

BOROUGH OF OAKLAND
County of Bergen, New Jersey

NJ Comprehensive Annual Financial Report
Year Ended December 31, 2012

BOROUGH OF OAKLAND
NJ Comprehensive Annual Financial Report
Year Ended December 31, 2012
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BOROUGH OF OAKLAND

NJ Comprehensive Annual Financial Report

Introductory Section

BOROUGH OF OAKLAND
Roster of Officials
Year Ended December 31, 2012

Name	Title	Term Expires
Linda Schwager	Mayor	12/31/15
Christopher Visconti	Councilman	12/31/12
Pasquale Pignatelli	Councilman	12/31/12
Sandra Coira	Councilwoman	12/31/14
Elizabeth Stagg	Councilwoman	12/31/14
Karen F. Marcalus	Councilwoman	12/31/13
Timothy Jensen	Councilman	12/31/13
Richard Kunze	Administrator	
Lisa Duncan	Municipal Clerk	
	Assessment Search Officer	
James Mangin	Chief Financial Officer	
	Treasurer	
Ellen Amorino	Tax Collector	
	Utility Collector	
	Tax Search Officer	
Nancy Lightbody	Water/Sewer Account Clerk	
Marjorie Angermueller	Payroll Supervisor	
Karin Dubowick	Registrar of Vital Statistics	
Brian Chewcaskie, Esq.	Borough Attorney	
Di Maria & Di Maria LLP	Borough Auditor	
Rogut McCarthy, LLC	Bond Counsel	
Matthew J. Giacobbe, Esq.	Labor Attorney	
Boswell McClave Engineering	Borough Engineer	
Crew Engineers	Water & Sewer Engineers	
Joseph Burgis	Planner	
Scott Holzhauer	Tax Assessor	
Edward Kasper	Chief of Police	
John A. Conte Jr., Esq.	Municipal Court Judge	12/31/13
Dawn Baron	Municipal Court Administrator	
Terrie Mallone	Violations Clerk	
Thomas Buonocore, Esq.	Prosecutor	
Holly Schepisi, Esq.	Public Defender	
Daniel Hagberg	Construction Code Official	
	Fire Official	
	Building Sub-Code Official	
Thomas Zaconie	Plumbing Sub-Code Official	
Christopher Walthour	Electrical Sub-Code Official	
Ralph Porrino	Fire Sub-Code Official	
Brown & Brown	Risk Management Consultants	
Vozza Agency	Health Benefits Risk Management Consultants	

BOROUGH OF OAKLAND
NJ Comprehensive Annual Financial Report
Financial Section

Independent Auditors' Report

Honorable Mayor and Members of the Borough Council
Borough of Oakland, County of Bergen, New Jersey

Report on the Financial Statements

We have audited the financial statements - *regulatory basis* - of the various funds of the Borough of Oakland, in the County of Bergen (the "Borough") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Independent Auditors' Report (Continued)

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

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph do not present fairly in conformity with accounting principles generally accepted in the United States of America the financial position of the Borough as of December 31, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof, for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds of the Borough as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the post-retirement benefits - schedule of funding progress be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

Independent Auditors' Report (Continued)

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Registered Municipal Accountant
RMA No. CR00463

June 30, 2013

BOROUGH OF OAKLAND
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2012
(With Comparative Totals for 2011)

A-1

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Water Utility Operating Fund	Water Utility Capital Fund	Sewer Utility Operating Fund	Sewer Utility Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
										2012	2011
ASSETS AND OTHER DEBITS											
Cash	\$ 5,019,275	\$ 161,787	\$ 3,937,017	\$ 774,696	\$ 768,814	\$ 328,593	\$ 295,467	\$ 48,650	\$ -	\$ 11,334,299	\$ 11,141,809
Deferred Compensation Assets	-	-	728,842	-	-	-	-	-	-	728,842	586,044
Taxes Receivable	1,219,321	-	-	-	-	-	-	-	-	1,219,321	1,216,835
Assessments Receivable	-	-	-	-	-	-	-	-	-	-	1,800
Consumer Accounts Receivable	-	-	-	-	217,388	-	58,864	-	-	276,252	302,640
Interfunds Receivable	-	-	306	-	-	-	-	-	-	306	106
Intergovernmental Receivable	2,296	129,527	-	346,725	-	-	-	-	-	478,548	701,882
Deferred Charges	84,800	-	-	16,110,789	-	-	-	-	-	16,195,589	14,289,111
Fixed Capital	-	-	-	-	-	10,589,757	-	74,100	-	10,663,857	10,663,857
Fixed Capital Authorized & Uncompleted	-	-	-	-	-	2,862,409	-	874,760	-	3,737,169	3,757,587
Fixed Assets	-	-	-	-	-	-	-	-	43,019,952	43,019,952	24,937,791
Total Assets and Other Debits	\$ 6,325,692	\$ 291,314	\$ 4,666,165	\$ 17,232,210	\$ 986,202	\$ 13,780,759	\$ 354,331	\$ 997,510	\$ 43,019,952	\$ 87,654,135	\$ 67,599,462
LIABILITIES, RESERVES AND FUND BALANCE											
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,672	\$ -	\$ 29,672	\$ 34,918
Interfunds Payable	306	-	-	-	-	-	-	-	-	306	106
Reserve for Encumbrances	644,751	774	-	50,667	61,358	142,041	24,333	-	-	923,924	1,252,191
Appropriation Reserves	1,367,486	-	-	-	100,559	-	45,069	-	-	1,513,114	913,712
Other Liabilities and Reserves	856,764	290,540	4,666,165	467,922	117,903	10,667,286	29,271	153,100	-	17,248,951	16,694,338
Improvement Authorizations	-	-	-	7,492,856	-	875,501	-	532,738	-	8,901,095	6,445,481
Intergovernmental Payable	12,065	-	-	-	-	-	-	-	-	12,065	14,201
Serial Bonds Payable	-	-	-	2,680,000	-	1,104,000	-	-	-	3,784,000	5,009,000
Bond Anticipation Notes Payable	-	-	-	6,459,020	-	840,000	-	282,000	-	7,581,020	7,135,177
Loan Payable	-	-	-	-	-	-	-	-	-	-	-
Reserve for Receivables & Other Assets	1,219,321	-	-	-	217,388	-	58,864	-	-	1,495,573	1,521,275
Reserve for Investment in Fixed Assets	-	-	-	-	-	-	-	-	43,019,952	43,019,952	24,937,791
Fund Balance	2,224,999	-	-	81,745	488,994	151,931	196,794	-	-	3,144,463	3,641,272
Total Liabilities, Reserves and Fund Balance	\$ 6,325,692	\$ 291,314	\$ 4,666,165	\$ 17,232,210	\$ 986,202	\$ 13,780,759	\$ 354,331	\$ 997,510	\$ 43,019,952	\$ 87,654,135	\$ 67,599,462

The accompanying Notes to Financial Statements
are an integral part of this statement.

BOROUGH OF OAKLAND
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -
STATUTORY BASIS
Year Ended December 31, 2012

	Current Fund	Water Utility Fund	Sewer Utility Fund	Total
REVENUES AND OTHER CREDITS TO INCOME				
Revenues:				
Fund Balance Anticipated	\$ 1,036,000	\$ 50,000	\$ 25,000	\$ 1,111,000
Utility Rents	-	1,903,296	372,953	2,276,249
Miscellaneous	3,491,124	19,990	-	3,511,114
Deficit (General Budget)	-	-	-	-
Fund Balance - Water Capital	-	-	-	-
Receipts from Delinquent Taxes	17,471	-	-	17,471
Amount to be Raised by Taxation - Municipal	13,180,202	-	-	13,180,202
Amount to be Raised by Taxation - Library	816,497	-	-	816,497
Total Revenues	18,541,294	1,973,286	397,953	20,912,533
Other Credits to Income	41,625,792	60,829	37,294	41,723,915
Total Revenues and Other Credits to Income	\$ 60,167,086	\$ 2,034,115	\$ 435,247	\$ 62,636,448
EXPENDITURES AND OTHER CHARGES TO INCOME				
Expenditures:				
Within "CAPS":				
Operations:				
Salaries and Wages	\$ 6,440,585	\$ -	\$ -	\$ 6,440,585
Other Expenses	6,094,940	-	-	6,094,940
Deferred Charges	-	-	-	-
Statutory Expenditures	1,498,461	-	-	1,498,461
Excluded From "CAPS":				
Operations:				
Salaries and Wages	487,775	546,500	102,300	1,136,575
Other Expenses	787,896	698,400	222,000	1,708,296
Capital Improvements	708,000	79,279	19,242	806,521
Debt Service	1,473,292	483,710	4,269	1,961,271
Deferred Charges	684,790	100,111	21,689	806,590
Judgments	-	-	-	-
Deficit in Operations in Prior Years	-	-	-	-
Surplus (General Budget)	-	-	-	-
Reserve for Uncollected Taxes	177,255	-	-	177,255
Total Expenditures	18,352,994	1,908,000	369,500	20,630,494
Other Charges to Income	41,061,463	-	-	41,061,463
Total Expenditures and Charges to Income	\$ 59,414,457	\$ 1,908,000	\$ 369,500	\$ 61,691,957
Statutory Excess to Fund Balance	752,629	126,115	65,747	944,491
Deferred Charges to Budget of Succeeding Year	-	-	-	-
Fund Balance, January 1	2,508,370	412,879	156,047	3,077,296
	3,260,999	538,994	221,794	4,021,787
Decreased by:				
Utilization as Anticipated Revenue	1,036,000	50,000	25,000	1,111,000
Fund Balance, December 31	\$ 2,224,999	\$ 488,994	\$ 196,794	\$ 2,910,787

BOROUGH OF OAKLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET AND ACTUAL -- CURRENT FUND
Year Ended December 31, 2012

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 1,036,000	\$ 1,036,000	\$ -
Miscellaneous Revenues	3,442,270	3,491,124	48,854
Receipts from Delinquent Taxes	30,000	17,471	(12,529)
Amount to be Raised by Taxation - Municipal	13,028,227	13,180,202	151,975
Amount to be Raised by Taxation - Library	816,497	816,497	-
Total Revenues	18,352,994	18,541,294	188,300
Other Credits to Income	41,040,739	41,625,792	585,053
Total Revenues and Other Credits to Income	<u>\$ 59,393,733</u>	<u>\$ 60,167,086</u>	<u>\$ 773,353</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 6,440,585	\$ 6,440,585	\$ -
Other Expenses	6,094,940	6,094,940	-
Deferred Charges	-	-	-
Statutory Expenditures	1,498,461	1,498,461	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	487,775	487,775	-
Other Expenses	787,896	787,896	-
Capital Improvements	708,000	708,000	-
Municipal Debt Service	1,473,292	1,473,292	-
Deferred Charges	684,790	684,790	-
Reserve for Uncollected Taxes	177,255	177,255	-
Total Expenditures	18,352,994	18,352,994	-
Other Charges to Income	41,040,739	41,061,463	20,724
Total Expenditures and Charges to Income	<u>\$ 59,393,733</u>	<u>\$ 59,414,457</u>	<u>\$ 20,724</u>
Statutory Excess to Fund Balance		752,629	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		2,508,370	
		<u>\$ 3,260,999</u>	
Decreased by:			
Utilization as Anticipated Revenue		1,036,000	
Fund Balance, December 31		<u>\$ 2,224,999</u>	

