 1,775,000	\$ 481,795	\$ 135,000	\$ 32,569	\$ 15,000	\$ 3,775	\$ 2,443,139
2023	1,790,000	443,545	135,000	28,519	15,000	3,325	2,415,389
2024	1,830,000	405,145	135,000	24,469	15,000	2,875	2,412,489
2025	1,845,000	365,845	135,000	20,419	15,000	2,425	2,383,689
2026	1,890,000	326,395	135,000	16,369	15,000	1,975	2,384,739
2027-2031	7,700,000	1,041,225	405,000	24,807	50,000	3,225	9,224,257
2032-2036	4,800,000	495,000					5,295,000
2037-2038	2,040,000	61,400	-	-	-	-	2,101,400
	<u>\$ 23,670,000</u>	<u>\$ 3,620,350</u>	<u>\$ 1,080,000</u>	<u>\$ 147,152</u>	<u>\$ 125,000</u>	<u>\$ 17,600</u>	<u>\$ 28,660,102</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One Year
<u>General Capital Fund</u>					
Bonds Payable	<u>\$ 25,426,000</u>	<u>\$ -</u>	<u>\$ 1,756,000</u>	<u>\$ 23,670,000</u>	<u>\$ 1,775,000</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	<u>\$ 1,215,000</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 1,080,000</u>	<u>\$ 135,000</u>
<u>Sewer Utility Capital Fund</u>					
Bonds Payable	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 125,000</u>	<u>\$ 15,000</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>General Capital Fund</u>					
Bonds Payable	\$ 10,701,000	\$ 15,770,000	\$ 1,045,000	\$ 25,426,000	\$ 1,756,000
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 1,345,000	\$ -	\$ 130,000	\$ 1,215,000	\$ 135,000
<u>Sewer Utility Capital Fund</u>					
Bonds Payable	\$ 155,000	\$ -	\$ 15,000	\$ 140,000	\$ 15,000

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance December 31, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2021</u>
<u>General Capital Fund</u>						
None						
			Balance December 31, <u>2019</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2020</u>
<u>General Capital Fund</u>						
Various Improvements	2.00%	12/13/2020	\$ 1,100,000		\$ 1,100,000	-
Van Allen House Improvements	2.00%	12/13/2020	2,298,000		2,298,000	-
Renovation of Library	2.00%	12/13/2020	1,553,000		1,553,000	-
Various Public Improvements and Acquisition of New Communication Equipment	2.00%	12/13/2020	1,000,000		1,000,000	-
Various Public Improvements	2.00%	12/13/2020	1,000,000		1,000,000	-
Various Public Improvements	2.00%	12/13/2020	1,000,000	-	1,000,000	-
Total General Capital Fund			\$ 7,951,000	\$ -	\$ 7,951,000	\$ -

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

	Rate (%)	Maturity Date	Balance December 31, 2020	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2021
<u>Sewer Utility Capital Fund</u>						
Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	0.55%	12/11/2021	\$ 300,000		\$ 300,000	
	0.34%	4/1/2022		\$ 300,000		\$ 300,000
Infiltration and Inflow Reduction to the Skyview Collection System	0.34%	4/1/2022	-	420,000	-	420,000
Total Sewer Utility Capital Fund			<u>\$ 300,000</u>	<u>\$ 720,000</u>	<u>\$ 300,000</u>	<u>\$ 720,000</u>

	Rate (%)	Maturity Date	Balance December 31, 2019	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2020
<u>Sewer Utility Capital Fund</u>						
Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	2.00%	12/13/2020	\$ 300,000		\$ 300,000	
	0.55%	12/11/2021	-	\$ 300,000	-	\$ 300,000
Total Sewer Utility Capital Fund			<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund. The amounts issued for the sewer utility activities are accounted for in the Sewer Utility Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

	<u>Remaining Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2021</u>		
E-One Cycone II Ladder Truck	\$ 1,198,522	2022
Radio Communications System	55,343	2022
2020 Road Program	43,136	2022
Skyview/Hibrook Sanitary Sewer Line Project	42,083	2022
2021 Road Program	321,205	2022
Ramapo Valley Road Pedestrian Safety Imprvts	613,872	2022
2022 Ford Utility Police Vehicle	32,991	2022
2022 Ford Utility Police Vehicle	32,991	2022
Doty/Lakeview Water Main Improvements	343,885	2022
Grandview/Mountainview Water Main Imprvts	309,988	2022
2022 Ford Utility Police Vehicle	37,311	2022
<u>2020</u>		
2018 Road Program	\$ 191,938	2021
Construction of a Roller Hockey Rink	27,945	2021
2019 Road Program	152,126	2021
Fire Co. 1 Accessory Garage Project	36,949	2021
E-One Cycone II Ladder Truck	1,198,522	2021
Radio Communications System	173,336	2021
Removal of The Stream House	117,300	2021
2020 Road Program	1,084,238	2021
2021 Chevrolet Tahoe Police Vehicle	39,678	2021
2021 Chevrolet Tahoe Police Vehicle	39,841	2021
Virtual Desktop System	37,001	2021
Yale Way Drainage Improvement Project	85,207	2021
2021 Ford Trucks with Plow and Snow Plow	90,100	2021
SCBA Packs	221,348	2021

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 11 OPERATING LEASES

The Borough leases copies under noncancelable operating leases. Lease payments for the years ended December 31, 2021 and 2020 were \$9,624 and \$9,624, respectively. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ <u>1,604</u>
Total	\$ <u><u>1,604</u></u>

NOTE 12 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal time, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,879,940 and \$1,761,710 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$300,130 and \$344,807, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough’s changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 1,761,710	\$ 118,230		\$ 1,879,940	
Net OPEB Obligation	37,404,819		\$ 1,015,188	36,389,631	
Net Pension Liability					
PERS (1)	7,009,845			7,009,845	
PFRS (1)	<u>11,573,800</u>	<u>-</u>	<u>-</u>	<u>11,573,800</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 57,750,174</u>	<u>\$ 118,230</u>	<u>\$ 1,015,188</u>	<u>\$ 56,853,216</u>	<u>\$ -</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 1,250,901	\$ 510,809		\$ 1,761,710	
Net OPEB Obligation	33,925,875	3,478,944		37,404,819	
Net Pension Liability					
PERS	7,366,141		\$ 356,296	7,009,845	
PFRS	<u>10,981,937</u>	<u>591,863</u>	<u>-</u>	<u>11,573,800</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 53,524,854</u>	<u>\$ 4,581,616</u>	<u>\$ 356,296</u>	<u>\$ 57,750,174</u>	<u>\$ -</u>

(1) - GASB Statement Number 68 Pension financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen’s Retirement System (PFRS) – established in July 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 December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

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

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service.

Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PERS and PFRS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2021, 2020 and 2019 were equal to the required contributions.

During the years ended December 31, 2021, 2020 and 2019, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 1,000,665	\$ 470,242	\$ 11,216
2020	906,450	398,455	10,242
2019	907,132	429,075	6,175

In addition for the years ended December 31, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$791 and \$739, respectively for PERS. Due to favorable claims experience, no LTDI premium contribution was required for the year ended December 31, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

At December 31, 2020, the Borough reported a liability of \$7,009,845 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was 0.04298 percent, which was an increase of 0.00210 percent from its proportionate share measured as of June 30, 2019 of 0.04088 percent.

For the years ended December 31, 2020, the pension system has determined the Borough's pension expense to be \$99,749, for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$398,455. At December 31, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 127,638	\$ 24,790
Changes of Assumptions	227,407	2,935,089
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	239,602	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>425,398</u>	<u>341,832</u>
Total	<u>\$ 1,020,045</u>	<u>\$ 3,301,711</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (897,184)
2022	(796,040)
2023	(444,492)
2024	(115,966)
2025	(27,984)
Thereafter	<u>-</u>
	<u>\$ (2,281,666)</u>

**BOROUGH OF OAKLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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 rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, as reported for the years ended December 31, 2020, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was 7% for calendar year 2020 with a measurement date of June 30, 2020.

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 8,824,225	\$ 7,009,845	\$ 5,470,294

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Borough reported a liability of \$11,573,800, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was 0.089571 percent, which was a decrease of 0.000166 percent from its proportionate share measured as of June 30, 2019 of 0.089737 percent.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

For the years ended December 31, 2020, the pension system has determined the Borough pension expense to be \$512,085 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$906,450. At December 31, 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 116,684	\$ 41,537
Changes of Assumptions	29,125	3,102,866
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	678,626	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>108,325</u>	<u>681,846</u>
Total	<u>\$ 932,760</u>	<u>\$ 3,826,249</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (1,250,603)
2022	(939,960)
2023	(456,821)
2024	(146,814)
2025	(99,291)
Thereafter	<u>-</u>
	<u>\$ (2,893,489)</u>

**BOROUGH OF OAKLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

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

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

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 rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2020, as reported for the years ended December 31, 2020, respectively, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was 7% for calendar year 2020 with a measurement date of June 30, 2020.

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Discount Rate (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 15,390,772</u>	<u>\$ 11,573,800</u>	<u>\$ 8,403,513</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

At December 31, 2020, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,796,201. For the years ended December 31, 2020, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$203,563, which is more than the actual contributions the State made on behalf of the Borough of \$138,217. At December 31, 2020 (measurement date June 30, 2020) the State’s share of the PFRS net pension liability attributable to the Borough was 0.089571 percent, which was a decrease of 0.000166 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of 0.089737 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

**BOROUGH OF OAKLAND
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Borough provides a postemployment healthcare plan (OPEB) for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Medical Employee Benefits Fund on behalf of the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements.

Employees Covered by Postemployment Benefits

At December 31, 2021 and 2020, the following employees were covered by postemployment health care benefits:

	<u>2021</u>	<u>2020</u>
Active Employees	65	65
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>49</u>	<u>45</u>
	<u>114</u>	<u>110</u>

At December 31, 2021 and 2020, the Borough’s total OPEB liabilities were \$36,389,631 and \$37,404,819, respectively. Net OPEB liability was measured as of December 31, 2021 and December 31, 2020, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2021 and 2020, the Borough has determined it’s OPEB expense to be \$1,681,673 and \$1,932,839, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Borough’s financial statements of \$965,230 and \$691,248, respectively. At December 31, 2021 and 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2021 and 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience				
Changes of Assumptions	\$ 5,396,952	\$ 1,195,497	\$ 5,933,086	
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments				
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions				
Contributions made Subsequent to the Measurement Date	-	-	-	-
Total	<u>\$ 5,396,952</u>	<u>\$ 1,195,497</u>	<u>\$ 5,933,086</u>	<u>\$ -</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ 425,193
2023	425,193
2024	425,193
2025	425,193
2026	425,193
Thereafter	<u>2,075,490</u>
	<u>\$ 4,201,455</u>

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2021 was based on the December 31, 2021 measurement date as determined by an actuarial valuation. The total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation. his actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Key Actuarial Assumptions

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement.
Turnover	NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility.
Assumed Retirement Age	At first eligibility after the completion of 15 years of service police and white collar, later of 15 years of service and age 62 library, 25 years of service all others.
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	2.12% Based on the Bond Buyer 20 Index December 31, 2020. 2.06% Based on the Bond Buyer 20 Index as of December 31, 2019.
CPI Increase	2.5%
Rate of Salary Increase	2.5%
Medical Trend	Medical: 5.5% in 2021, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026. Drug: 7.0% in 2021, reducing by 0.5% per annum leveling at 4.5% per annum in 2026. Medicare Advantage: 4.5% per annum Dental: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

- Attribution Period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2020 premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each aged based on the medical cost aging factors until age 65. At age 65, Medicare becomes the primary payor of medical benefits and aging factors are not applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2021 salaries were reported as \$5.895 million.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2021 and 2020 based on measurement dates of December 31, 2021 and December 31, 2020, respectively are as follows:

	Total OPEB Liability 2021	Total OPEB Liability 2020
Balance - Beginning of Year	\$ 37,404,819	\$ 33,925,875
Changes for the Year:		
Service Cost	\$ 463,895	463,895
Interest on the Total OPEB Liability	792,585	932,810
Changes in Assumptions	(1,306,438)	2,773,487
Benefit Payments	(965,230)	(691,248)
Net Changes	<u>(1,015,188)</u>	<u>3,478,944</u>
Balance - End of Year	<u>\$ 36,389,631</u>	<u>\$ 37,404,819</u>

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2021 and 2020 calculated using the discount rate of 2.06% and 2.12%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.06% and 1.12% or 1-percentage-point higher 3.06% and 3.12%, respectively, than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
<u>2021</u>			
Net OPEB Liability	<u>\$ 41,753,549</u>	<u>\$ 36,389,631</u>	<u>\$ 32,067,776</u>
	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
<u>2020</u>			
Net OPEB Liability	<u>\$ 41,635,106</u>	<u>\$ 37,404,819</u>	<u>\$ 333,921,333</u>

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough’s net OPEB liability as of December 31, 2021 and 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough’s net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<u>2021</u>			
Net OPEB Liability	<u>\$ 32,482,877</u>	<u>\$ 36,389,631</u>	<u>\$ 41,146,169</u>
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
<u>2020</u>			
Net OPEB Liability	<u>\$ 33,414,219</u>	<u>\$ 37,404,819</u>	<u>\$ 42,302,165</u>

NOTE 15 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Oakland is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

The Borough is also a member of the Bergen Municipal Employee Benefits Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The BMED coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit’s governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund’s Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 15 RISK MANAGEMENT (Continued)

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 10,676	\$ 365	\$ 149,596
2020	13,610	9,902	139,102
2019	13,450	18,035	135,394

NOTE 16 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough’s Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2021 and 2020, the Borough reserved \$337,709 and \$320,009, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 17 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2020 and 2019, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 23, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Oakland approved the adoption of the Plan at the general election held in November 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Oakland has contributed \$1,585 and \$1,422 for 2021 and 2020, respectively, for each eligible volunteer fire department and or first aid corp. member into the Plan. The total Borough contributions were \$57,075 and \$86,725 for 2021 and 2020, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Oakland's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Oakland's primary revenue source for supporting its budget. The Borough of Oakland cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact.

The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

**BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

The Borough will receive \$1,352,946 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$676,473. The Borough has not yet determined how it will spend the plan installment. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

NOTE 20 SUBSEQUENT EVENTS

Bond Anticipation Notes

On March 29, 2022 the Borough issued bond anticipation notes in the amount of \$720,000 to temporarily finance expenditures related to various capital projects. The Borough have awarded the sale of said notes to Amboy Bank at an interest rate of 1.05%. These notes dated April 1, 2022 matured on July 1, 2022. The Borough on July 1, 2022 renewed \$230,000 of the note which will mature on June 30, 2023. The interest rate on this note is 2.56%.

Debt Authorized

On February 9, 2022 the Borough adopted a sewer utility bond ordinance authorizing the additional sum of \$2,000,000 in Bonds or notes for the decommissioning and conversion of various sanitary sewer treatment plants to pump stations and the construction of force mains to connect to the northwest Bergen County Utilities Authority Treatment System.

Sewer Utility Note

On June 3, 2022 the Borough entered into a financial obligation of \$7,681,070 to the Water Bank Construction Financing Program of NJ Infrastructure Bank (the “CFB Note”). The financing will provide resources for the decommissioning and conversion of various sanitary sewer treatment plants to pump stations and the construction of force mains to connect to the northwest Bergen County Utilities Authority Treatment System.

The CFB Note bears interest at a variable rate adjusted monthly. The maturity date of the Note will be determined upon project completion.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

**BOROUGH OF OAKLAND
STATEMENT OF CURRENT CASH**

Balance, December 31, 2020		\$ 8,082,381
Increased by Receipts:		
Taxes Receivable	\$ 66,170,027	
Tax Title Liens	3,097	
Prepaid Taxes	592,683	
Tax Overpayments	82,504	
Grants Receivable	390,441	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	76,250	
Revenue Accounts Receivable	3,225,836	
Non-Budget Revenue	218,631	
Receipts from Animal Control Trust Fund	36	
Receipts from Other Trust Fund	251,103	
Receipts from Municipal Open Space Trust Fund	200,000	
Receipts from Unemployment Insurance Trust Fund	408	
Receipts from General Capital Fund	11,697	
Health Benefit Reserve	250,000	
Unappropriated Grant Reserves	710,612	
State of NJ Fees	16,292	
	<u>72,199,617</u>	
		80,281,998
Decreased by Disbursements:		
2021 Budget Appropriations	18,519,850	
2020 Appropriation Reserves	567,875	
Appropriated Grant Reserves	302,082	
Tax Overpayments	179,991	
Accounts Payable	557,831	
County Taxes Payable	6,599,431	
Local District School Taxes Payable	31,225,936	
Regional School Taxes Payable	12,770,613	
Reserve for Tax Appeals	77,300	
Payments to General Capital Fund	260,578	
Payments to Other Trust Fund	500,000	
Payments to Municipal Open Space Trust Fund	217,597	
Payments to Sewer Utility Operating Fund	168,444	
State of NJ Fees Payable	8,792	
Refund of Prior Year Revenue	35,436	
	<u>71,991,756</u>	
		<u>\$ 8,290,242</u>
Balance, December 31, 2021		

**BOROUGH OF OAKLAND
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
Tax Collector	\$ 100	\$ 100
Water and Sewer	100	100
Borough Clerk	<u>50</u>	<u>50</u>
	<u>\$ 250</u>	<u>\$ 250</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2020		\$ 9,494
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 8,000	
Veterans' Deductions Per Tax Billings	67,750	
Senior Citizens' and Veterans Deductions Allowed by Tax Collector	<u>3,250</u>	<u>79,000</u>
		88,494
Decreased by:		
Cash Received from State of New Jersey	76,250	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector	<u>3,250</u>	<u>79,500</u>
Balance, December 31, 2021		<u>\$ 8,994</u>

**BOROUGH OF OAKLAND
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	Balance, December 31,		<u>Added Taxes</u>	Senior Citizens' and Veterans' Deductions	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions	Transfer to Tax Title Liens	Cancelled	Balance, December 31,
	<u>2020</u>	<u>2021 Levy</u>		<u>Disallowed</u>	<u>2020</u>	<u>2021</u>	<u>Allowed</u>			<u>2021</u>
2020	\$ 7,364		\$ 4,336		\$ 11,700					
2021	<u>-</u>	<u>\$ 66,802,366</u>	<u>-</u>	<u>\$ 3,250</u>	<u>\$ 428,810</u>	<u>66,158,327</u>	<u>\$ 79,000</u>	<u>\$ 44,772</u>	<u>\$ 78,285</u>	<u>\$ 16,422</u>
	<u>\$ 7,364</u>	<u>\$ 66,802,366</u>	<u>\$ 4,336</u>	<u>\$ 3,250</u>	<u>\$ 428,810</u>	<u>\$ 66,170,027</u>	<u>\$ 79,000</u>	<u>\$ 44,772</u>	<u>\$ 78,285</u>	<u>\$ 16,422</u>

Analysis of 2021 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 66,727,728
Added Taxes (54:4-63.1 et seq.)	<u>74,638</u>
	<u>\$66,802,366</u>
Tax Levy	
Local District School Tax	\$ 31,225,936
Regional School Tax	12,770,613
County Tax	6,330,879
County Open Space Tax	262,465
Due for Added and Omitted Taxes (54:4-63.1 et seq.)	<u>7,802</u>
	50,597,695
Local Tax for Municipal Purposes	15,033,285
Minimum Library Tax	873,712
Municipal Open Space Tax	217,354
Municipal Open Space Tax Added	258
Add Additional Tax Levies	<u>80,062</u>
	<u>16,204,671</u>
	<u>\$66,802,366</u>

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BOROUGH OF OAKLAND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2020		\$	357,196
Increased by:			
Transferred from Taxes Receivable			44,772
			401,968
Decreased by:			
Transferred to Property Acquired for Taxes		\$	90,610
Collections			3,097
			93,707
Balance, December 31, 2021		\$	308,261