BOROUGH OF OAKLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET AND ACTUAL -- WATER UTILITY OPERATING FUND
Year Ended December 31, 2011

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 50,000	\$ 50,000	\$ -
Rents	1,850,000	1,903,296	53,296
Miscellaneous	8,000	19,990	11,990
Deficit (General Budget)	-	-	-
Total Revenues	1,908,000	1,973,286	65,286
Other Credits to Income	-	60,829	60,829
Total Revenues and Other Credits to Income	<u>\$ 1,908,000</u>	<u>\$ 2,034,115</u>	<u>\$ 126,115</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operations:			
Salaries and Wages	\$ 546,500	\$ 546,500	\$ -
Other Expenses	698,400	698,400	-
Capital Improvements	79,279	79,279	-
Debt Service	483,710	483,710	-
Deferred Charges	-	-	-
Statutory Expenditures	100,111	100,111	-
Judgments	-	-	-
Deficit in Operations in Prior Years	-	-	-
Surplus (General Budget)	-	-	-
Total Expenditures	1,908,000	1,908,000	-
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 1,908,000</u>	<u>\$ 1,908,000</u>	<u>\$ -</u>
Statutory Excess to Fund Balance		126,115	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		412,879	
		538,994	
Decreased by:			
Utilization as Anticipated Revenue		50,000	
Fund Balance, December 31		<u>\$ 488,994</u>	

BOROUGH OF OAKLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
STATUTORY BASIS - BUDGET AND ACTUAL -- SEWER UTILITY OPERATING FUND
Year Ended December 31, 2012

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 25,000	\$ 25,000	\$ -
Rents	344,500	372,953	28,453
Miscellaneous	-	-	-
Deficit (General Budget)	-	-	-
Total Revenues	369,500	397,953	28,453
Other Credits to Income	-	37,294	37,294
Total Revenues and Other Credits to Income	<u>\$ 369,500</u>	<u>\$ 435,247</u>	<u>\$ 65,747</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Operations:			
Salaries and Wages	\$ 102,300	\$ 102,300	\$ -
Other Expenses	222,000	222,000	-
Capital Improvements	19,242	19,242	-
Debt Service	4,269	4,269	-
Deferred Charges	-	-	-
Statutory Expenditures	21,689	21,689	-
Judgments	-	-	-
Deficit in Operations in Prior Years	-	-	-
Surplus (General Budget)	-	-	-
Total Expenditures	369,500	369,500	-
Other Charges to Income	-	-	-
Total Expenditures and Charges to Income	<u>\$ 369,500</u>	<u>\$ 369,500</u>	<u>\$ -</u>
Statutory Excess to Fund Balance		65,747	
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		156,047	
		<u>\$ 221,794</u>	
Decreased by:			
Utilization as Anticipated Revenue		25,000	
Fund Balance, December 31		<u>\$ 196,794</u>	

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The Borough of Oakland (the "Borough") is a municipal corporation of the State of New Jersey located in the county of Bergen and is located approximately 20 miles west of the City of New York. The Borough's population according to the 2010 census is 12,754.

The Borough operates under a "Mayor-Council" form of government. The Mayor is the chief executive officer. The Borough operates on a calendar fiscal year, January 1 to December 31.

The municipal budget includes the following generally stated municipal services:

- General Government Functions
- Land Use Administration Functions
- Public Safety Functions
- Health and Human Service Functions
- Park and Recreation Functions
- Educational Functions
- Code Enforcement Functions
- Municipal Court Functions
- Capital Improvements
- Debt Service

B. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14. If the provisions of GASBS No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the municipality:

- Volunteer Fire Department
- Volunteer Ambulance Corp.
- Free Public Library

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies

Financial Statement Reporting

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect assets, liabilities, revenues and expenditures during and as of the end of the reporting period. Accordingly, actual results may differ from those estimates.

Reclassifications and Restatements

Certain reclassifications and restatements have been made to 2007 and prior amounts.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

Trust Fund - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with Technical Accounting Directive #85-2.

Water & Sewer Utility Funds - The Water and Sewer Utility Funds are used to account for the revenues and expenditures for the operation of the water and sewer utilities and the related assets and liabilities. Acquisition or improvement of capital facilities and assets are accounted for in the capital section of the funds.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the municipality's financial statements.

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

E. Inventories of Supplies

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.

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive. 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 drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. 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 the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

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

U. New Reporting Standard(s)

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions". This statement will become effective for governmental entities on a phased in basis based on the entities total annual revenues. This phase in began with fiscal years beginning after December 15, 2006 and continued thru December 15, 2008 depending on annual revenues. The Borough's effective date is the year beginning January 1, 2009. This statement will require Governmental entities to report the future cost of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The Township has not yet determined the impact of adoption of this standard on the financial statements. Refer to footnote 12 for further information on the actuarial computation of this disclosure.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 3 - Cash and Cash Equivalents

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. Deposits

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

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by the three categories described below:

Category 1 - Insured or collateralized with securities held by the municipality or by its agent in the municipality's name.

Category 2 - Collateralized with securities held by the pledging public depository's trust department or agent in the municipality's name.

Category 3 - Uncollateralized, including any deposits that is collateralized with securities held by the pledging public depository, or by its trust department or agent but not in the municipality's name.

At December 31, the municipality's deposits categorized by level of risk are summarized as follows:

Year	Bank Balance	Category			Carrying Amount
		1	2	3	
2012	\$ 11,544,765	\$ 11,544,765	\$ -	\$ -	\$ 11,334,299
2011	\$ 11,478,660	\$ 11,478,660	\$ -	\$ -	\$ 11,141,809
2010	\$ 14,573,651	\$ 14,573,651	\$ -	\$ -	\$ 14,040,639
2009	\$ 10,700,073	\$ 10,700,073	\$ -	\$ -	\$ 10,411,800
2008	\$ 10,092,778	\$ 10,092,778	\$ -	\$ -	\$ 9,397,089
2007	\$ 8,230,891	\$ 8,230,891	\$ -	\$ -	\$ 8,175,036
2006	\$ 16,099,054	\$ 16,099,054	\$ -	\$ -	\$ 15,650,429
2005	\$ 5,329,594	\$ 5,329,594	\$ -	\$ -	\$ 5,071,963
2004	\$ 6,887,696	\$ 5,220,136	\$ -	\$ 1,667,560	\$ 6,103,500

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligation that a federal agency or federal instrumentality has issued, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- d. Bonds or other obligations of municipalities or bonds or other obligations of school districts.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local government investment pools.
- g. Agreement for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1(8a-8e).

No investments were held as of December 31, 2012.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 5 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments:

2012

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 9,854,476	\$ -	\$ -	\$ 17,001,924	\$ 26,856,400
Improvements	5,246,212	-	-	4,038,489	9,284,701
Buildings	-	-	-	-	-
Equipment	7,274,056	-	-	(4,621,911)	2,652,145
Vehicles	-	-	-	4,226,706	4,226,706
Construction in Progress	2,563,047	-	-	(2,563,047)	-
	<u>\$ 24,937,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,082,161</u>	<u>\$ 43,019,952</u>

2011

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 9,854,476	\$ -	\$ -	\$ -	\$ 9,854,476
Improvements	5,246,212	-	-	-	5,246,212
Buildings	-	-	-	-	-
Equipment	7,274,056	-	-	-	7,274,056
Vehicles	-	-	-	-	-
Construction in Progress	2,563,047	-	-	-	2,563,047
	<u>\$ 24,937,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,937,791</u>

Threshold: \$ 500

Depreciation Method: Not Applicable

Useful Lives: Not Applicable

Note 6 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects under financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

B. Comparative Summary of Debt and Remaining Borrowing Power

The following comparative information summarizes the statutory debt calculations of the municipality as reported on the municipality's Annual Debt Statement.

	<u>2012</u>	<u>2011</u>
Issued:		
School Bonds and Notes	\$ 7,701,363	\$ 8,123,802
General Bonds and Notes	11,365,020	12,144,177
	<u>\$ 19,066,383</u>	<u>\$ 20,267,979</u>
Authorized but not Issued:		
General Bonds and Notes	<u>\$ 9,539,137</u>	<u>\$ 7,262,675</u>
Gross Debt	<u>\$ 28,605,520</u>	<u>\$ 27,530,654</u>
Deductions	<u>\$ 12,638,251</u>	<u>\$ 13,633,460</u>
Net Debt	<u><u>\$ 15,967,269</u></u>	<u><u>\$ 13,897,194</u></u>
Equalized Valuation Basis	\$ 2,467,933,234	\$ 2,556,640,626
Statutory Net Debt Percentage	0.65%	0.54%
3-1/2% of Equalized Valuation Basis	\$ 86,377,663	\$ 89,482,422
Remaining Borrowing Power	\$ 70,410,394	\$ 75,585,228

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2012 are as follows:

Loans and General Bonds

Calendar Year	10/01/02		12/01/06 - A	
	General Improvement Bonds		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2013	590,000	38,742	70,000	19,063
2014	584,000	19,272	70,000	16,048
2015	-	-	75,000	13,579
2016	-	-	75,000	9,774
2017	-	-	80,000	17,840
2018	-	-	85,000	14,640
2019	-	-	90,000	11,240
2020	-	-	95,000	7,640
2021	-	-	96,000	3,840
	<u>\$ 1,174,000</u>	<u>\$ 58,014</u>	<u>\$ 736,000</u>	<u>\$ 113,664</u>

Calendar Year	12/01/06 - C		Total	
	General Improvement Bonds			
	Principal	Interest	Principal	Interest
2013	170,000	42,137	830,000	99,942
2014	185,000	33,000	839,000	68,320
2015	200,000	22,825	275,000	36,404
2016	215,000	11,825	290,000	21,599
2017	-	-	80,000	17,840
2018	-	-	85,000	14,640
2019	-	-	90,000	11,240
2020	-	-	95,000	7,640
2021	-	-	96,000	3,840
	<u>\$ 770,000</u>	<u>\$ 109,787</u>	<u>\$ 2,680,000</u>	<u>\$ 281,465</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity (Continued)

Water Utility Bonds

Calendar Year	12/01/98		12/01/02	
	General Improvement Bonds		General Improvement Bonds	
	Principal	Interest	Principal	Interest
2013	-	-	330,000	22,012
2014	-	-	337,000	11,122
2015	-	-	-	-
2016	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 667,000</u>	<u>\$ 33,134</u>

Calendar Year	12/01/06		Total	
	General Improvement Bonds		Total	
	Principal	Interest	Principal	Interest
2013	100,000	27,432	430,000	49,444
2014	105,000	24,072	442,000	35,194
2015	110,000	19,541	110,000	19,541
2016	122,000	15,947	122,000	15,947
	<u>\$ 437,000</u>	<u>\$ 86,992</u>	<u>\$ 1,104,000</u>	<u>\$ 120,126</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2012 the following changes occurred in liabilities reported as general long-term debt:

Loans and General Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 3,485,000	\$ -	\$ (805,000)	\$ 2,680,000
Loan Payable	-	-	-	-
Bond Anticipation Notes	6,853,177	6,459,020	(6,853,177)	6,459,020
Authorized but not Issued	3,781,344	3,936,575	(746,150)	6,971,769
	<u>\$ 14,119,521</u>	<u>\$ 10,395,595</u>	<u>\$ (8,404,327)</u>	<u>\$ 16,110,789</u>
	<u>\$ 14,119,521</u>	<u>\$ 10,395,595</u>	<u>\$ (8,404,327)</u>	<u>\$ 16,110,789</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -		\$ -
Emergency Notes	-		-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 2,680,000	\$ 830,000	\$ 1,850,000
Loan Payable	-	-	-
Bond Anticipation Notes	6,459,020	6,459,020	-
Authorized but not Issued	6,971,769	-	6,971,769
	<u>\$ 16,110,789</u>	<u>\$ 7,289,020</u>	<u>\$ 8,821,769</u>
	<u>\$ 16,110,789</u>	<u>\$ 7,289,020</u>	<u>\$ 8,821,769</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Water Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 1,524,000	\$ -	\$ (420,000)	\$ 1,104,000
Loan Payable	-	-	-	-
Bond Anticipation Notes	-	840,000	-	840,000
Authorized but not Issued	2,712,500	315,000	(1,052,892)	1,974,608
	<u>\$ 4,236,500</u>	<u>\$ 1,155,000</u>	<u>\$ (1,472,892)</u>	<u>\$ 3,918,608</u>
	<u>\$ 4,236,500</u>	<u>\$ 1,155,000</u>	<u>\$ (1,472,892)</u>	<u>\$ 3,918,608</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:			
Serial Bonds	\$ 1,104,000	\$ 430,000	\$ 674,000
Loan Payable	-	-	-
Bond Anticipation Notes	840,000	840,000	-
Authorized but not Issued	1,974,608	-	1,974,608
	<u>\$ 3,918,608</u>	<u>\$ 1,270,000</u>	<u>\$ 2,648,608</u>
	<u>\$ 3,918,608</u>	<u>\$ 1,270,000</u>	<u>\$ 2,648,608</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 6 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt (Continued)

Sewer Utility Bonds

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Emergency Notes	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ -	\$ -	\$ -	\$ -
Loan Payable	-	-	-	-
Bond Anticipation Notes	282,000	282,000	(282,000)	282,000
Authorized but not Issued	697,000	-	-	697,000
	<u>\$ 979,000</u>	<u>\$ 282,000</u>	<u>\$ (282,000)</u>	<u>\$ 979,000</u>
	<u>\$ 979,000</u>	<u>\$ 282,000</u>	<u>\$ (282,000)</u>	<u>\$ 979,000</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	\$ -	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Long-Term Debt:			
Serial Bonds	\$ -	\$ -	\$ -
Loan Payable	-	-	-
Bond Anticipation Notes	282,000	282,000	-
Authorized but not Issued	697,000	-	697,000
	<u>\$ 979,000</u>	<u>\$ 282,000</u>	<u>\$ 697,000</u>
	<u>\$ 979,000</u>	<u>\$ 282,000</u>	<u>\$ 697,000</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 7 - Risk Management

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum 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 and worker's compensation. The BJIF and MEL 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 insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund 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 preventive procedures to be followed by the members. There has been no significant reduction in insurance coverage from the previous year nor have been there been any settlements in excess of insurance coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Borough. The Borough is billed quarterly for benefits paid to former employees.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 8 - Interfunds

As of December 31, interfund balances on the Borough's various balance sheets were as follows:

	Interfunds Receivable	Interfunds Payable
<u>2012</u>		
Current Fund	\$ -	\$ 306
Federal and State Grant Fund	-	-
Trust Fund	306	-
General Capital Fund	-	-
Water Utility Operating Fund	-	-
Water Utility Capital Fund	-	-
Sewer Utility Operating Fund	-	-
Sewer Utility Capital Fund	-	-
Sewer Assessment Trust Fund	-	-
	<u>\$ 306</u>	<u>\$ 306</u>
		-
<u>2011</u>		
Current Fund	\$ -	\$ 106
Federal and State Grant Fund	-	-
Trust Fund	106	-
General Capital Fund	-	-
Water Utility Operating Fund	-	-
Water Utility Capital Fund	-	-
Sewer Utility Operating Fund	-	-
Sewer Utility Capital Fund	-	-
Sewer Assessment Trust Fund	-	-
	<u>\$ 106</u>	<u>\$ 106</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 9 - Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are shown on the balance sheet of the Current Fund:

	Balance December 31,	Appropriated in Subsequent Year's Budget	Balance to Succeeding
<u>2012</u>			
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations	-	-	-
Special Emergency	-		
Authorizations (40A:4-53) - Wastewater Plan	20,000	10,000	10,000
Special Emergency	-		
Authorizations (40A:4-53) - Re-Assessment	64,800	21,600	43,200
Special Emergency	-		
Authorizations (40A:4-53) - Master Plan	-	-	-
	<u>\$ 84,800</u>	<u>\$ 31,600</u>	<u>\$ 53,200</u>

2011

Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations	53,190	53,190	-
Special Emergency	-		
Authorizations (40A:4-53) - Wastewater Plan	30,000	10,000	20,000
Special Emergency	-		
Authorizations (40A:4-53) - Re-Assessment	86,400	21,600	64,800
Special Emergency	-		
Authorizations (40A:4-53) - Master Plan	-	-	-
	<u>\$ 169,590</u>	<u>\$ 84,790</u>	<u>\$ 84,800</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 10 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Police and Firemans' Retirement System of New Jersey (PFRS) and the Defined Contribution Retirement Program (DCRP). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
County Agencies	65	65
Municipalities	579	580
School Districts	580	581
Other Public Agencies	481	483
Total	<u>1,706</u>	<u>1,710</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 10 - Retirement Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System.

For Tier 1 members, retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit, as defined Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS hired after May 21, 2010 (Tier 4 and Tier 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and Tier 5 members of PERS no longer receive pension service credit from more than one employer. Pension service credit is earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and Tier 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provided that new members of PERS hired on or after June 28, 2011 (Tier 5 members) need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members are eligible for a service retirement benefit at age 65.

Membership in the system consisted of the following at June 30, 2011 and 2010, the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	149,218	141,973
Active Members:		
Vested	149,719	149,506
Non-Vested	142,107	159,593
Total Active Members	291,826	309,099
Total	441,044	451,072

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 10 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS)

Description of the System

State of New Jersey Police and Firemen's Retirement System (the System; PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
Municipalities	585	588
Total	586	589

The System's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is primarily responsible for its administration.

According to State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

Note 10 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The PFRS provides retirement 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. Retirement benefits for age and service 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. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement 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. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, the annual benefit under special retirement for members enrolled after June 28, 2011 (Tier 3 members), is 60% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 65% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living (COLA) increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 10 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Significant Legislation:

Pursuant to Chapter 1, P.L. 2010, for new members of PFRS hired after May 21, 2010 (Tier 2 members), this law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and required the pension benefit to be calculated using a three-year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2011 and 2010 the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	38,091	35,973
Active members:		
Vested	28,817	29,552
Non-vested	13,182	14,652
Total active members	41,999	44,204
Total	80,090	80,177

Note 10 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008,

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Eligibility

Individuals eligible for membership in the DCRP include:

- 1) State or local officials who are elected or appointed on or after July 1, 2007
- 2) Employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and
- 3) Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Membership Tier 3 enrollment (\$7,500 in 2009, subject to adjustment in future years) but who earn salary of at least \$1,500 annually.)

Employees enrolled in the PERS or TPAF on or after July 1, 2007 are subject to a maximum compensation limit for PERS and TPAF pension contributions. The maximum compensation is based on the annual maximum wage for Social Security (see chart below) and is subject to change at the start of each calendar year.

Enrollment

Eligible PERS or TPAF members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

Upon enrollment into the PERS or TPAF when an annual base salary is reported on the Enrollment Application that will exceed the maximum compensation; or when a PERS or TPAF member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and Benefits (either by directly contacting the Division, or when submitted by the employer on the Quarterly Report of Contributions). When enrolled in the DCRP, members contribute 5.5% of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution based on the salary in excess of the maximum compensation limit.

It is important that an employer enroll a DCRP eligible PERS or TPAF member as soon as it is known that the employee's annual salary will exceed the maximum compensation, so that the DCRP account can be established in advance of collection of any required contributions.

Note 10 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

Retirement

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 10 - Retirement Plans (Continued)

D. Contributions Required by Employer

	<u>Year</u>	<u>Pension Cost</u>	<u>Percentage Contributed</u>	<u>Non-Contrib Health Ins.</u>	<u>Pension Obligation</u>
<i>Police and Firemens' Pension Fund (PFRS)</i>					
	2012	\$ 691,937	100.00%	\$ 25,345	\$ 717,282
	2011	\$ 766,131	100.00%	\$ 33,324	\$ 799,455
	2010	\$ 536,842	100.00%	\$ 27,293	\$ 564,135
	2009	\$ 556,270	100.00%	\$ 22,874	\$ 579,144
	2008	\$ 610,668	100.00%	\$ -	\$ 610,668
<i>Public Employees Retirement System (PERS)</i>					
	2012	\$ 316,278	100.00%	\$ 20,151	\$ 336,429
	2011	\$ 300,660	100.00%	\$ 22,835	\$ 323,495
	2010	\$ 231,186	100.00%	\$ 31,960	\$ 263,146
	2009	\$ 189,202	80.00%	\$ -	\$ 236,503
	2008	\$ 119,456	60.00%	\$ -	\$ 199,093
<i>Defined Contribution Retirement Program (DCRP)</i>					
	2012	\$ 392	100.00%	\$ -	\$ 392
	2011	\$ 206	100.00%	\$ -	\$ 206
	2010	\$ -	100.00%	\$ -	\$ -
	2009	\$ 625	100.00%	\$ -	\$ 625
	2008	\$ -	100.00%	\$ -	\$ -

E. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS, PFRS and DCRP financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 11 - Deferred Compensation Plan

A. Description

The Borough offers its qualifying volunteers participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by an outside contractor, permits participants to defer a portion of their Borough contributions on behalf of volunteers until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Borough's subject only to the claims of the Borough's general creditors. Participants' rights under the plan are equal to those of general creditors of the Borough in an equal amount to the fair value of the deferred account for each participant.

It is the opinion of the Borough's legal counsel that the Borough has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrators, who manages the plan on behalf of the Borough. Investment selection by the participants may change from time to time, as the Borough manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan and its administration.

Information pertaining to the plan offered by the Borough is as follows:

Lincoln National Life Insurance Co.

This plan administers Borough contributions towards its Volunteer Length of Service Award Program (LOSAP).

	<u>2012</u>
Assets, Beginning of Year (Market Value)	\$ 586,044
Municipal Contribution	75,621
Earnings and Adjustments to Market Value	69,758
Payments to Eligible Employees	(231)
Charges and Credits	(2,350)
Assets, Ending of Year (Market Value)	<u>\$ 728,842</u>

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 12 - Other Post Retirement Benefits

A. Compensated Absences (Unaudited)

The Borough has permitted certain employees and bargaining units to accumulate (with certain restrictions) unused sick pay which may be taken in cash (with certain limitations), upon death, retirement or by extended time off immediately preceding retirement. A detail of amounts due is on file in the Office of the Borough Clerk - Municipal Plaza, Oakland, NJ 07436 - (201) 337-8111. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The Borough approximates this liability at December 31, 2012 to be \$1,073,000. The Borough has \$578,575 in cash on hand to fund this liability, and anticipates funding an additional \$60,000 during CY2013.