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2020</u>	Grants <u>Awarded</u>	<u>Receipts</u>	<u>Cancelled</u>	<u>Adjustments</u>	Balance, December 31, <u>2021</u>
Municipal Alliance Grant	\$ 10,293	\$ 9,876	\$ 3,301	\$ 5,368		\$ 11,500
Sustainable Jersey Grant	4,000					4,000
Highlands - Plan Conformance	249,357		74,689			174,668
Highlands - Transfer Development Rights	4,824					4,824
Drunk Driving Enforcement Fund	2,776	6,502	6,502	2,776		
BMED - Employee Wellness - 2019	1,796					1,796
BMED - Employee Wellness - 2020	10,000		4,202			5,798
BMED - Employee Wellness - 2021		10,000				10,000
Clean Communities - Mini		300	300			
BCUA Recycling	3,000					3,000
Roots for Rivers - 2019	2,908		148			2,760
Recycling Tonnage Grant		42,067	42,067			
Community Garden Grant	8,000		756			7,244
Roots for Rivers - 2020					\$ 2,172	2,172
Police Body Worn Cameras Grant		52,988				52,988
Safe Routes to School		70,202				70,202
County of Bergen - Roosevelt Riverfront		79,534				79,534
Brotherton Tennis		30,000	30,000			
Bergen County Tennis		33,500				33,500
Great Oak Band Shell		40,200				40,200
CDBG - Water Main		75,000				75,000
Community Forestry Grant		21,788				21,788
Senior Center Upgrades		42,191				42,191
Driving While Impaired		6,000				6,000
Audobon Society Grant		1,500	1,500			
CDBG - Senior Citizen Center	119,316					119,316
FEMA - Firefighters Grant	210,476		210,476			
Alcohol Education and Rehabilitation		454	454			
Senior Citizens Center Software Grant	10,300		10,300			
Body Armor Replacement Fund	4,577	2,219	2,219			4,577
Bulletproof Vest Grant	2,634	458				3,092
Bergen County Open Space						
Ramapo Valley Park	40,000					40,000
Van Allen/Stream House	19,503					19,503
Bergen County Park Improvement Pgm	17,125	-	3,527	13,598	-	-
	\$ 720,885	\$ 524,779	\$ 390,441	\$ 21,742	\$ 2,172	\$ 835,653

BOROUGH OF OAKLAND
STATEMENT OF PROPERTY ACQUIRED FOR TAXES

Balance, December 31, 2020	\$ 1,054,950
Increased by:	
Transferred from Tax Title Liens	90,610
	1,145,560
Decreased by:	
Adjustment to Assessed Valuation	5,010
Balance, December 31, 2021	\$ 1,140,550

EXHIBIT A-11

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2021</u>
Licenses				
Alcoholic Beverage		\$ 24,450	\$ 24,450	
Other		31,709	31,709	
Fees and Permits		123,940	123,940	
Construction Code Official				
Fees and Permits		162,105	162,105	
Recreation				
Fees and Permits		436,470	436,470	
Municipal Court				
Fines and Costs	\$ 13,461	224,616	223,928	\$ 14,149
Interest and Costs on Taxes		50,638	50,638	
Interest on Investments and Deposits		23,888	23,888	
Energy Receipts Tax		1,312,169	1,312,169	
Cellular Tower Lease		201,116	201,116	
Cablevision Franchise Fee		116,495	116,495	
Verizon Franchise Fee		67,676	67,676	
Real Property Lease		82,584	82,584	
Sale of Recyclables		18,586	18,586	
Shared Service Agreement - School Crossing Guards		5,375	5,375	
Off Duty Police Officers Administrative Fees		65,738	65,738	
Pension Reimbursement - Library		49,000	49,000	
Pension Reimbursement - Water Utility		79,000	79,000	
Recreation/CAP Field Contribution		9,595	9,595	
Tree Permit Fees	-	17,175	17,175	-
	\$ 13,461	\$ 3,226,524	\$ 3,225,836	\$ 14,149

BOROUGH OF OAKLAND
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	<u>Transfers</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages						
General Administration	\$ 680			\$ 680		\$ 680
General Services	79			79		79
Mayor and Council	48			48		48
Elections	1,425			1,425		1,425
Financial Administration	5,749			5,749	\$ 3,076	2,673
Tax Assessment	2,792			2,792		2,792
Revenue Administration	15,879			15,879	275	15,604
Land Use Administration	1,706			1,706		1,706
Zoning Board of Adjustment	1,706			1,706		1,706
Police	495,008			495,008	54,892	440,116
Flood Control Committee	338			338		338
Office of Emergency Management	854			854		854
Fire	12,249			12,249		12,249
Streets and Road Maintenance	4,209			4,209		4,209
Snow Removal	59,648			59,648	59,648	-
Solid Waste Collection	2,544			2,544		2,544
Buildings and Grounds	6,758			6,758	706	6,052
Environmental Health Services Commission	176			176		176
Board of Health	2,028			2,028		2,028
Board of Recreation Commissioners	55,264			55,264		55,264
Senior Citizens Activities	7,815			7,815		7,815
Municipal Court	9,379			9,379		9,379
Uniform Construction Code	46,252			46,252	1,054	45,198
Stormwater Management	209	-	-	209	-	209
Total Salaries and Wages	732,795	-	-	732,795	119,651	613,144
Other Expenses						
General Administration	1,733		\$ 181	1,914		1,914
Communication Committee	2,785		2,070	4,855		4,855
General Services	9,219			9,219	439	8,780
Mayor and Council	22,683			22,683		22,683
Municipal Clerk	1,034		4,188	5,222		5,222
Elections	3,226			3,226		3,226
Financial Administration	7,073			7,073	2,669	4,404
Information Technology	13,925		3,764	17,689		17,689
Revenue Administration	602		186	788		788
Tax Assessment Administration	1,026			1,026		1,026
Legal Services and Costs	35,000		36,283	71,283		71,283
Engineering Services	4,350			4,350	193	4,157
Land Use Administration	7,273		1,203	8,476		8,476
Zoning Board of Adjustment	2,167			2,167	98	2,069
Insurance						
General Liability			4,975	4,975		4,975
Other Insurance	13,874			13,874	6,448	7,426
Workmans Compensation			15,643	15,643		15,643
Employee Group Health Employee Waiver	1,645			1,645	1,645	-
Employee Group Insurance	180,938			180,938	180,938	-
Police	24,492		5,772	30,264		30,264
Flood Control Committee	1,500			1,500		1,500
Office of Emergency Management	7,750			7,750		7,750

BOROUGH OF OAKLAND
STATEMENT OF APPROPRIATION RESERVES
(Continued)

	Balance, December 31, 2020	Transfers	Cancelled Payables	Balance After Modification	Expended	Balance Lapsed
Other Expenses (Continued)						
Fire	\$ 18,586	\$ (1,569)	\$ 5,769	\$ 22,786		\$ 22,786
Aid to Volunteer First Aid	12,506			12,506	\$ 12,506	-
Streets and Road Maintenance	37,773		809	38,582		38,582
Snow Removal	39,939			39,939	39,939	-
Shade Tree Commission	124			124		124
Solid Waste Collection	4,585		17,782	22,367		22,367
Buildings and Grounds	5,378		23,089	28,467		28,467
Vehicle Maintenance	3,906			3,906	176	3,730
Board of Health	5,493		2,165	7,658		7,658
Environmental Health Services Commission	450		425	875		875
Board of Recreation Commissioners	91,633			91,633	571	91,062
Senior Citizens Activities	17,054		2,339	19,393		19,393
Municipal Court	10,283			10,283	2,036	8,247
Public Defender	2,600		4,400	7,000		7,000
Municipal Prosecutor	650		4,150	4,800		4,800
Uniform Construction Code	7,290		1,200	8,490		8,490
Gasoline	65,748		9,796	75,544		75,544
Electricity	33,015			33,015	8,985	24,030
Natural Gas	3,465		2,446	5,911		5,911
Street Lighting	26,319			26,319	25,885	434
Telephone	6,969			6,969	3,271	3,698
Contingent	5,000			5,000		5,000
Public Employees Retirement System			300	300		300
Social Security	44,530			44,530	29,876	14,654
Defined Contribution Retirement Program	2,758			2,758	2,758	-
Length of Service Awards Program	88,000	1,569		89,569	86,725	2,844
Stormwater Management	9,652			9,652	1,600	8,052
911 System	236			236		236
Maintenance of Free Public Library	41,466			41,466	41,466	-
Matching Fund for Grants	2,000	-	-	2,000	-	2,000
Total Other Expenses	<u>929,703</u>	<u>-</u>	<u>148,935</u>	<u>1,078,638</u>	<u>448,224</u>	<u>630,414</u>
	<u>\$ 1,662,498</u>	<u>\$ -</u>	<u>\$ 148,935</u>	<u>\$ 1,811,433</u>	<u>\$ 567,875</u>	<u>\$ 1,243,558</u>

**BOROUGH OF OAKLAND
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2020		\$ 721,703
Increased by:		
Charges to 2021 Budget Appropriation	\$ 1,201,964	
Charges to Appropriated Grant Reserves	<u>220,136</u>	
		<u>1,422,100</u>
		2,143,803
Decreased by:		
Cash Disbursements	\$ 557,831	
Cancelled to Operations	14,937	
Payables Restored to Appropriation Reserves	<u>148,935</u>	
		<u>721,703</u>
Balance, December 31, 2021		<u>\$ 1,422,100</u>

EXHIBIT A-14

STATEMENT OF PREPAID TAXES

Balance, December 31, 2020		\$ 428,810
Increased by:		
2022 Taxes Collected		<u>592,683</u>
		1,021,493
Decreased by:		
Applied to 2021 Taxes Receivable		<u>428,810</u>
Balance, December 31, 2021		<u>\$ 592,683</u>

EXHIBIT A-15

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2020		\$ 162,730
Increased by:		
Overpayments Collected		<u>82,504</u>
		245,234
Decreased by:		
Refunds		<u>179,991</u>
Balance, December 31, 2021		<u>\$ 65,243</u>

**BOROUGH OF OAKLAND
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2020		\$ 6,087
Increased by:		
Tax Levy:		
County Taxes	\$ 6,330,879	
County Open Space Preservation	262,465	
Added and Omitted Taxes	<u>7,802</u>	
		<u>6,601,146</u>
		6,607,233
Decreased by:		
Payments		<u>6,599,431</u>
Balance, December 31, 2021		<u>\$ 7,802</u>

EXHIBIT A-17

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy - Calendar Year		<u>\$ 31,225,936</u>
Decreased by:		
Payments		<u>\$ 31,225,936</u>