B. Health Care Benefits

The Borough provides, at its cost, post-employment health care benefits in accordance with the provisions of Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 which permits local public employers to pay the premium charges for certain eligible pensioners and their dependents and to reimburse Part B Medicare premiums for such retirees and their spouses covered by the New Jersey State Health Benefits Program. The Borough is currently under contract with an outside actuary to prepare its OPEB Disclosure Requirement under GASB Statement 45.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 13 - Contingencies

A. Litigation

The Borough is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the Borough.

B. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. 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, to be material. The Borough has \$450,661 in cash on hand to fund this liability, and anticipates funding an additional \$50,000 during CY2013. Funding of any additional liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

C. Federal and State Grants

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 agency. If expenditures are disallowed, the Borough may be required to reimburse the grantor agency. As of December 31, 2012, significant amounts of grant expenditures have not been audited. The Borough believes that any future disallowed expenditures will not have a material effect on its financial position.

D. Refund of Prior Year Revenue

The Borough may have to refund prior year municipal court fines as a result of an order issued by the Bergen County Prosecutors Office. No written orders/instructions have been received by the Borough as of the date of this report. The Borough estimates the maximum exposure to be \$300,000. Funding of this liability would be provided for by use of Current Fund balance.

BOROUGH OF OAKLAND
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 14 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Borough adopted a capital budget substantially consistent with policies established by the Governing Body. Copies of the most updated Capital Budget is on file in the office of the Borough Clerk. As of the date of this report, the Capital Budget planned for various public improvements with an estimated cost of \$3,356,750, with \$424,813 being funded from the Capital Improvement Fund and authorizing debt for the balance of \$2,931,938.

B. Bond Anticipation Notes

On February 8, 2013 the Borough issued Bond Anticipation Notes in the amount of \$9,803,020 comprised of \$7,871,020 of General Capital notes, \$1,660,000 of Water Utility Capital notes and \$272,000 of Sewer Utility Capital Notes to temporarily finance expenditures related to various capital projects. The Borough paid down \$598,000 to the maturing notes derived from the 2013 Current Fund budget (\$588,000), and the 2013 Sewer Utility budget (\$10,000). The Borough has awarded the sale of said notes to TD Securities (USA), LLC, at a gross interest rate of 1.25% receiving a premium of \$74,013 producing a blended reduced effective interest rate of .4929%. These notes will mature on February 7, 2014.

<u>Fund</u>	<u>Balance December 31, 2012</u>	<u>New Money</u>	<u>Paydowns</u>	<u>Issued February 8, 2013</u>
General Capital Fund	\$ 6,459,020	\$ 2,000,000	\$ (588,000)	\$ 7,871,020
Water Capital Utility Fund	840,000	820,000	-	1,660,000
Sewer Capital Utility Fund	282,000	-	(10,000)	272,000
	<u>\$ 7,581,020</u>	<u>\$ 2,820,000</u>	<u>\$ (598,000)</u>	<u>\$ 9,803,020</u>

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS

	2012	2011
<u>ASSETS AND OTHER DEBITS</u>		
Cash:		
Current Account	\$ 5,019,000	\$ 4,520,938
N.J. Cash Management Account	-	-
Change Funds	275	275
	<u>\$ 5,019,275</u>	<u>\$ 4,521,213</u>
Intergovernmental Receivable:		
Due From State of New Jersey	\$ 2,296	\$ 1,129
Interfunds Receivable:		
Grant Fund	\$ -	\$ -
Other Receivables:		
Delinquent Property Taxes Receivable	\$ 46,920	\$ 44,498
Tax Title Liens Receivable	117,451	117,387
Property Acquired for Taxes - Assessed Valuation	1,054,950	1,054,950
	<u>\$ 1,219,321</u>	<u>\$ 1,216,835</u>
Deferred Charges:		
Special Emergency Authorizations (40A:4-53)	\$ 84,800	\$ 116,400
Emergency Authorizations	-	53,190
	<u>\$ 84,800</u>	<u>\$ 169,590</u>
Total Assets and Other Debits	<u>\$ 6,325,692</u>	<u>\$ 5,908,767</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Interfunds Payable:		
Municipal Open Space Trust Fund	\$ 306	\$ 106
General Capital Fund	-	-
	<u>\$ 306</u>	<u>\$ 106</u>
Accounts Payable	\$ -	\$ 32,132
Appropriation Reserves	\$ 1,367,486	\$ 792,114
Reserve for Encumbrances	\$ 644,751	\$ 535,975
Other Liabilities and Reserves:		
Reserve for Tax Appeals	\$ 450,661	\$ 373,472
Reserve for Special Emergency Authorizations	29,360	29,360
Due Municipal Library for Added Taxes	1,129	-
Reserve for Library Tax Payable	57,448	31,490
Pre-Paid Taxes	210,840	267,386
Tax Overpayments	107,326	107,326
	<u>\$ 856,764</u>	<u>\$ 809,034</u>
Intergovernmental Payable		
Due County for Added & Omitted Taxes	\$ 7,590	\$ 11,226
Due to State of New Jersey	4,475	2,975
	<u>\$ 12,065</u>	<u>\$ 14,201</u>
Reserve for Receivables and Other Assets	\$ 1,219,321	\$ 1,216,835
Fund Balance	\$ 2,224,999	\$ 2,508,370
Total Liabilities, Reserves and Fund Balance	<u>\$ 6,325,692</u>	<u>\$ 5,908,767</u>

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Budget As Modified	Realized	Excess/ (Deficit)
REVENUES			
Fund Balance Anticipated	\$ 1,036,000	\$ 1,036,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 24,000	\$ 24,650	\$ 650
Other Licenses	18,000	25,669	7,669
Fees and Permits	563,500	572,296	8,796
Municipal Court Fines and Costs	142,000	155,693	13,693
Interest and Costs on Taxes	81,000	56,759	(24,241)
Interest on Investments and Deposits	30,000	9,845	(20,155)
Consolidated Municipal Property Tax Relief	33,244	33,244	-
Energy Receipts Tax	1,278,925	1,278,925	-
Uniform Construction Code Fees	175,000	190,416	15,416
Clean Communities Program	21,100	21,100	-
Recycling Tonnage Grant	30,416	30,416	-
Drunk Driving Enforcement Fund	7,758	7,758	-
Alcohol Education Rehabilitation Program	1,025	1,025	-
Body Armor Replacement Program	2,630	2,630	-
Municipal Alliance on Alcoholism and Drug Abuse	10,356	10,356	-
ANJEC Sustained Land Use	8,000	8,000	-
N.J. Motor Vehicle Service - Police Fees	94,000	101,925	7,925
Emergency Management Assistance	5,000	5,000	-
Uniform Fire Safety Act	31,000	30,700	(300)
Reserve for Payment of Debt Service	294,157	294,157	-
Cellular Tower Lease	116,500	122,186	5,686
Cablevision Franchise Fee	123,000	123,063	63
Verizon Franchise Fee	45,000	45,631	631
Real Property Lease	55,000	23,217	(31,783)
Sale of Recyclables	85,000	83,094	(1,906)
FEMA Reimbursements - Hurricane "Irene"	54,000	103,643	49,643
Off-Duty Police Officer Administrative Fees	10,000	26,719	16,719
Pension Reimbursement From Library	37,359	37,359	-
Pension Reimbursement From Water	50,111	50,111	-
Pension Reimbursement From Sewer	9,689	9,689	-
Shared Service Agreement - School Crossing Guard	5,500	5,848	348
Total Miscellaneous Revenues	\$ 3,442,270	\$ 3,491,124	\$ 48,854
Receipts From Delinquent Taxes	\$ 30,000	\$ 17,471	\$ (12,529)
Amount to be Raised by Taxation for Municipal Budget	\$ 13,028,227	\$ 13,180,202	\$ 151,975
Minimum Library Tax	\$ 816,497	\$ 816,497	\$ -
Total Revenues	\$ 18,352,994	\$ 18,541,294	\$ 188,300

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Budget As Modified	Realized	Excess/ (Deficit)
<u>OTHER CREDITS TO INCOME</u>			
Non-Budget Revenues	\$ -	\$ 89,064	\$ 89,064
Unexpended Balances of Appropriation Reserves	-	495,989	495,989
Interfund Loans Returned	-	-	-
Unexpended Balances Cancelled	-	-	-
Cancellations & Non-Cash Adjustments	-	-	-
Taxes Allocated to School and County:			
Local District School Tax	25,518,325	25,518,325	-
Regional High School Tax	9,897,661	9,897,661	-
County Tax Levy	5,332,218	5,332,218	-
County Open Space	61,407	61,407	-
Municipal Open Space Preservation	222,103	222,103	-
Added County Taxes	7,590	7,590	-
Added Municipal Library	1,129	1,129	-
Added Municipal Open Space	306	306	-
Total Other Credits to Income	<u>\$ 41,040,739</u>	<u>\$ 41,625,792</u>	<u>\$ 585,053</u>
Total Revenues and Other Credits to Income	<u>\$ 59,393,733</u>	<u>\$ 60,167,086</u>	<u>\$ 773,353</u>

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended	
	2012	Budget After	Paid or	Reserved	Balance	Overexpended
	Budget	Modification	Charged		Canceled	
OPERATIONS - WITHIN "CAPS"						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages	\$ 195,000	\$ 191,000	\$ 190,716	\$ 284	\$ -	\$ -
Other Expenses	7,800	7,800	3,808	3,992	-	-
Other Expenses - Wastewater Management Plan	-	-	-	-	-	-
Communication Committee:						
Other Expenses	15,000	15,000	12,289	2,711	-	-
General Services:						
Salaries and Wages	66,000	73,000	72,746	254	-	-
Other Expenses	60,000	62,000	61,399	601	-	-
Mayor and Council:						
Salaries and Wages	45,030	45,030	43,925	1,105	-	-
Other Expenses	30,000	27,000	23,146	3,854	-	-
Municipal Clerk:						
Salaries and Wages	73,660	73,660	73,660	-	-	-
Other Expenses	20,200	25,700	24,916	784	-	-
Elections:						
Salaries and Wages	2,275	2,275	2,275	-	-	-
Other Expenses	12,500	12,500	11,364	1,136	-	-
Financial Administration:						
Salaries and Wages	191,300	191,300	191,300	-	-	-
Other Expenses	20,200	20,200	19,488	712	-	-
Audit Services:						
Other Expenses	37,000	36,000	36,000	-	-	-
Computerized Data Processing:						
Other Expenses	44,350	40,350	26,479	13,871	-	-
Revenue Administration:						
Salaries and Wages	88,350	85,350	82,092	3,258	-	-
Other Expenses	16,450	16,450	10,014	6,436	-	-
Tax Assessment Administration:						
Salaries and Wages	114,370	114,370	114,370	-	-	-
Other Expenses	15,900	15,900	15,015	885	-	-
Other Expenses - Re-Assessment	-	-	-	-	-	-
Legal Services:						
Other Expenses	195,000	195,000	183,462	11,538	-	-
Engineering Services:						
Other Expenses	38,000	24,000	14,000	10,000	-	-
<u>Land Use Administration</u>						
Planning Board:						
Salaries and Wages	29,100	29,100	28,978	122	-	-
Other Expenses	17,350	22,350	20,218	2,132	-	-
Zoning Board of Adjustment:						
Salaries and Wages	15,200	15,200	14,984	216	-	-
Other Expenses	8,200	8,200	5,414	2,786	-	-
<u>Insurance</u>						
General Liability	449,650	445,150	309,334	135,816	-	-
Worker Compensation Insurance	-	-	-	-	-	-
Employee Group Health	2,116,400	2,116,400	1,471,879	644,521	-	-

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended	
	2012	Budget After	Paid or	Reserved	Balance	Overexpended
	Budget	Modification	Charged		Canceled	
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Public Safety Functions</u>						
Police:						
Salaries and Wages	\$ 3,920,800	\$ 3,970,800	\$ 3,943,362	\$ 27,438	\$ -	\$ -
Other Expenses	127,190	127,190	118,044	9,146	-	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	25,000	25,000	25,000	-	-	-
Flood Control Committee:						
Salaries and Wages	4,325	4,325	4,325	-	-	-
Other Expenses	1,500	1,500	-	1,500	-	-
Office of Emergency Management:						
Salaries and Wages	7,500	7,500	7,339	161	-	-
Other Expenses	10,500	10,500	6,602	3,898	-	-
Other Expenses - Emergency	-	-	-	-	-	-
Fire Department:						
Salaries and Wages	71,725	71,725	68,056	3,669	-	-
Other Expenses	106,000	102,000	86,558	15,442	-	-
<u>Public Works Functions</u>						
Streets and Road Maintenance:						
Salaries and Wages	463,900	463,900	459,770	4,130	-	-
Other Expenses	99,550	97,550	79,521	18,029	-	-
Snow Removal:						
Salaries and Wages	45,000	45,000	20,344	24,656	-	-
Other Expenses	91,500	84,500	47,631	36,869	-	-
Shade Tree Commission:						
Other Expenses	20,000	45,000	44,152	848	-	-
Solid Waste Collection:						
Salaries and Wages	71,900	71,900	71,521	379	-	-
Other Expenses	1,226,000	1,163,000	1,094,233	68,767	-	-
Garbage and Trash Removal - Contractual	-	-	-	-	-	-
Buildings and Grounds:						
Salaries and Wages	197,300	197,300	196,557	743	-	-
Other Expenses	134,200	134,200	120,717	13,483	-	-
Vehicle Maintenance:						
Salaries and Wages	62,200	62,200	61,938	262	-	-
Other Expenses	82,500	82,500	70,039	12,461	-	-
<u>Health and Human Services</u>						
Board of Health:						
Salaries and Wages	61,500	61,500	59,717	1,783	-	-
Other Expenses	147,350	149,350	144,615	4,735	-	-
Environmental Health Services Commission:						
Salaries and Wages	1,200	1,200	1,200	-	-	-
Other Expenses	700	700	490	210	-	-

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended	
	2012	Budget After	Paid or	Reserved	Balance	Overexpended
	Budget	Modification	Charged		Canceled	
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Park and Recreation Functions</u>						
Board of Recreation Commissioners						
(R.S. 40:12-1 et seq.):						
Salaries and Wages	\$ 175,900	\$ 175,900	\$ 160,405	\$ 15,495	\$ -	\$ -
Other Expenses	296,850	296,850	275,861	20,989	-	-
Senior Citizens Activities						
Salaries and Wages	61,350	61,350	55,459	5,891	-	-
Other Expenses	33,400	33,400	30,437	2,963	-	-
<u>Other Common Operating Functions</u>						
Celebration of Public Events, Anniversary or Holiday (R.S. 50:48-5.4):						
Other Expenses	14,100	14,100	13,706	394	-	-
Accumulated Leave Compensation:						
Salaries and Wages	60,000	60,000	60,000	-	-	-
<u>Municipal Court</u>						
Municipal Court Administration:						
Salaries and Wages	129,900	127,900	125,787	2,113	-	-
Other Expenses	9,500	9,500	6,154	3,346	-	-
Public Defender (P.L. 1997, C.256):						
Other Expenses	10,000	10,000	9,700	300	-	-
Municipal Prosecutor:						
Other Expenses	23,000	23,000	20,850	2,150	-	-
<u>Code Enforcement Administration</u>						
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	237,800	237,800	235,477	2,323	-	-
Other Expenses	7,100	7,100	4,898	2,202	-	-
<u>Utility Expenses and Bulk Purchases</u>						
Gasoline	185,000	185,000	128,663	56,337	-	-
Diesel Fuel	-	-	-	-	-	-
Electricity	120,000	120,000	95,765	24,235	-	-
Telephone and Telegraph	98,000	98,000	93,521	4,479	-	-
Natural Gas	25,000	25,000	17,373	7,627	-	-
Street Lighting	155,000	155,000	144,233	10,767	-	-
Total Operations - Within "CAPS"	\$ 12,545,525	\$ 12,530,525	\$ 11,273,291	\$ 1,257,234	\$ -	\$ -
Contingent	5,000	5,000	-	5,000	-	-
Total Operations Including Contingent - Within "CAPS"	\$ 12,550,525	\$ 12,535,525	\$ 11,273,291	\$ 1,262,234	\$ -	\$ -
Detail:						
Salaries and Wages	\$ 6,392,585	\$ 6,440,585	\$ 6,346,303	\$ 94,282	\$ -	\$ -
Other Expenses	\$ 6,157,940	\$ 6,094,940	\$ 4,926,988	\$ 1,167,952	\$ -	\$ -

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	2012 Budget	Budget After Modification	Paid or Charged	Reserved		
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"						
<u>Deferred Charges</u>						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overexpenditures of Appropriations	-	-	-	-	-	-
Expenditure Without Appropriation	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Statutory Expenditures</u>						
Public Employees' Retirement System	\$ 336,429	\$ 336,429	\$ 336,429	\$ -	\$ -	\$ -
Social Security System (O.A.S.I.)	429,000	444,000	441,843	2,157	-	-
Defined Contribution Retirement Program	750	750	392	358	-	-
Police and Firemen's Retirement System	717,282	717,282	717,282	-	-	-
	<u>\$ 1,483,461</u>	<u>\$ 1,498,461</u>	<u>\$ 1,495,946</u>	<u>\$ 2,515</u>	<u>\$ -</u>	<u>\$ -</u>
Total General Appropriations for Municipal Purposes - W	\$ 14,033,986	\$ 14,033,986	\$ 12,769,237	\$ 1,264,749	\$ -	\$ -

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended	
	2012 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - EXCLUDED FROM "CAPS"						
<u>Statutory Expenditures</u>						
Length of Service Awards Program (LOSAP)	80,000	80,000	621	79,379	-	-
<u>Other Public Works Functions</u>						
Stormwater Management - Salary & Wages	50,200	50,200	50,200	-	-	-
Stormwater Management - Other	31,100	31,100	13,538	17,562	-	-
<u>Public Safety</u>						
"9-1-1 System"	12,500	12,500	12,466	34	-	-
<u>Education</u>						
Maintenance of Free Public Library - Salary & Wages	437,575	437,575	437,575	-	-	-
Maintenance of Free Public Library - Other	378,922	378,922	378,922	-	-	-
<u>Reserve for Tax Appeals</u>						
Other Expenses	100,000	100,000	100,000	-	-	-
<u>Public and Private Programs Offset by Revenues</u>						
Cash Match for Grants	2,500	2,500	-	2,500	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Cou	10,356	10,356	10,356	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Loc	2,589	2,589	2,589	-	-	-
Drunk Driving Enforcement Fund	7,758	7,758	7,758	-	-	-
Clean Communities Program	21,100	21,100	21,100	-	-	-
Recycling Tonnage Grant	30,416	30,416	30,416	-	-	-
N.J. Motor Vehicle Services	94,000	94,000	90,742	3,258	-	-
Alcohol Education and Rehab Fund	1,025	1,025	1,025	-	-	-
ANJEC Sustainable Land Use Grant	8,000	8,000	8,000	-	-	-
Emergency Management Assistance	5,000	5,000	5,000	-	-	-
Body Armor Replacement	2,630	2,630	2,630	-	-	-
Total Operations Excluded from "CAPS"	\$ 1,275,671	\$ 1,275,671	\$ 1,172,938	\$ 102,733	\$ -	\$ -
Detail:						
Salaries and Wages	\$ 487,775	\$ 487,775	\$ 487,775	\$ -	\$ -	\$ -
Other Expenses	\$ 787,896	\$ 787,896	\$ 685,163	\$ 102,733	\$ -	\$ -

BOROUGH OF OAKLAND
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriated		Expended		Unexpended	
	2012 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 708,000	\$ 708,000	\$ 708,000	\$ -	\$ -	-
Master Plan	-	-	-	-	-	-
Total Capital Improvements - Excluded From "CAPS"	\$ 708,000	\$ 708,000	\$ 708,000	\$ -	\$ -	-
DEBT SERVICE - EXCLUDED FROM "CAPS"						
<u>Municipal Debt Service</u>						
Bond Principal	\$ 805,000	\$ 805,000	\$ 805,000	\$ -	\$ -	-
Bond Interest	130,143	130,143	130,143	-	-	-
Note Interest	102,462	102,462	102,462	-	-	-
Payment of Bond Anticipation Notes	435,687	435,687	435,687	-	-	-
<u>Green Trust Loan Program:</u>						
Loan Repayments of Principal and Interest	-	-	-	-	-	-
Total Debt Service - Excluded From "CAPS"	\$ 1,473,292	\$ 1,473,292	\$ 1,473,292	\$ -	\$ -	-
DEFERRED CHARGES - EXCLUDED FROM "CAPS"						
Emergency Authorizations	\$ 53,190	\$ 53,190	\$ 53,190	\$ -	\$ -	-
Deferred Charges to Future Taxation-Unfunded	600,000	600,000	600,000	-	-	-
Special Emergency Authorizations - 5 Years (N.J.S. 40A)	31,600	31,600	31,600	-	-	-
	\$ 684,790	\$ 684,790	\$ 684,790	\$ -	\$ -	-
Total General Appropriations for Municipal Purposes - E	\$ 4,141,753	\$ 4,141,753	\$ 4,039,020	\$ 102,733	\$ -	-
Subtotal General Appropriations	\$ 18,175,739	\$ 18,175,739	\$ 16,808,257	\$ 1,367,482	\$ -	-
Reserve for Uncollected Taxes	177,255	177,255	177,255	-	-	-
Total General Appropriations	\$ 18,352,994	\$ 18,352,994	\$ 16,985,512	\$ 1,367,482	\$ -	-
Budget Appropriations - Adopted Budget	\$ 18,339,994	\$ 18,339,994				
Budget Appropriations - Added by <u>N.J.S. 40A:4-87</u>	\$ 13,000	\$ 13,000				
Emergency Appropriations	-	-				
	\$ 18,352,994	\$ 18,352,994				
Other Charges to Income:						
Interfund Advances Originating in Current Year						
Refund of Prior Year's Revenue			20,724			
Taxes Allocated to School and County:						
Local District School Tax		25,518,325	25,518,325			
Regional High School Tax		9,897,661	9,897,661			
County Tax Levy		5,332,218	5,332,218			
County Open Space		61,407	61,407			
Municipal Open Space Preservation		222,103	222,103			
Added County Taxes		7,590	7,590			
Added Municipal Library		1,129	1,129			
Added Municipal Open Space		306	306			
		\$ 41,040,739	\$ 41,061,463			