EXHIBIT A-18

STATEMENT OF REGIONAL HIGH SCHOOL TAXES PAYABLE

Increased by:		
Levy - Calendar Year		<u>\$ 12,770,613</u>
Decreased by:		
Payments		<u>\$ 12,770,613</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2020	\$ 320,009
Increased by:	
Budget Appropriation	<u>95,000</u>
	415,009
Decreased by:	
Tax Refunds	<u>77,300</u>
Balance, December 31, 2021	<u><u>\$ 337,709</u></u>

STATEMENT OF DUE FROM SEWER UTILITY OPERATING FUND

Increased by:	
Payments to Sewer Utility Operating Fund	\$ 168,444
Decreased by:	
Anticipated Sewer Deficit included in Current Fund Budget	<u>80,754</u>
Balance, December 31, 2021	<u><u>\$ 87,690</u></u>

**STATEMENT OF APPROPRIATED RESERVES -
PUBLIC AND PRIVATE PROGRAMS**

	Balance, December 31, 2020	Transferred from 2021 Appropriations	Paid or Charged	Adjustments	Balance, December 31, 2021
NJ State Police OEM Grant	\$ 8,008				\$ 8,008
Recycling Tonnage Grant	4,398	\$ 42,067	\$ 33,674		12,791
Clean Communities	38,448	25,993	28,761		35,680
Clean Communities Mini		300	79		221
Police Body Armor		2,219			2,219
Bulletproof Vest Grant	2,231	458	2,668		21
Drunk Driving Enforcement Fund	10,136	6,502	2,354	\$ 5,552	8,732
Alcohol Education and Rehabilitation	1,695	454	900		1,249
Municipal Alliance Grant					
State Share	18,001	9,876	2,488	401	24,988
Local Share	4,646	2,469	1,939	4,967	209
CDBG - Emergency Generators - Senior Center	7,316				7,316
BMED - Employee Wellness - 2019	1,349		1,349		-
BMED - Employee Wellness - 2021		10,000	4,534		5,466
Sustainable Jersey Grant	625		625		-
Audobon Society Grant		1,500	1,497		3
Roots for Rivers	2,907		4,902	(2,172)	177
Highlands - Plan Conformance	108,008		17,873		90,135
BMED - Employee Wellness - 2020	9,205		1,857		7,348
Radon Awareness Grant	2,000		2,000	(2,000)	2,000
Community Garden Grant	4,278		3,672		606
Senior Citizens Center Software Grant	10,300		10,300		-
Police Body Worn Camera Grant		52,988	40,760		12,228
Safe Routes to School		70,202	70,202		-
County of Bergen - Roosevelt Riverfront		79,534			79,534
Brotherton Tennis		63,500			63,500
Great Oak Band Shell		40,200			40,200
CDBG - Water Main		75,000	75,000		-
Community Forestry Grant		21,788			21,788
Senior Center Upgrades		42,191			42,191
Driving While Impaired		6,000	781		5,219
FEMA - Firefighters Grant	210,476		210,476		-
Bergen County Roller Hockey	17,125		3,527	13,598	-
Bergen County Open Space					-
Ramapo Valley Park	28,741				28,741
Van Allen/Stream House	352				352
NJ Motor Vehicle Service Police Fees	24,285	-	-	-	24,285
	<u>\$ 514,530</u>	<u>\$ 553,241</u>	<u>\$ 522,218</u>	<u>\$ 20,346</u>	<u>\$ 525,207</u>
Cash Disbursements			\$ 302,082		
Accounts Payable			<u>220,136</u>		
			<u>\$ 522,218</u>		
				\$ 21,742	
				<u>(1,396)</u>	
				<u>\$ 20,346</u>	

BOROUGH OF OAKLAND
STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, December 31, 2020	Cash Received	Appropriated in 2021 Budget	Balance, December 31, 2021
Clean Communities Grant	\$ 25,993	\$ 27,659	\$ 25,993	\$ 27,659
American Rescue Plan		676,473		676,473
Body Armor Grant		1,480		1,480
Bergen County 200 Club	-	5,000	-	5,000
	<u>\$ 25,993</u>	<u>\$ 710,612</u>	<u>\$ 25,993</u>	<u>\$ 710,612</u>

EXHIBIT A-23

**STATEMENT OF DUE TO STATE OF NEW JERSEY-
FEES PAYABLE**

	Total	UCC Fees	Marriage License Fees
Balance, December 31, 2020	\$ 5,083	\$ 4,983	\$ 100
Increased by:			
Cash Received	<u>16,292</u>	<u>16,119</u>	<u>173</u>
	21,375	21,102	273
Decreased by:			
Payments to State of New Jersey	<u>8,792</u>	<u>8,792</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 12,583</u>	<u>\$ 12,310</u>	<u>\$ 273</u>

EXHIBIT A-24

STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY

Purpose	Amount Authorized	1/5 of Amount Authorized	Balance, December 31, 2020	Amount Resulting from 2021	Amount in 2021 Budget	Balance, December 31, 2021
Revaluation of Real Property - 6/23/2021	\$ 200,000	\$ 40,000	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>

TRUST FUNDS

**BOROUGH OF OAKLAND
STATEMENT OF TRUST CASH**

	<u>Animal Control</u>		<u>Other Trust</u>		<u>Unemployment</u>		<u>Municipal Open Space</u>	
Balance, December 31, 2020	\$	21,689	\$	8,150,385	\$	146,981	\$	766,336
Increased by Receipts:								
Interest on Investments and Deposits	\$	36	1,103	\$	183	\$	937	
Employee Payroll Deductions			14,430,001		10,676			
Developer's Escrow and Other Reserves			2,506,776					
State Dog License Fees	1,700							
Animal Control Fees	16,829							
Receipts Due to Current Fund								
Receipts from Current Fund			500,000				217,597	
Health Benefits	-		449,032		-		-	
		<u>18,565</u>		<u>17,886,912</u>		<u>10,859</u>		<u>218,534</u>
		40,254		26,037,297		157,840		984,870
Decreased by Disbursements:								
Expenditures Under R.S. 4:19-15.11	15,397							
Payments to Current Fund	36		251,103		408		200,000	
Payments to State of New Jersey	1,700				7,836			
Miscellaneous Payments								
Developer's Escrow and Other Reserves			2,315,660					
Payroll Deductions Payable			14,652,360					
Reserve for Health Benefit Claims			275,550					
Municipal Open Space Expenditures	-		-		-		6,000	
		<u>17,133</u>		<u>17,494,673</u>		<u>8,244</u>		<u>206,000</u>
Balance, December 31, 2021	\$	<u>23,121</u>	\$	<u>8,542,624</u>	\$	<u>149,596</u>	\$	<u>778,870</u>

**BOROUGH OF OAKLAND
STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance, December 31, 2020	\$	30
Increased by:		
State Fees Collected		<u>1,700</u>
		1,730
Decreased by:		
Payments to State of New Jersey		<u>1,700</u>
Balance, December 31, 2021	\$	<u><u>30</u></u>

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Increased by:		
Interest and Deposits	\$	36
Decreased by:		
Payments to Current Fund		<u>36</u>
Balance, December 31, 2021	\$	<u><u>-</u></u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, December 31, 2020	\$	21,709
Increased by:		
Cash Receipts		<u>16,829</u>
		38,538
Decreased by:		
Expenditures Under R.S. 4:19 - 15.11		<u>15,397</u>
Balance, December 31, 2021	\$	<u><u>23,141</u></u>

**BOROUGH OF OAKLAND
STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2020	\$	7,471
Increased by:		
Unemployment Claims Due to State of New Jersey		365
		7,836
Decreased by:		
Payments to State of New Jersey		7,836
Balance, December 31, 2021	\$	-

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2020	\$	139,102
Increased by:		
Employee Payroll Deductions	\$	10,676
Interest on Deposits		183
		10,859
		149,961
Decreased by:		
Benefits Due State of New Jersey		365
Balance, December 31, 2021	\$	149,596

**STATEMENT OF DUE TO CURRENT FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, December 31, 2020	\$	408
Decreased by:		
Payments to Current Fund		408
Balance, December 31, 2021	\$	-

**BOROUGH OF OAKLAND
STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2020		\$ 250,000
Increased by:		
Payments to Current Fund		<u>251,103</u>
		501,103
Decreased by:		
Receipts from Current Fund	\$ 500,000	
Interest on Investments	<u>1,103</u>	
		<u>501,103</u>
Balance, December 31, 2021		<u>\$ -</u>

**STATEMENT OF DEVELOPER'S ESCROW AND OTHER RESERVES
OTHER TRUST FUND**

	Balance, December 31, <u>2020</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2021</u>
Planning Board Escrow	\$ 224,682	\$ 70,599	\$ 75,399	\$ 219,882
Board of Adjustment Escrow	123,422	62,288	85,360	100,350
Soil Movement	30,255			30,255
Performance Bonds	233,174		12,740	220,434
Escrow Funds	77,623			77,623
Public Events	89,238	44,465	21,492	112,211
Donations	240			240
Donations - Dog Park	48,648	12,506	43,603	17,551
Donations - Oakland Police Department - PPE	2,738			2,738
Donations - Oakland Police Department Honor Guard		290		290
Board of Health - Marriage License	2,605	1,275	775	3,105
Communications	46,077	8,550	44,542	10,085
Recycling Containers	3,934	2,655		6,589
Municipal Alliance	22,004	9,000	1,801	29,203
Shade Tree	75		75	-
Public Events - Banner Program	312			312
Recreation	127,797	67,345	87,391	107,751
Municipal Court - POAA	431	314		745
Public Defender	2,662	569		3,231
Storm Recovery	204,712	149,445	114,125	240,032
Off Duty Police Officer	52,662			52,662
Found Money	274		274	-
Junior Police Academy	7,245	500		7,745
Donations - Oakland Police Department Outreach		2,600		2,600
Active Shooter Program	47			47
Municipal Court Ticket Refunds	105			105
Sanitary Landfill	1,485	1	1,486	-
Redemption of Liens	869,859	1,878,643	1,581,350	1,167,152
Accumulated Absences	344,807	127,043	171,720	300,130
Flexible Spending	38,742	12,541	11,230	40,053
COAH	<u>751,263</u>	<u>56,147</u>	<u>62,297</u>	<u>745,113</u>
	<u>\$ 3,307,118</u>	<u>\$ 2,506,776</u>	<u>\$ 2,315,660</u>	<u>\$ 3,498,234</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR HEALTH BENEFIT CLAIMS
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 4,814,388
Increased by:	
Cash Receipts	449,032
	5,263,420
Decreased by:	
Cash Disbursements	275,550
Balance, December 31, 2021	<u>\$ 4,987,870</u>