BOROUGH OF OAKLAND
GRANT FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS

	2012	2011
<u>ASSETS</u>		
Cash	\$ 161,787	\$ 77,048
Intergovernmental Receivable:		
Grants Receivable	\$ 129,527	\$ 204,028
Total Assets	<u>\$ 291,314</u>	<u>\$ 281,076</u>
<u>LIABILITIES AND RESERVES</u>		
Interfund Payable:		
Current Fund	\$ -	\$ -
Reserve for Encumbrances	\$ 774	\$ 30,854
Other Liabilities and Reserves:		
Appropriated Reserves	\$ 236,329	\$ 187,293
Unappropriated Reserves	54,211	62,929
	<u>\$ 290,540</u>	<u>\$ 250,222</u>
Total Liabilities and Reserves	<u>\$ 291,314</u>	<u>\$ 281,076</u>

BOROUGH OF OAKLAND
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE
Year Ended December 31, 2012

Program	Balance December 31, 2011	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2012
<u>Federal:</u>						
U.S. Department of HUD - CDBG Grant	\$ 60,010	\$ -	\$ -	\$ -	\$ -	\$ 60,010
	\$ 60,010	\$ -	\$ -	\$ -	\$ -	\$ 60,010
<u>State:</u>						
Municipal Alliance on Alcoholism and Drug Abuse	\$ 5,657	\$ 10,356	\$ 12,857	\$ -	\$ -	\$ 3,156
Clean Communities Program	-	21,100	-	21,100	-	-
Recycling Tonnage Grant	-	30,416	-	30,416	-	-
Drunk Driving Enforcement Fund	-	7,758	-	7,758	-	-
Alcohol Education & Rehabilitation Fund	-	1,025	-	1,025	-	-
Body Armor Replacement Program - State	-	2,630	-	2,630	-	-
ANJEC Sustainable Land Use Grant	-	8,000	-	-	-	8,000
Emergency Management Assistance	-	5,000	5,000	-	-	-
New Jersey DOT - Passed Thru County of Bergen - ADA Ramps	5,000	-	-	-	-	5,000
NJ HPO - Historical Preservation Grant	40,000	-	40,000	-	-	-
Highlands - Plan Conformance	48,537	-	-	-	-	48,537
Highlands - Transfer Development Rights	4,824	-	-	-	-	4,824
	\$ 104,018	\$ 86,285	\$ 57,857	\$ 62,929	\$ -	\$ 69,517
<u>Other:</u>						
Bergen County Open Space - Historical Preservation Plan	\$ 10,000	\$ -	\$ 5,800	\$ -	\$ (4,200)	\$ -
Bergen County Open Space - Historical Preservation Plan	30,000	-	30,000	-	-	-
	\$ 40,000	\$ -	\$ 35,800	\$ -	\$ (4,200)	\$ -
Grand Total	\$ 204,028	\$ 86,285	\$ 93,657	\$ 62,929	\$ (4,200)	\$ 129,527

BOROUGH OF OAKLAND
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES
Year Ended December 31, 2012

Program	Balance December 31, 2011	Budget	Paid or Charged	Cancellations and Adjustments	Balance December 31, 2012
<u>Federal:</u>					
U.S. Department of HUD - CDBG Grant	\$ 37,604	\$ -	\$ -	\$ -	\$ 37,604
U.S. Department of Homeland Security - NJ State Police OEM Grant	5,000	-	-	-	5,000
	<u>\$ 42,604</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,604</u>
<u>State:</u>					
Recycling Tonnage Grant	\$ 76,891	\$ 30,416	\$ 11,829	\$ -	\$ 95,478
Clean Communities Program	26,194	21,100	13,817	-	33,477
Body Armor Replacement Program - State	2,892	2,630	-	-	5,522
Drunk Driving Enforcement Fund	2,937	7,758	1,018	-	9,677
Alcohol Education & Rehabilitation Fund	470	1,025	516	-	979
Municipal Alliance on Alcoholism and Drug Abuse - County	9,456	10,356	7,025	6,648	19,435
Municipal Alliance on Alcoholism and Drug Abuse - Local	1,021	-	-	-	1,021
H1N1 Flu Grant	211	-	-	-	211
New Jersey DOT - Passed Thru County of Bergen - ADA Improvements - Local	5,000	-	-	-	5,000
ANJEC Sustainable Land Use Grant	-	8,000	-	-	8,000
Emergency Management Assistance	-	5,000	2,540	-	2,460
Highlands - Plan Conformance	15,417	-	2,952	-	12,465
	<u>\$ 140,489</u>	<u>\$ 86,285</u>	<u>\$ 39,697</u>	<u>\$ 6,648</u>	<u>\$ 193,725</u>
<u>Other:</u>					
Bergen County Open Space - Historical Preservation Plan	\$ 4,200	\$ -	\$ -	\$ (4,200)	\$ -
	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,200)</u>	<u>\$ -</u>
Grand Total	<u>\$ 187,293</u>	<u>\$ 86,285</u>	<u>\$ 39,697</u>	<u>\$ 2,448</u>	<u>\$ 236,329</u>

BOROUGH OF OAKLAND
GRANT FUND
STATEMENT OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2012

<u>Program</u>	<u>Balance December 31, 2011</u>	<u>Appropriated in 2012</u>	<u>Received in 2012</u>	<u>Adjustments</u>	<u>Balance December 31, 2012</u>
<u>State:</u>					
Clean Communities Program	\$ 21,100	\$ 21,100	\$ 20,770	\$ -	\$ 20,770
Body Armor Replacement Program	2,630	2,630	2,689	-	2,689
Recycling Tonnage Grant	30,416	30,416	29,565	-	29,565
Alcohol Education & Rehabilitation Grant	1,025	1,025	1,187	-	1,187
Drunk Driving Enforcement Fund	7,758	7,758	-	-	-
	<u>\$ 62,929</u>	<u>\$ 62,929</u>	<u>\$ 54,211</u>	<u>\$ -</u>	<u>\$ 54,211</u>

BOROUGH OF OAKLAND
TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES - STATUTORY BASIS

	2012	2011
<u>ASSETS</u>		
Cash:		
Trust & Escrow Deposit Account	\$ 2,173,066	\$ 2,228,865
Unemployment Account	199,230	212,445
Municipal Open Space Trust Account	536,786	414,104
Landfill Closure Account	2,082	2,080
Payroll Agency Account	53,685	51,464
Animal Control Account	25,577	23,120
Animal Control - Change Fund	50	50
COAH Trust Fund	604,549	813,016
Lien Redemption Trust Fund	280,583	408,621
Flexible Spending Account	2,684	-
Health Benefits Account	58,725	-
P.A.T.F. #I	-	63
	<u>\$ 3,937,017</u>	<u>\$ 4,153,828</u>
Deferred Compensation Plan Assets:		
Lincoln Financial Group	<u>\$ 728,842</u>	<u>\$ 586,044</u>
Interfund Receivable:		
Current Fund	<u>\$ 306</u>	<u>\$ 106</u>
Total Assets	<u><u>\$ 4,666,165</u></u>	<u><u>\$ 4,739,978</u></u>

LIABILITIES AND RESERVES

Other Liabilities and Reserves:		
Payroll Deductions Payable	\$ 53,685	\$ 51,464
Reserve for Animal Control Expenditures	25,627	23,170
Reserve for Developers and Escrow Deposits	283,020	287,236
Reserve for Landfill Closure	2,082	2,080
Reserve for Municipal Open Space	537,092	414,104
Reserve for Unemployment Claims	199,230	212,445
Reserve for Flexible Spending Account Expenditures	2,684	-
Reserve for P.A.T.F. I Expenditures	-	63
Reserve for COAH Expenditures	604,549	813,016
Reserve for Board of Recreation Commission Expenditures	68,457	54,255
Reserve for Celebration of Public Events and Centennial Celebration	105,181	106,741
Reserve for Municipal Alliance on Alcohol & Drug Abuse Expenditures	15,168	16,948
Reserve for Library Settlement Expenditures	242,070	102,070
Reserve for Lien Redemption Expenditures	280,583	408,621
Reserve for Health Benefit Claims	574,451	840,888
Reserve for Deferred Compensation	728,842	586,044
Reserve for Soil Movement	13,367	13,367
Reserve for Performance Bond	196,843	194,343
Reserve for Board of Health - Marriage Licenses	2,305	2,265
Reserve for Recycling Containers	2,790	2,460
Reserve for Shade Tree	10,753	9,743
Reserve for Wedding Donation	-	700
Reserve for POAA	890	792
Reserve for Oakland Farmers Market Expenditures	2,539	-
Reserve for Public Defender	8,862	6,338
Reserve for Snow Removal	105,107	101,543
Reserve for Accumulated Absence	578,575	433,940
Reserve for Off-Duty Police Officer	21,413	55,342
	<u><u>\$ 4,666,165</u></u>	<u><u>\$ 4,739,978</u></u>

**BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	2012	2011
<u>ASSETS</u>		
Cash:		
General Capital Account	\$ 774,695	\$ 828,222
Community Development Account	1	1
Certificate of Deposit	-	-
	<u>\$ 774,696</u>	<u>\$ 828,223</u>
Interfund Receivable:		
Current Fund	\$ -	\$ -
Intergovernmental Receivable:		
Grants Receivable	\$ 346,725	\$ 496,725
Deferred Charges:		
Funded	\$ 2,680,000	\$ 3,485,000
Unfunded	13,430,789	10,634,521
	<u>\$ 16,110,789</u>	<u>\$ 14,119,521</u>
Total Assets	<u>\$ 17,232,210</u>	<u>\$ 15,444,469</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	\$ 50,667	\$ 446,921
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 294,853	\$ 267,891
Reserve for Preliminary Plan Expenses - Ramapo River Project	29,549	-
Reserve for Payment of Debt Service	143,520	294,157
	<u>\$ 467,922</u>	<u>\$ 562,048</u>
Improvement Authorizations:		
Funded	\$ 1,049,820	\$ 563,549
Unfunded	6,443,036	3,121,729
	<u>\$ 7,492,856</u>	<u>\$ 3,685,278</u>
Serial Bonds Payable	\$ 2,680,000	\$ 3,485,000
Bond Anticipation Notes Payable	\$ 6,459,020	\$ 6,853,177
Loan Payable	\$ -	\$ -
Fund Balance	<u>\$ 81,745</u>	<u>\$ 412,045</u>
Total Liabilities and Fund Balance	<u>\$ 17,232,210</u>	<u>\$ 15,444,469</u>

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF LOANS PAYABLE
Year Ended December 31, 2012

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2011	Issued In 2012	Paid by Budget Appropriation	Refinance Adjustment	Balance December 31, 2012
None	\$	-	\$	-	\$	-
		\$	-	\$	-	\$
		\$	-	\$	-	\$