EXHIBIT B-13

**STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS AND WITHHOLDINGS
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 278,879
Increased by:	
Cash Receipts	14,430,001
	14,708,880
Decreased by:	
Cash Disbursements	14,652,360
Balance, December 31, 2021	<u>\$ 56,520</u>

EXHIBIT B-14

**STATEMENT OF DUE FROM CURRENT FUND
MUNICIPAL OPEN SPACE TRUST FUND**

Increased by:		
2021 Tax Levy	\$ 217,354	
2021 Added Tax Levy	258	
Payments to Current Fund	200,000	
		417,612
		417,612
Decreased by:		
Receipts from Current Fund	217,597	
Anticipated as Current Fund Revenue	200,000	
		417,597
Balance, December 31, 2021		<u>\$ 15</u>

BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR MUNICIPAL OPEN SPACE EXPENDITURES
MUNICIPAL OPEN SPACE TRUST FUND

Balance, December 31, 2020		\$ 766,336
Increased by:		
2021 Tax Levy	\$ 217,354	
2021 Added Tax Levy	258	
Interest on Investments and Deposits	<u>937</u>	
		<u>218,549</u>
		984,885
Decreased by:		
Anticipated as Current Fund Revenue	200,000	
Expenditures	<u>6,000</u>	
		<u>206,000</u>
Balance, December 31, 2021		<u><u>\$ 778,885</u></u>

GENERAL CAPITAL FUND

**BOROUGH OF OAKLAND
STATEMENT OF GENERAL CAPITAL CASH**

Balance, December 31, 2020		\$ 9,950,952
Increased by:		
Receipts from Current Fund	\$ 260,578	
Interest on Investments and Deposits	11,697	
Grants Receivable	1,593,959	
Reserve for Payment of Debt	158,000	
Capital Improvement Fund	<u>1,130,000</u>	
		<u>3,154,234</u>
		13,105,186
Decreased by Disbursements:		
Improvement Authorizations	3,261,066	
Reserve for Preliminary Costs	1,156	
Payments to Current Fund	<u>11,697</u>	
		<u>3,273,919</u>
Balance, December 31, 2021		<u>\$ 9,831,267</u>

**BOROUGH OF OAKLAND
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 754,393
Capital Improvement Fund	529,852
Reserve for Preliminary Costs	9,000
Grants Receivable	(2,618,436)
Accounts Payable	3,238,921
Reserve for Payment of Debt Service	1,572,331

Improvement Authorizations:

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	
09-607	Acquisition of Real Property	46,836
13-690	Recreation Improvements	162,976
14-704	Various Public Improvements	417,184
15-717	Various Public Improvements	11,338
16-741	Various Public Improvements	1,508
16-742	Various Public Improvements	89,769
16-743	Various Public Improvements	667,407
17-749	Renovation of the Oakland Public Library	11,149
17-760	Various Public Improvements and Acquisitions	35,444
17-761/20-804	Various Public Improvements and Acquisition of New Communication Equipment	279,108
18-770	Various Public Improvements and Acquisitions	48,224
18-771	Various Public Improvements	447,267
19-786/19-798	Various Public Improvements and Acquisitions	15,794
19-787	Various Public Improvements	239,361
20-809	Various Public Improvements and Acquisitions	165,752
20-810	Various Public Improvements and Acquisitions	3,119,026
21-829	Replacement of Patriot's Way Bridge	52,526
21-831	Various Public Improvements and Acquisitions	413,876
21-855	Various Public Improvements	119,183
21-856	Various Public Improvements and Acquisitions	1,478
		\$ 9,831,267

**BOROUGH OF OAKLAND
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2020		\$ 260,578
Increased by:		
Payments to Current Fund		11,697
		272,275
Decreased by:		
Cash Receipts	\$ 260,578	
Interest on Investments	11,697	
		272,275
Balance, December 31, 2021		\$ -

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2020		\$ 25,426,000
Decreased by:		
2021 Budget Appropriation Bond Principal		1,756,000
Balance, December 31, 2021		\$ 23,670,000

BOROUGH OF OAKLAND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Analysis of Balance			
		Balance, December 31, 2020	2021 Authorizations	Balance, December 31, 2021	Unexpended Improvement Authorizations
15-718	Various Public Improvements	\$ 249,000		\$ 249,000	\$ 249,000
16-743	Various Public Improvements	45,000		45,000	45,000
17-761	Various Public Improvements and Acquisition of New Communication Equipment	150,000		150,000	150,000
18-771	Various Public Improvements	869,335		869,335	869,335
20-810	Various Public Improvements and Acquisitions	687,364		687,364	687,364
21-829	Replacement of Patriot's Way Bridge		\$ 1,047,000	1,047,000	1,047,000
21-855	Various Public Improvements	-	1,500,000	1,500,000	1,500,000
		<u>\$ 2,000,699</u>	<u>\$ 2,547,000</u>	<u>\$ 4,547,699</u>	<u>\$ 4,547,699</u>

**BOROUGH OF OAKLAND
SCHEDULE OF GRANTS RECEIVABLE**

	<u>Balance</u> <u>December 31, 2020</u>	<u>Grant</u> <u>Receipts</u>	<u>Cancelled</u>	<u>Balance,</u> <u>December 31, 2021</u>
Federal:				
Department of Environmental Protection (Passed Through State of New Jersey)				
Ord. No. 14-705 Acquisition of Flood Prone Properties	\$ 325,000			\$ 325,000
Department of Transportation (Passed Through State of New Jersey)				
Ord. No. 19-787 Various Public Improvements	217,000			217,000
Other:				
Bergen County Open Space Trust Fund				
Ord. No 14-705 Acquisition of Flood Prone Properties	1,439,918	\$ 1,418,959		20,959
Ord. No. 16-743 Various Public Improvements	1,764,950			1,764,950
Ord. No. 17-761 Various Public Improvements - Van Allen House	150,000		\$ 150,000	
Ord. No. 19-787 Various Public Improvements - Hockey Rink	175,000	175,000		
Ord. No. 19-787 Various Public Improvements - Van Allen House	150,000			150,000
Bergen County Historical Preservation Trust Fund				
Ord. No. 16-748 Van Allen House Improvements	<u>140,527</u>	<u>-</u>	<u>-</u>	<u>140,527</u>
	<u>\$ 4,362,395</u>	<u>\$ 1,593,959</u>	<u>\$ 150,000</u>	<u>\$ 2,618,436</u>

**BOROUGH OF OAKLAND
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	12/29/2006	\$ 1,096,000				\$ 96,000	\$ 96,000	
General Improvement Bonds	5/15/2015	14,235,000	12/1/2022	\$ 1,025,000	3.00 %			
			12/1/2023	1,025,000	3.00			
			12/1/2024	1,050,000	3.00			
			12/1/2025	1,050,000	3.00			
			12/1/2026	1,075,000	3.00			
			12/1/2027	1,100,000	3.00			
			12/1/2028	1,115,000	3.00			
			12/1/2029	1,120,000	3.125	9,560,000	1,000,000	\$ 8,560,000
General Improvement Bonds	12/1/2020	15,770,000	12/1/2022	750,000	1.000			
			12/1/2023	765,000	1.000			
			12/1/2024	780,000	1.000			
			12/1/2025	795,000	1.000			
			12/1/2026	815,000	1.000			
			12/1/2027	830,000	1.000			
			12/1/2028	845,000	1.000			
			12/1/2029	875,000	1.000			
			12/1/2030	900,000	1.150			
			12/1/2031	915,000	1.300			
			12/1/2032	930,000	2.000			
			12/1/2033	945,000	2.000			
			12/1/2034	960,000	2.000			
			12/1/2035	975,000	2.000			
			12/1/2036	990,000	2.000			
			12/1/2037	1,010,000	2.000			
			12/1/2038	1,030,000	2.000	15,770,000	660,000	15,110,000
						<u>\$ 25,426,000</u>	<u>\$ 1,756,000</u>	<u>\$ 23,670,000</u>

**BOROUGH OF OAKLAND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	2021 Authorizations									
		Balance, December 31, 2020		Capital Impvt. Fund	Deferred Charges to Future Taxation Unfunded	Reserve for Fire Truck	Accounts Payable Restored	Cancelled	Paid or Charged	Balance, December 31, 2021	
		Funded	Unfunded							Funded	Unfunded
09-607	Acquisition of Real Property	\$ 47,711							\$ 875	\$ 46,836	
13-690	Recreation Improvements	235,293						\$ 33,000	39,317	162,976	
14-704	Various Public Improvements	483,184						16,000	50,000	417,184	
15-717	Various Public Improvements	25,000						25,000			
15-718	Various Public Improvements	11,433	\$ 249,000						95	11,338	\$ 249,000
16-741	Various Public Improvements	1,508								1,508	
16-742	Various Public Improvements	93,684							3,915	89,769	
16-743	Various Public Improvements	826,439	45,000						53,871	105,161	45,000
17-749	Renovation of the Oakland Public Library					\$ 62,821			51,672	11,149	
17-760	Various Public Improvements and Acquisitions	35,444								35,444	
17-761/20-804	Various Public Improvements and Acquisition of New Communication Equipment	256,838	150,000				22,270			279,108	150,000
18-770	Various Public Improvements and Acquisitions	56,319						2,593	5,502	48,224	
18-771	Various Public Improvements	502,746	869,335						55,479	447,267	869,335
19-786/19-798	Various Public Improvements and Acquisitions	51,542						6,657	29,091	15,794	
19-787	Various Public Improvements	796,711						64,723	492,627	239,361	
19-789/19-793	Allerman Brook	13,783						11,170	2,613		
20-809	Various Public Improvements and Acquisitions	318,432						3,418	149,262	165,752	
20-810	Various Public Improvements and Acquisitions	4,554,220	687,364					18,575	1,416,619	3,119,026	687,364
21-824	Various Public Improvements and Acquisitions			\$ 65,000					65,000		
21-829	Replacement of Patriot's Way Bridge			53,000	\$ 1,047,000				474	52,526	1,047,000
21-831	Various Public Improvements and Acquisitions			686,000				6,819	265,305	413,876	
21-855	Various Public Improvements			120,000	1,500,000				817	119,183	1,500,000
21-856	Various Public Improvements and Acquisitions	-	-	-	-	\$ 1,200,000	-	-	1,198,522	1,478	-
		<u>\$ 8,310,287</u>	<u>\$ 2,000,699</u>	<u>\$ 924,000</u>	<u>\$ 2,547,000</u>	<u>\$ 1,200,000</u>	<u>\$ 85,091</u>	<u>\$ 241,826</u>	<u>\$ 3,932,346</u>	<u>\$ 6,345,206</u>	<u>\$ 4,547,699</u>
									\$ 93,487		
									<u>148,339</u>		
									<u>\$ 241,826</u>		
										\$ 3,261,066	
										<u>671,280</u>	
										<u>\$ 3,932,346</u>	