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2012

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Improvement	Balance December 31, 2011	Authorized	Raised In Budget	BANs Paid By Budget Appropriation and Receipts	Serial Bonds Issued	Cancellations	Balance December 31, 2012	Analysis of Balance		
								Outstanding BANs	B&N Authorized	Capital Cash
#06-544 Various Capital Improvements	\$ 4,360	\$ -	\$ (4,360)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
#07-558 Various Capital Improvements	61,058	-	-	(61,058)	-	-	-	-	-	-
#07-561/#09-588 Various Capital Improvements	743,722	-	-	(183,099)	-	-	560,623	560,623	-	-
#08-567 Acquisition of Real Property	2,500,000	-	-	(100,000)	-	-	2,400,000	2,400,000	-	-
#08-586 Various Capital Improvements	1,030,397	-	-	(50,000)	-	-	980,397	980,397	-	-
#09-607 Acquisition of Real Property	2,290,000	-	-	-	-	-	2,290,000	2,290,000	-	-
#07-561/09-588 Various Capital Improvements	228,000	-	-	-	-	-	228,000	228,000	-	-
#10-617 Various Capital Improvements	1,025,707	-	(595,640)	-	-	-	430,067	-	430,067	-
#10-621 Allerman Brook - Supplemental	65,500	-	-	-	-	-	65,500	-	65,500	-
#10-636 Various Capital Improvements	1,191,427	-	-	(135,053)	-	(11,097)	1,045,277	-	1,045,277	-
#11-643 Various Capital Imp (10-636 Supp)	282,388	-	-	-	-	-	282,388	-	282,388	-
#11-652 Various Capital Improvements	1,211,962	-	-	-	-	-	1,211,962	-	1,211,962	-
#12-663 New DPW Building	-	2,000,000	-	-	-	-	2,000,000	-	2,000,000	-
#12-670 Various Capital Improvements	-	1,808,325	-	-	-	-	1,808,325	-	1,808,325	-
#12-677 Monhegan Ave. Drainage Improvements	-	128,250	-	-	-	-	128,250	-	128,250	-
	<u>\$ 10,634,521</u>	<u>\$ 3,936,575</u>	<u>\$ (600,000)</u>	<u>\$ (529,210)</u>	<u>\$ -</u>	<u>\$ (11,097)</u>	<u>\$ 13,430,789</u>	<u>\$ 6,459,020</u>	<u>\$ 6,971,769</u>	<u>\$ -</u>
Bond Anticipation Notes Payable	\$ 6,853,177						\$ 6,459,020			
Bond Anticipation Notes Paid With Capital Cash	-						-			
Bonds and Notes Authorized but not Issued	3,781,344						6,971,769			
	<u>\$ 10,634,521</u>						<u>\$ 13,430,789</u>			

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2012

E-4

Description	Authorized										Cancellations and Adjustments	Balance - December 31, 2012	
	Balance - January 1, 2012		Capital Improvement Fund	Capital Surplus	Grants	Bonds & Notes	Expended	Refunded	Funded	Unfunded			
	Funded	Unfunded											
#99-362/02-429/02-430 Library Addition	\$ 329,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,323	\$ -	
#06-534 Flood Control Allerman Brook	-	158,500	-	-	-	-	-	-	-	-	-	158,500	
#07-561 Various Capital Improvements	-	160,360	-	-	-	-	-	-	-	488	-	160,848	
#08-567 Acquisition of Real Property	-	94,673	-	-	-	-	1,157	-	-	-	-	93,516	
#08-586 Various Capital Improvements	-	527,605	-	-	-	-	11,904	-	-	(1,989)	-	513,712	
#09-607 Acquisition of Real Property	-	174,487	-	-	-	-	704	-	-	-	-	173,783	
#10-618 Various Capital Improvements	8,525	-	-	-	-	-	-	-	-	(2,525)	6,000	-	
#10-621 Allerman Brook - Supplemental	-	31,290	-	-	-	-	-	-	-	-	-	31,290	
#10-635 Various Capital Improvements	18,362	-	-	-	-	-	-	-	-	(18,362)	-	-	
#10-636 Various Capital Improvements	-	480,465	-	-	-	-	163,719	-	-	(11,096)	-	305,650	
#11-643 Various Capital Imp (10-636 Supp)	9,279	282,388	-	-	-	-	61,000	-	-	-	-	230,667	
#11-645 Improvement to Pawnee Road	-	-	-	-	-	-	47,496	-	-	47,496	-	-	
#11-652 Various Capital Improvements	62,965	1,211,961	-	-	-	-	121,434	-	-	-	-	1,153,492	
#11-653 Purchase of Capital Equipment	135,095	-	-	-	-	-	48,418	-	-	(15,811)	70,866	-	
#12-663 New DPW Building	-	-	500,000	-	-	2,000,000	173,637	-	-	-	326,363	2,000,000	
#12-670 Various Capital Improvements	-	-	95,175	-	-	1,808,325	410,172	-	-	-	-	1,493,328	
#12-671 Purchase of Capital Equipment	-	-	-	350,950	-	-	34,594	-	-	(5,838)	310,518	-	
#12-677 Monhegan Ave. Drainage Improvements	-	-	6,750	-	-	128,250	-	-	-	-	6,750	128,250	
	\$ 563,549	\$ 3,121,729	\$ 601,925	\$ 350,950	\$ -	\$ 3,936,575	\$ 1,074,235	\$ -	\$ -	(7,637)	\$ 1,049,820	\$ 6,443,036	

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS PAYABLE
Year Ended December 31, 2012

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2011</u>	<u>Issued In 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
09/26/02 General Improvement Bonds	4,494,000	\$ 1,754,000	\$ -	\$ 580,000	\$ 1,174,000
12/01/06 General Improvement Bonds (A)	1,096,000	801,000	-	65,000	736,000
12/01/06 General Improvement Bonds (C)	1,580,000	930,000	-	160,000	770,000
		<u>\$ 3,485,000</u>	<u>\$ -</u>	<u>\$ 805,000</u>	<u>\$ 2,680,000</u>

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2012

E-6

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Issued	Decreased	Budget Appropriation and Receipts	Receipts Applied	Balance December 31, 2012
<u>11-3R</u>											
#07-561/09-588 Various Capital Improvements	997,500	10/30/08	02/11/11	02/10/12	1.50%	743,722	-	743,722	-	-	-
#08-567 Various Capital Improvements	5,045,000	10/30/08	02/11/11	02/10/12	1.50%	2,500,000	-	2,500,000	-	-	-
#07-558 Various Capital Improvements	229,425	08/18/06	02/11/11	02/10/12	1.50%	61,058	-	61,058	-	-	-
<u>11-2R</u>											
#08-586 Various Capital Improvements	1,067,695	02/11/09	02/11/11	02/10/12	1.50%	1,030,397	-	1,030,397	-	-	-
#07-561/09-588 Various Capital Improvements	228,000	02/11/09	02/11/11	02/10/12	1.50%	228,000	-	228,000	-	-	-
<u>11-1R</u>											
#09-607 Acquisition of Real Property	2,490,000	05/27/10	02/11/11	02/10/12	0.92%	2,290,000	-	2,290,000	-	-	-
<u>12-4R</u>											
#07-561/09-588 Various Capital Improvements	997,500	10/30/08	02/10/12	02/08/13	0.67%	-	560,623	-	-	-	560,623
#08-567 Various Capital Improvements	5,045,000	10/30/08	02/10/12	02/08/13	0.67%	-	2,400,000	-	-	-	2,400,000
<u>12-3R</u>											
#08-586 Various Capital Improvements	1,067,695	02/11/09	02/10/12	02/08/13	0.67%	-	980,397	-	-	-	980,397
#07-561/09-588 Various Capital Improvements	228,000	02/11/09	02/10/12	02/08/13	0.67%	-	228,000	-	-	-	228,000
<u>12-2R</u>											
#09-607 Acquisition of Real Property	2,490,000	05/27/10	02/10/12	02/08/13	0.67%	-	2,290,000	-	-	-	2,290,000
						<u>\$ 6,853,177</u>	<u>\$ 6,459,020</u>	<u>\$ 6,853,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,459,020</u>

BOROUGH OF OAKLAND
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2012

Improvement Description	Balance December 31, 2011	Authorized	BANs Issued	Raised	Cancellations/ Adjustments	Balance December 31, 2012
#06-544 Various Capital Improvements	\$ 4,360	\$ -	\$ -	\$ (4,360)	\$ -	\$ -
#10-617 Various Capital Improvements	1,025,707	-	-	(595,640)	-	430,067
#10-621 Allerman Brook - Supplemental	65,500	-	-	-	-	65,500
#10-636 Various Capital Improvements	1,191,427	-	-	(135,053)	(11,097)	1,045,277
#11-643 Various Capital Imp (10-636 Supp)	282,388	-	-	-	-	282,388
#11-652 Various Capital Improvements	1,211,962	-	-	-	-	1,211,962
#12-663 New DPW Building	-	2,000,000	-	-	-	2,000,000
#12-670 Various Capital Improvements	-	1,808,325	-	-	-	1,808,325
#12-677 Monhegan Ave. Drainage Improvements	-	128,250	-	-	-	128,250
	<u>\$ 3,781,344</u>	<u>\$ 3,936,575</u>	<u>\$ -</u>	<u>\$ (735,053)</u>	<u>\$ (11,097)</u>	<u>\$ 6,971,769</u>

BOROUGH OF OAKLAND
WATER UTILITY OPERATING FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS

	2012	2011
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 768,764	\$ 610,497
Change Funds	50	50
	<u>\$ 768,814</u>	<u>\$ 610,547</u>
Consumer Accounts Receivable	<u>\$ 217,388</u>	<u>\$ 249,108</u>
Total Assets	<u><u>\$ 986,202</u></u>	<u><u>\$ 859,655</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	<u>\$ 61,358</u>	<u>\$ 31,223</u>
Appropriation Reserves	<u>\$ 100,559</u>	<u>\$ 86,929</u>
Other Liabilities and Reserves:		
Accrued Interest on Bonds	\$ 4,120	\$ 5,309
Overpayments	13,783	24,207
Reserve for Rate Stabilization	100,000	50,000
	<u>\$ 117,903</u>	<u>\$ 79,516</u>
Reserve for Receivables	<u>\$ 217,388</u>	<u>\$ 249,108</u>
Fund Balance	<u>\$ 488,994</u>	<u>\$ 412,879</u>
Total Liabilities and Fund Balance	<u><u>\$ 986,202</u></u>	<u><u>\$ 859,655</u></u>

BOROUGH OF OAKLAND
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

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	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 50,000	\$ 50,000	\$ -
Rents	\$ 1,850,000	\$ 1,903,296	\$ 53,296
Miscellaneous:			
Interest on Delinquent Accounts	\$ 8,000	\$ 19,990	\$ 11,990
Hydrants	-	-	-
Reserve for Debt Service	-	-	-
Total Miscellaneous	\$ 8,000	\$ 19,990	\$ 11,990
	\$ 1,908,000	\$ 1,973,286	\$ 65,286
Other Credits to Income:			
Non-Budget Revenues	\$ -	\$ 1,189	\$ 1,189
Unexpended Balance of Appropriation Reserves	-	59,640	59,640
Unexpended Balances Cancelled	-	-	-
Cancellations and Adjustments	-	-	-
	\$ -	\$ 60,829	\$ 60,829
Total Revenues and Credits to Income	\$ 1,908,000	\$ 2,034,115	\$ 126,115