**BOROUGH OF OAKLAND
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2020		\$ 3,809,800
Increased by:		
Charges to Improvement Authorizations	\$ 671,280	
Charges to Reserve for Preliminary Costs	<u>41,454</u>	
		<u>712,734</u>
		4,522,534
Decreased by:		
Accounts Payable Restored to Improvement Authorizations	85,091	
Accounts Payable Restored to Reserve for Fire Truck	<u>1,198,522</u>	
		<u>1,283,613</u>
Balance, December 31, 2021		<u>\$ 3,238,921</u>

STATEMENT OF RESERVE FOR FIRE TRUCK

Balance, December 31, 2020		\$ 1,478
Increased by:		
Accounts Payable Restored		<u>1,198,522</u>
		1,200,000
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>1,200,000</u>
Balance, December 31, 2021		<u>\$ -</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020		\$ 272,975
Increased by:		
Cancelled Improvement Authorizations	\$ 93,487	
2021 Budget Appropriation	<u>1,130,000</u>	
		<u>1,223,487</u>
		1,496,462
Decreased by:		
Reserve for Preliminary Expenses	42,610	
Appropriation to Finance Improvement Authorizations	<u>924,000</u>	
		<u>966,610</u>
Balance, December 31, 2021		<u>\$ 529,852</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Balance, December 31, 2020	\$	1,414,331
Increased by:		
Grants Receipts for Fully Funded Ordinances		158,000
Balance, December 31, 2021	\$	1,572,331

STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES

Balance, December 31, 2020	\$	9,000
Increased by:		
Transfer from Capital Improvement Fund		42,610
		51,610
Decreased by:		
Accounts Payable	\$	41,454
Cash Disbursements		1,156
		42,610
Balance, December 31, 2021	\$	9,000

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	2021 Authori- zations	Balance, December 31, <u>2021</u>
15-718	Various Improvements	\$ 249,000		\$ 249,000
16-743	Van Allen House Improvements	45,000		45,000
17-761	Various Public Improvements and Acquisition of New Communication Equipment	150,000		150,000
18-771	Various Public Improvements	869,335		869,335
20-810	Various Public Improvements and Acquisitions	687,364		687,364
21-829	Replacement of Patriot's Way Bridge		\$ 1,047,000	1,047,000
21-855	Various Public Improvements	-	1,500,000	1,500,000
		\$ 2,000,699	\$ 2,547,000	\$ 4,547,699

WATER UTILITY FUND

BOROUGH OF OAKLAND
STATEMENT OF WATER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	\$ 2,167,798	\$ 1,957,892
Increased by:		
Consumer Accounts Receivable	\$ 2,217,243	
Interest on Deposits		\$ 2,660
Miscellaneous	13,925	
Budget Appropriation - Capital Improvement Fund		582,244
Receipts from Water Utility Capital Fund	<u>2,660</u>	<u>-</u>
	<u>2,233,828</u>	<u>584,904</u>
	4,401,626	2,542,796
Decreased by:		
2021 Budget Appropriations	2,075,304	
2020 Appropriation Reserves	133,410	
Refund of Prior Year Revenue	2,495	
Reserve for Preliminary Expenses		57,234
Improvement Authorizations		328,846
Interest on Bonds	36,619	
Payments to Water Utility Operating Fund	<u>-</u>	<u>2,660</u>
	<u>2,247,828</u>	<u>388,740</u>
Balance, December 31, 2021	<u>\$ 2,153,798</u>	<u>\$ 2,154,056</u>

**BOROUGH OF OAKLAND
ANALYSIS OF WATER UTILITY CAPITAL CASH**

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 314,158
Capital Improvement Fund	709,291
Accounts Payable	674,585
Reserve for Payment of Debt	169,230
Ord.	
<u>No.</u> <u>Improvement Description</u>	
06-539 Various Capital Improvements	(47,333)
07-563 Lawlor/Walnut Water Mains	(330,030)
18-774 Various Water System Upgrades	40,258
21-833 Various Public Improvements and Acq.	<u>623,897</u>
	<u>\$ 2,154,056</u>

EXHIBIT D-7

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 261,399
Increased by:	
Water Rents Levied	<u>2,142,010</u>
	2,403,409
Decreased by:	
Cash Receipts	<u>2,217,243</u>
Balance, December 31, 2021	<u>\$ 186,166</u>

**BOROUGH OF OAKLAND
STATEMENT OF ACCOUNTS PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$	27,668
Increased By:			
Charges to Improvement Authorizations		\$	668,819
Charges to Reserve for Preliminary Expenses			<u>5,766</u>
			<u>674,585</u>
			702,253
Decreased by:			
Payables Restored to Improvement Authorizations			<u>27,668</u>
Balance, December 31, 2021		\$	<u>674,585</u>

EXHIBIT D-9

**STATEMENT OF FIXED CAPITAL
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$	<u>13,869,176</u>
Balance, December 31, 2021		\$	<u>13,869,176</u>

EXHIBIT D-10

**STATEMENT OF RESERVE FOR RATE STABILIZATION
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020		\$	260,000
Increased By:			
Transfer from Current Year Budget Appropriations			<u>100,000</u>
Balance, December 31, 2021		\$	<u>360,000</u>

BOROUGH OF OAKLAND
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND

Balance, December 31, 2020	\$ 734,142
Increased by:	
2021 Improvement Authorization	1,600,000
Balance, December 31, 2021	\$ 2,334,142

EXHIBIT D-12

STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER UTILITY CAPITAL FUND

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	2021 Improvement <u>Authorization</u>	Balance, December 31, <u>2021</u>
18-774	Various Water System Upgrades	\$ 205,000		\$ 205,000
21-833	Various Public Improvements and Acq.	-	\$ 1,600,000	\$ 1,600,000
		\$ 205,000	\$ 1,600,000	\$ 1,805,000

EXHIBIT D-13

STATEMENT OF APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, December 31, <u>2020</u>	Budget After <u>Modifications</u>	Expended	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 47,442	\$ 47,442	\$ 33,600	\$ 13,842
Other Expenses	160,153	204,557	99,810	104,747
Capital Improvements				
Capital Outlay	44,720	44,720		44,720
Statutory Expenditures				
Social Security	3,855	3,855	-	3,855
	\$ 256,170	\$ 300,574	\$ 133,410	\$ 167,164
Appropriation Reserves		\$ 256,170		
Payables Restored		44,404		
		\$ 300,574		

**BOROUGH OF OAKLAND
STATEMENT OF ACCOUNTS PAYABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 44,404
Increased by:	
Charges to 2021 Appropriations	<u>152,651</u>
	197,055
Decreased by:	
Payables Restored to Appropriation Reserves	<u>44,404</u>
Balance, December 31, 2021	<u>\$ 152,651</u>

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Balance,	2021	Prior Year	Paid or	Balance
		December 31, 2020	Authorization- Capital Improvement	Accounts Payable	Charged	December 31, 2021
		Funded	Fund	Restored		Funded
18-774	Various Water System Upgrades	\$ 34,152		\$ 27,668	\$ 21,562	\$ 40,258
21-833	Various Public Improvements and Acq.	<u>-</u>	\$ 1,600,000	<u>-</u>	<u>976,103</u>	<u>623,897</u>
		<u>\$ 34,152</u>	<u>\$ 1,600,000</u>	<u>\$ 27,668</u>	<u>\$ 997,665</u>	<u>\$ 664,155</u>
	Cash Disbursements				\$ 328,846	
	Accounts Payable				<u>668,819</u>	
					<u>\$ 997,665</u>	

**BOROUGH OF OAKLAND
STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$ 1,790,047
Increased by:		
Budget Appropriation		<u>582,244</u>
		2,372,291
Decreased by:		
Reserve for Preliminary Expenses	\$ 63,000	
Appropriated to Finance Improvement Authorizations	<u>1,600,000</u>	
		<u>1,663,000</u>
Balance, December 31, 2021		<u>\$ 709,291</u>

**STATEMENT OF DUE TO WATER UTILITY OPERATING FUND
WATER UTILITY CAPITAL FUND**

Increased by:		
Interest on Deposits		\$ 2,660
Decreased by:		
Payments to Water Utility Operating Fund		<u>2,660</u>
Balance, December 31, 2021		<u>\$ -</u>

**BOROUGH OF OAKLAND
STATEMENT OF WATER SERIAL BONDS
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>		<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds	6/1/2015	\$ 1,995,000	12/1/2022-28	\$ 135,000	3.000	%	<u>\$ 1,215,000</u>	<u>\$ 135,000</u>	<u>\$ 1,080,000</u>
			12/1/2029	135,000	3.125		<u>\$ 1,215,000</u>	<u>\$ 135,000</u>	<u>\$ 1,080,000</u>

**BOROUGH OF OAKLAND
STATEMENT OF ACCRUED INTEREST PAYABLE ON BONDS
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 3,051
Increased by:	
Budget Appropriation	
Interest on Bonds	<u>36,282</u>
	39,333
Decreased by:	
Interest Paid	<u>36,619</u>
Balance, December 31, 2021	<u>\$ 2,714</u>

**STATEMENT OF RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 11,747,671
Increased by:	
Serial Bonds Retired	<u>135,000</u>
Balance, December 31, 2021	<u>\$ 11,882,671</u>

**STATEMENT OF RESERVE FOR DEBT SERVICE
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	<u>\$ 169,230</u>
Balance, December 31, 2021	<u>\$ 169,230</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES
WATER UTILITY CAPITAL FUND**

Increased by:			
Transfer from Capital Improvement Fund		\$	63,000
Decreased by:			
Accounts Payable	\$	5,766	
Cash Disbursements		<u>57,234</u>	
			<u>63,000</u>
Balance, December 31, 2021		<u>\$</u>	<u>-</u>

EXHIBIT D-23

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER UTILITY CAPITAL FUND**

<u>Ord.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Balance December 31, <u>2021</u>
06-539	Various Water Improvements	\$ 47,333	\$ 47,333
07-563	Lawlor/Walnut Water Mains	<u>330,030</u>	<u>330,030</u>
		<u>\$ 377,363</u>	<u>\$ 377,363</u>

SEWER UTILITY FUND

**BOROUGH OF OAKLAND
STATEMENT OF SEWER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	\$ 436,257	\$ 156,366
Increased by Receipts:		
Interest on Investments and Deposits		\$ 204
Sewer Rents	\$ 413,452	
Receipts from Current Fund	168,444	
Non-Budget Revenue	596	
Capital Improvement Fund		19,937
Bond Anticipation Notes		420,000
Receipts from Sewer Utility Capital Fund	<u>204</u>	<u>-</u>
	<u>582,696</u>	<u>440,141</u>
	1,018,953	596,507
Decreased by Disbursements:		
2021 Budget Appropriations	412,792	
2020 Appropriation Reserves	34,469	
Improvement Authorizations		131,664
Encumbrances Payable		46,362
Reserve for Preliminary Expenses		14,607
Interest on Bonds and Notes	5,870	
Payments to Sewer Utility Operating Fund	<u>-</u>	<u>204</u>
	<u>453,131</u>	<u>192,837</u>
Balance, December 31, 2021	<u>\$ 565,822</u>	<u>\$ 403,670</u>

**BOROUGH OF OAKLAND
ANALYSIS OF SEWER UTILITY CAPITAL CASH
AS OF DECEMBER 31, 2021**

Fund Balance	\$ 9,308
Capital Improvement Fund	120,064
Encumbrances Payable	537,945
Reserve for Payment of Debt	60,000
Reserve for Preliminary Expenses	340

Ord.

No. Improvement Description

08-575	Various Public Improvements	1,746
08-584	Various Public Improvements	7,582
11-638	Various Public Improvements	(59,641)
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	197,101
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	<u>(470,775)</u>
		<u>\$ 403,670</u>

EXHIBIT E-7

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2020	\$ 102,657
Increased by:	
Sewer Rents Levied	<u>388,058</u>
	490,715
Decreased by:	
Cash Received	<u>413,452</u>
Balance, December 31, 2021	<u>\$ 77,263</u>

BOROUGH OF OAKLAND
STATEMENT OF DUE FROM SEWER UTILITY CAPITAL FUND
SEWER UTILITY OPERATING FUND

Increased by:		
Interest Earned		\$ 204
Decreased by:		
Receipts from Sewer Utility Capital Fund		<u>204</u>
Balance, December 31, 2021		<u><u>\$ -</u></u>

STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY CAPITAL FUND

Balance, December 31, 2020		\$ 46,362
Increased by:		
Charges to Improvement Authorizations	\$ 517,010	
Charges to Reserve for Preliminary Expenses	<u>20,935</u>	
		<u>537,945</u>
		584,307
Decreased by:		
Cash Disbursements		<u>46,362</u>
Balance, December 31, 2021		<u><u>\$ 537,945</u></u>

**BOROUGH OF OAKLAND
STATEMENT OF APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND**

	Balance December 31, <u>2020</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating Other Expenses	\$ 80,173	\$ 122,907	\$ 34,469	\$ 88,438
	<u>\$ 80,173</u>	<u>\$ 122,907</u>	<u>\$ 34,469</u>	<u>\$ 88,438</u>
Appropriation Reserves		\$ 80,173		
Payables Restored		<u>42,734</u>		
		<u>\$ 122,907</u>		

**STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 42,734
Increased by:	
Charges to 2021 Appropriations	<u>43,056</u>
	85,790
Decreased by:	
Payables Restored to Appropriation Reserves	<u>42,734</u>
Balance, December 31, 2021	<u>\$ 43,056</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR SEWER RATE STABILIZATION
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ <u>79,000</u>
Balance, December 31, 2021	\$ <u>79,000</u>

**STATEMENT OF ACCRUED INTEREST ON BONDS AND NOTES
SEWER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ 489
Increased by:	
Budget Appropriation	
Interest on Bonds and Notes	<u>6,363</u>
	6,852
Decreased by:	
Interest Paid on Sewer Bonds and Notes	<u>5,870</u>
Balance, December 31, 2021	\$ <u>982</u>

**STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
SEWER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
08-575	Various Public Improvements	\$ 26,157	\$ 26,157
08-584	Various Public Improvements	<u>10,000</u>	<u>10,000</u>
		<u>\$ 36,157</u>	<u>\$ 36,157</u>

**BOROUGH OF OAKLAND
STATEMENT OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 164,100
Increased by:	
Serial Bonds Retired	15,000
Balance, December 31, 2021	\$ 179,100

EXHIBIT E-16

**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
08-575	Various Public Improvements	\$ 26,157	\$ 26,157
08-584	Various Public Improvements	10,000	10,000
11-638	Various Public Improvements	59,641	59,641
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	300,000	300,000
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	420,000	420,000
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	5,500,000	5,500,000
		\$ 6,315,798	\$ 6,315,798

**BOROUGH OF OAKLAND
STATEMENT OF SEWER UTILITY SERIAL BONDS
SEWER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>		<u>Balance, December 31, 2021</u>	
			<u>Date</u>	<u>Amount</u>		<u>Decreased</u>	<u>2021</u>		
Sewer Bonds	6/1/2015	\$ 230,000	12/1/2022-28	\$ 15,000	3.000%	\$ 140,000	\$ 15,000	\$ 125,000	
			12/1/2029	20,000	3.125	\$ 140,000	\$ 15,000	\$ 125,000	
						<u>\$ 140,000</u>	<u>\$ 15,000</u>	<u>\$ 125,000</u>	

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2020</u>		<u>Paid or Charged</u>	<u>Balance, December 31, 2021</u>	
		<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
08-575	Various Sewer Improvements	\$ 1,746			\$ 1,746	
08-584	Various Sewer Improvements	7,582			7,582	
20-815	Infiltration and Inflow Reduction to the Skyview Collection System		\$ 375,000	\$ 177,899		\$ 197,101
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System					
		<u>-</u>	<u>5,500,000</u>	<u>470,775</u>	<u>-</u>	<u>5,029,225</u>
		<u>\$ 9,328</u>	<u>\$5,875,000</u>	<u>\$ 648,674</u>	<u>\$ 9,328</u>	<u>\$ 5,226,326</u>
				Cash Disbursements	\$ 131,664	
				Encumbrances Payable	<u>517,010</u>	
					<u>\$ 648,674</u>	

**BOROUGH OF OAKLAND
STATEMENT OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$ 100,127
Increased by:		
Budget Appropriation		<u>19,937</u>
Balance, December 31, 2021		<u>\$ 120,064</u>

**STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES
SEWER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$ 35,882
Decreased by:		
Cash Disbursements	\$ 14,607	
Encumbrances Payable	<u>20,935</u>	
		<u>35,542</u>
Balance, December 31, 2021		<u>\$ 340</u>

**BOROUGH OF OAKLAND
STATEMENT OF BOND ANTICIPATION NOTES
SEWER UTILITY CAPITAL FUND**

Ord. No.	<u>Improvement Description</u>	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	%	Balance, December 2020	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, 2021
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	12/13/2019	12/13/2020	12/11/2021	0.55		\$ 300,000		\$ 300,000	\$ 300,000
			11/23/2021	4/1/2022	0.34			\$ 300,000		\$ 300,000
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	11/23/2021	11/23/2021	4/1/2022	0.34		\$ -	420,000	-	420,000
							<u>\$ 300,000</u>	<u>\$ 720,000</u>	<u>\$ 300,000</u>	<u>\$ 720,000</u>
								\$ 420,000		
								300,000	\$ 300,000	
								<u>\$ 720,000</u>	<u>\$ 300,000</u>	

Notes Issued
Renewals

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND**

Ord.	<u>Improvement Description</u>	Balance, December 31, 2020	Bond Anticipation Notes Issued	Balance, December 31, 2021
11-638	Various Sewer Improvements	\$ 59,641		\$ 59,641
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	420,000	\$ 420,000	
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	<u>5,500,000</u>	-	<u>5,500,000</u>
		<u>\$ 5,979,641</u>	<u>\$ 420,000</u>	<u>\$ 5,559,641</u>

BOROUGH OF OAKLAND
BERGEN COUNTY

PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Oakland
One Municipal Plaza
Oakland, New Jersey 07436

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Oakland as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated September 14, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Oakland’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Oakland’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Oakland’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 Borough’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.

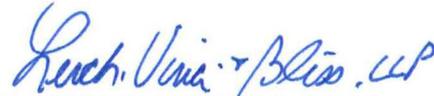
Compliance and Other Matters

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Oakland in Part III of this report of audit entitled, “Letter of Comments and Recommendations”.

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 Borough of Oakland’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 Borough of Oakland’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
September 14, 2022

BOROUGH OF OAKLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Grant Year	Federal CFDA Number	Award Amount	2021 Grant Receipts	Balance, December 31, 2020	Revenue Realized	Expenditures	Balance, December 31, 2021	(Memo Only) Cumulative Expenditures
U.S. Department of Environmental Protection									
Passed Thru the State of New Jersey Department of Environmental Protection									
Ord. No. 14-705 Acquisition of Flood Prone Properties	2014		\$ 325,000		\$ (325,000)			\$ (325,000)	\$ 325,000
Performance Partnership Grant - Radon Program	2021	66.605	2,000	\$ 2,000		\$ 2,000	2,000		
Community Development Block Grant:									
Purchase of Emergency Generators - Senior Center	2019	14.219	119,316		7,316			7,316	112,000
Water Main Improvements	2021	14.219	75,000			75,000	\$ 75,000	-	75,000
U.S. Dept. of Treasury									
Passed Thru the State of New Jersey Department of Community Affairs									
American Rescue Plan	2021	21.027	1,352,946	676,473				-	
U.S. Department of Homeland Security									
Passed Thru the State of New Jersey Division of Law and Public Safety									
FEMA - Firefighters Grant	2020	97.044	210,476	210,476	210,476		210,476	-	210,476
Public Assistance Grant - Sever Winter Storm and Snow Storm Quinn	2021	97.036	6,124	6,124		6,124	6,124		6,124
Public Assistance Grant - Coronavirus Pandemic	2021	97.036	18,706	18,706		18,706	18,706		18,706
Bulletproof Vest Grant	2020	16.607	2,634		2,231		2,231	-	2,634
Bulletproof Vest Grant	2021	16.607	458	458		458	437	21	437
NJ State Police OEM Grant	2015	93.671	5,000		3,008			3,008	1,992
NJ State Police OEM Grant	2016	93.671	5,000		5,000	-	-	5,000	-
					<u>\$ (96,969)</u>	<u>\$ 102,288</u>	<u>\$ 312,974</u>	<u>\$ (307,655)</u>	

Note: This schedule is not subject to Single Audit as defined by U.S. Uniform Guidance.

BOROUGH OF OAKLAND
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2021

State Grant Program	Grant Number	Grant Year	Grant Award	2021 Grant Receipts (Memo)	Balance, December 31, 2020	Revenue Realized	Expended	Adjustment	Balance, December 31, 2021	(Memo Only) Cumulative Expenditures
<i>State of New Jersey - Department of Environmental Protection</i>										
Clean Communities Grant	042-4900-765-1789000	2021	\$ 25,993	\$ 25,993		\$ 25,993			\$ 25,993	
		2020	28,829		28,829		\$ 19,142		9,687	\$ 19,142
		2019	26,129		9,619		9,619		-	26,129
Highlands - Plan Conformance	NA	2015	230,150	74,689	(230,150)	74,689			(155,461)	230,150
		2015	230,150		108,008		17,873		90,135	140,015
		2009	50,000		(19,207)				(19,207)	50,000
Community Forestry Grant	NA	2021	21,788			21,788			21,788	-
Radon Awareness Grant	N/A	2020	2,000		2,000		2,000		-	2,000
Highlands - Transfer Developmental Rights	NA	2009	25,000		(4,824)				(4,824)	
Recycling Tonnage Grant	042-752-6020	2020	33,423		4,398		4,398		-	33,423
		2021	42,067	42,067		42,067	29,276		12,791	29,276
Sustainable Jersey Grant	NA	2019	2,000		625		625		-	2,000
Roots for Rivers	NA	2020	2,788	148	2,788		2,611		177	2,611
		2019	4,672		119		119		-	4,672
<i>State of New Jersey - Department of Law and Public Safety</i>										
Body Armor Replacement Fund	066-1020-718-001	2021	2,219	2,219		2,219			2,219	-
Drunk Driving Enforcement Fund	1110-448031020-22	2021	6,502	6,502		6,502			6,502	-
		2020	2,776		2,776			\$ (2,776)	-	2,776
		2019	2,776		2,776			(2,776)	-	2,776
		2017	1,369		1,369				1,369	-
		2016	9,752		3,215		2,354		861	8,891
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2021	454	454		454			454	-
		2019	322		322				322	-
		2018	366		366				366	-
		2016	236		236		129		107	129
		2014	1,425		771		771		-	1,425
Police Body Worn Camera Grant	N/A	2021	52,988			52,988	40,760		12,228	40,760
Safe Routes to School Grant	N/A	2021	70,202			70,202	70,202			70,202
Driving While Impaired	N/A	2021	6,000			6,000	781		5,219	781
<i>State of New Jersey - Association of Environmental Commissions</i>										
ANJEC Sustainable Communities Land Use Grant	NA	2012	8,000		(2,000)			(2,000)	(4,000)	8,000
<i>State of New Jersey - Department of Human Services</i>										
Passed Thru County of Bergen										
Municipal Alliance on Alcoholism and Drug Abuse	N/A	2019	9,876	3,301	8,125		2,488	(401)	5,236	4,239
		2020	9,876		9,876				9,876	-
		2021	9,876		-	9,876	-	-	9,876	-
					\$ (69,963)	\$ 312,778	\$ 203,148	\$ (7,953)	\$ 31,714	

N/A - Not Available

Note: This schedule is not subject to Single Audit in accordance with New Jersey OMB Circular 15-08.

**BOROUGH OF OAKLAND
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Oakland. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 102,288	\$ 312,778	\$ 415,066
Total Financial Awards	<u>\$ 102,288</u>	<u>\$ 312,778</u>	<u>\$ 415,066</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

**BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Modified, Presentation of Unaudited LOSAP Trust Fund</u>
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes <u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section - NOT APPLICABLE

State Awards Section - NOT APPLICABLE

**BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

There are none.

**BOROUGH OF OAKLAND
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF OAKLAND

COUNTY OF BERGEN

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

**BOROUGH OF OAKLAND
SUPPORTING DATA**

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$3.070</u>	<u>\$2.999</u>	<u>\$2.894</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.692	.677	.649
Municipal Library	.040	.040	.038
Municipal Open Space Tax	.010	.010	.010
Regional High School	.588	.572	.561
Local School	1.437	1.399	1.359
County (Includes County Open Space Tax)	.303	.301	.277

Assessed Valuation Basis

2021	<u>\$2,173,541,643</u>
2020	<u>\$2,175,282,943</u>
2019	<u>\$2,176,713,043</u>

Comparison Of Tax Levies And Current Collections

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 66,802,366	\$ 66,662,887	99.79%
2020	65,281,426	65,107,390	99.73%
2019	63,044,270	62,883,424	99.74%

Delinquent Taxes

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2021	\$ 16,422	\$ 308,261	\$ 324,683	0.49%
2020	7,364	357,196	364,560	0.56%
2019	20,226	339,958	360,184	0.57%

**BOROUGH OF OAKLAND
SUPPORTING DATA**

Property Acquired By Tax Title Lien Foreclosure

One property has been acquired in 2021 by foreclosure or deed, as a result of liquidation of tax title lien.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$1,140,550
2020	1,054,950
2019	1,054,950

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2021	\$4,664,501	\$1,870,000
	2020	4,454,989	1,925,000
	2019	4,339,172	1,555,000
	2018	4,461,264	1,510,000
	2017	4,482,257	1,548,000
Water Utility Operating Fund	2021	\$1,420,694	\$556,603
	2020	1,604,223	577,363
	2019	1,453,330	200,000
	2018	1,645,757	265,000
	2017	1,653,931	265,000
Sewer Utility Operating Fund	2021	\$208,886	\$37,000
	2020	233,886	25,000
	2019	203,638	105,000
	2018	343,200	180,000
	2017	445,910	181,000

**BOROUGH OF OAKLAND
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Linda Schwager	Mayor
John Biale	Councilman
Eric Kulmala	Councilman
Pat Pignatelli	Councilman
Russell Talamini	Councilman
Grant Van Eck	Councilman
Kevin Slasinski	Councilman
Richard Kunze	Borough Administrator
Lisa Duncan	Municipal Clerk
	Assessment Search Officer
David Young	Chief Financial Officer
	Treasurer
Debra Beningo	Tax Collector
	Utility Collector
	Tax Search Officer
Nancy Lightbody	Water/Sewer Account Clerk
Tracy Saliani	Payroll Clerk
Sandra Steele	Registrar of Vital Statistics
Scott Holzhauer	Tax Assessor
Thomas Buonocore, Esq.	Municipal Court Judge
Dawn Baron	Municipal Court Administrator
Andrew M. Cimiluca	Prosecutor
Diane D'Alessandro	Public Defender
John Wittekind	Construction Code Official
	Fire Official
	Fire Sub-Code Official
Robert Cellini	Building Inspector
Vincent Pellegrini	Plumbing Sub-Code Official
Christopher Walthour	Electrical Sub-Code Official

**BOROUGH OF OAKLAND
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Current Year Findings

Our audit of payroll revealed several instances where the quarterly pension deductions per the payroll reports were not in agreement with the pension deductions reported on the quarterly State pension reports. Differences appear to be related to the retro payments, however the retro pension reports were not available for audit. It is recommended that greater care be exercised in the processing of payroll to ensure that the employee pension deductions agree with the quarterly State pension reports.

Our audit revealed that the fixed asset inventory report was not updated for additions and deletions that occurred in 2021. It is recommended that the fixed asset inventory report be updated annually to include all capital additions and deletions.

Our audit revealed there is a cash deficit for a Sewer Utility Capital ordinance that is over five years old. It is recommended that the cash deficit for the Sewer capital ordinance in excess of five years old be funded.

Prior Year Findings Unresolved

Our audit of the municipal court revealed that there were several tickets on the "Tickets Assigned But Not Issued" report at December 31, that were outstanding for over six months. It is recommended that Tickets Assigned Not Issued that have been outstanding for over six months be recalled.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of 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 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 of \$44,000 except by contract or agreement."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

**BOROUGH OF OAKLAND
SUPPLEMENTARY DATA**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S. 40A:11-4 (Continued)

The minutes indicate that bids were requested by public advertising and awarded for the following items:

Digital Sign at Veteran Park
Fire Department Equipment and Supplies
Interior Restoration at Van Allen House
Skyview/Hibrook Sanitary Sewer Lining
2021 Road Program
Ramapo Valley Road Pedestrian Safety Improvement Project
Doty/Lakeview Water Main Project

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear violations existed.

COLLECTION OF INTEREST ON DELINQUENT TAXES UTILITY RENTS

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 6, 2021 adopted a resolution authorizing interest to be charged on delinquent taxes.

APPRECIATION

We desire to express our appreciation to the Administrator, Chief Financial Officer and other Borough staff who assisted us during the course of our audit.

SUGGESTIONS TO MANAGEMENT

1. Prior year General Capital Fund grant receivables be reviewed and cleared of record.
2. Prior year Current Fund grant receivables and appropriated grant reserves be reviewed and cleared of record.

**BOROUGH OF OAKLAND
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

- * 1. With respect to the Municipal Court, Tickets Assigned Not Issued that have been outstanding for over six months be recalled.
- 2. The cash deficit for the Sewer capital ordinance in excess of five years old be funded.
- 3. Greater care be exercised in the processing of payroll to ensure that the employee pension deductions agree with the quarterly State pension reports.
- 4. The fixed asset inventory report be updated annually to include all capital additions and deletions.

A review was performed on all prior year's recommendations. The recommendation which has not been corrected and which is repeated in this audit is denoted with an asterisk (*).