BOROUGH OF OAKLAND
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriations		Expended		Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpenditure
Operating:						
Salaries and Wages	\$ 546,500	\$ 546,500	\$ 546,500	\$ -	\$ -	\$ -
Other Expenses:						
Other Expenses	\$ 238,650	\$ 238,650	\$ 223,405	\$ 15,245	\$ -	\$ -
Utilities	295,000	295,000	217,517	77,483	-	-
Group Insurance	115,000	115,000	115,000	-	-	-
Other Insurance	49,750	49,750	49,750	-	-	-
	<u>\$ 698,400</u>	<u>\$ 698,400</u>	<u>\$ 605,672</u>	<u>\$ 92,728</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements:						
Capital Improvement Fund	\$ 79,000	\$ 79,000	\$ 79,000	\$ -	\$ -	\$ -
Capital Outlay	279	279	-	279	-	-
	<u>\$ 79,279</u>	<u>\$ 79,279</u>	<u>\$ 79,000</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service:						
Payment of Bonds	\$ 420,000	\$ 420,000	\$ 420,000	\$ -	\$ -	\$ -
Interest on Bonds	63,710	63,710	63,710	-	-	-
Interest on Notes	-	-	-	-	-	-
	<u>\$ 483,710</u>	<u>\$ 483,710</u>	<u>\$ 483,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Charges:						
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overexpenditures	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Statutory Expenditures:						
Public Employees Retirement System	\$ 50,111	\$ 50,111	\$ 50,111	\$ -	\$ -	\$ -
Social Security System	50,000	50,000	42,448	7,552	-	-
Unemployment Compensation	-	-	-	-	-	-
	<u>\$ 100,111</u>	<u>\$ 100,111</u>	<u>\$ 92,559</u>	<u>\$ 7,552</u>	<u>\$ -</u>	<u>\$ -</u>
Deficit in Operations in Prior Years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appropriations	<u>\$ 1,908,000</u>	<u>\$ 1,908,000</u>	<u>\$ 1,807,441</u>	<u>\$ 100,559</u>	<u>\$ -</u>	<u>\$ -</u>
Other Charges to Income:						
Refund of Prior Year's Revenue			<u>\$ -</u>			

BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS

	2012	2011
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 328,593	\$ 119,836
Investments - Certificate of Deposit	-	500,000
	<u>\$ 328,593</u>	<u>\$ 619,836</u>
Fixed Capital	<u>\$ 10,589,757</u>	<u>\$ 10,589,757</u>
Fixed Capital Authorized & Uncompleted	<u>\$ 2,862,409</u>	<u>\$ 2,778,587</u>
Total Assets	<u>\$ 13,780,759</u>	<u>\$ 13,988,180</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Reserve for Encumbrances	<u>\$ 142,041</u>	<u>\$ 75,605</u>
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 407,890	\$ 310,604
Reserve for Amortization	9,485,757	9,065,757
Reserve for Deferred Amortization	719,214	737,500
Reserve for Payment of Debt Service	54,425	-
	<u>\$ 10,667,286</u>	<u>\$ 10,113,861</u>
Improvement Authorizations:		
Funded	\$ 90,804	\$ 583,341
Unfunded	784,697	1,539,442
	<u>\$ 875,501</u>	<u>\$ 2,122,783</u>
Bond Anticipation Notes Payable	<u>\$ 840,000</u>	<u>\$ -</u>
Serial Bonds Payable	<u>\$ 1,104,000</u>	<u>\$ 1,524,000</u>
Fund Balance	<u>\$ 151,931</u>	<u>\$ 151,931</u>
Total Liabilities and Reserves	<u>\$ 13,780,759</u>	<u>\$ 13,988,180</u>

**BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2012**

F-5

Description	Balance December 31, 2011	Transferred From Fixed Capital Authorized & Uncompleted	Adjustments	Cancellations	Balance December 31, 2012
Unallocated	\$ 10,589,757	\$ -	\$ -	\$ -	\$ 10,589,757
				Reserve for Amortization	\$ 9,485,757
				Serial Bonds Payable	1,104,000
					<u>\$ 10,589,757</u>

BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2012

F-6

Description	Balance December 31, 2011	Authorized	Transferred to Fixed Capital	Adjustments	Cancellations	Balance December 31, 2012
Unallocated	\$ 2,778,587	\$ -	\$ -	\$ -	\$ 256,178	\$ 2,522,409
#12-659 Algonquin Trail Water Main	-	275,000	-	-	-	275,000
#12-667 Algonquin Water Main - Supplemental	-	65,000	-	-	-	65,000
	<u>\$ 2,778,587</u>	<u>\$ 340,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,178</u>	<u>\$ 2,862,409</u>

Reserve for Deferred Amortization	\$ 719,214
Bond Anticipation Notes Payable	840,000
Bonds & Notes Authorized but not Issued	<u>1,303,195</u>
	<u>\$ 2,862,409</u>

BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2012

F-7

Description	Authorized									Balance - December 31, 2012	
	Balance - January 1, 2012		Capital Improvement Fund	Capital Surplus	Bonds & Notes	Expended	Adjustments	Cancellations		Funded	Unfunded
	Funded	Unfunded									
#06-539 Various Capital Improvements	\$ 307,353	\$ -	\$ -	\$ -	\$ -	\$ 8,672	\$ 5,015	\$ 212,892	\$ 90,804	\$ -	\$ -
#07-563 Lawlor/Walnut Water Mains	-	225,629	-	-	-	-	12,402	-	-	-	238,031
#08-585 Water Improvements - Well #8	-	473,813	-	-	-	473,541	36,466	-	-	-	36,738
#09-597 Water Improvements - Well #7	29,808	-	-	-	-	4,759	13,478	38,527	-	-	-
#11-637 Various Water Improvements	146,180	840,000	-	-	-	472,407	-	54,425	-	-	459,348
#11-654 Water Improvements - Well #8	100,000	-	-	-	-	100,000	-	-	-	-	-
#12-659 Algonquin Trail Water Main	-	-	25,000	-	250,000	273,102	-	-	-	-	1,898
#12-667 Algonquin Water Main - Supplemental	-	-	-	-	65,000	16,318	-	-	-	-	48,682
	<u>\$ 583,341</u>	<u>\$ 1,539,442</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 315,000</u>	<u>\$ 1,348,799</u>	<u>\$ 67,361</u>	<u>\$ 305,844</u>	<u>\$ 90,804</u>	<u>\$ 784,697</u>	

**BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
Year Ended December 31, 2012**

F-8

<u>Date of Issue - Purpose</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2011</u>	<u>Issued In 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
09/26/02 General Improvement Bonds	1,997,000	992,000	-	325,000	667,000
12/01/06 General Improvement Bonds	932,000	532,000	-	95,000	437,000
		<u>\$ 1,524,000</u>	<u>\$ -</u>	<u>\$ 420,000</u>	<u>\$ 1,104,000</u>

BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2012

F-9

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Issued	Decreased	Budget Appropriation and Receipts	Receipts Applied	Balance December 31, 2012
#11-637 Various Water Improvements	840,000	02/10/12	02/10/12	02/08/13	0.67%	-	840,000	-	-	-	840,000
						<u>\$ -</u>	<u>\$ 840,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,000</u>

BOROUGH OF OAKLAND
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2012

Improvement Description	Balance December 31, 2011	Authorized	BANs Issued	Bonds Issued	Cancellations/ Adjustments	Balance December 31, 2012
#06-539 Various Water Improvements	\$ 932,000	\$ -	\$ -	\$ -	\$ (884,305)	\$ 47,695
#07-563 Lawlor/Walnut Water Mains	370,500	-	-	-	-	370,500
#08-585 Water Improvements - Well #8	570,000	-	-	-	-	570,000
#11-637 Various Water Improvements	840,000	-	840,000	-	-	-
#12-659 Algonquin Trail Water Main	-	250,000	-	-	-	250,000
#12-667 Algonquin Water Main - Supplemental	-	65,000	-	-	-	65,000
	<u>\$ 2,712,500</u>	<u>\$ 315,000</u>	<u>\$ 840,000</u>	<u>\$ -</u>	<u>\$ (884,305)</u>	<u>\$ 1,303,195</u>

**BOROUGH OF OAKLAND
SEWER UTILITY OPERATING FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS**

	2012	2011
<u>ASSETS</u>		
Cash:		
Operating Account	\$ 295,442	\$ 234,473
Change Funds	25	25
	<u>\$ 295,467</u>	<u>\$ 234,498</u>
Consumer Accounts Receivable	<u>\$ 58,864</u>	<u>\$ 53,532</u>
Total Assets	<u><u>\$ 354,331</u></u>	<u><u>\$ 288,030</u></u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts Payable	<u>\$ -</u>	<u>\$ 2,786</u>
Reserve for Encumbrances	<u>\$ 24,333</u>	<u>\$ 20,417</u>
Appropriation Reserves	<u>\$ 45,069</u>	<u>\$ 34,669</u>
Other Liabilities and Reserves:		
Accrued Interest on Notes	\$ 3,771	\$ 3,771
Overpayments	4,500	4,808
Reserve for Rate Stabilization	21,000	12,000
	<u>\$ 29,271</u>	<u>\$ 20,579</u>
Reserve for Receivables	<u>\$ 58,864</u>	<u>\$ 53,532</u>
Fund Balance	<u>\$ 196,794</u>	<u>\$ 156,047</u>
Total Liabilities and Fund Balance	<u><u>\$ 354,331</u></u>	<u><u>\$ 288,030</u></u>

BOROUGH OF OAKLAND
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

G-2

	Anticipated Budget	Realized	Excess/ (Deficit)
Operating Surplus Anticipated	\$ 25,000	\$ 25,000	\$ -
Rents	\$ 344,500	\$ 372,953	\$ 28,453
Miscellaneous:			
Interest on Delinquent Accounts	\$ -	\$ -	\$ -
Deficit (General Budget)	-	-	-
Total Miscellaneous	\$ -	\$ -	\$ -
	\$ 369,500	\$ 397,953	\$ 28,453
Other Credits to Income:			
Non-Budget Revenues	\$ -	\$ 322	\$ 322
Unexpended Balance of Appropriation Reserves	-	36,972	36,972
Cancellations and Adjustments	-	-	-
	\$ -	\$ 37,294	\$ 37,294
Total Revenues and Credits to Income	\$ 369,500	\$ 435,247	\$ 65,747

BOROUGH OF OAKLAND
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME - STATUTORY BASIS
Year Ended December 31, 2012

	Appropriations		Expended			Unexpended	
	Adopted Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled	Overexpenditure
Operating:							
Salaries and Wages	\$ 99,300	\$ 102,300	\$ 101,002	\$ -	\$ 1,298	\$ -	\$ -
Other Expenses:							
Other Expenses	\$ 139,250	\$ 136,250	\$ 86,448	\$ 22,109	\$ 27,693	\$ -	\$ -
Utilities	39,000	39,000	25,306	2,224	11,470	-	-
Group Insurance	21,500	21,500	21,500	-	-	-	-
Other Insurance	10,250	10,250	10,250	-	-	-	-
Reserve for Debt Service	15,000	15,000	15,000	-	-	-	-
	<u>\$ 225,000</u>	<u>\$ 222,000</u>	<u>\$ 158,504</u>	<u>\$ 24,333</u>	<u>\$ 39,163</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Improvements:							
Capital Improvement Fund	\$ 19,000	\$ 19,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -
Capital Outlay	242	242	-	-	242	-	-
	<u>\$ 19,242</u>	<u>\$ 19,242</u>	<u>\$ 19,000</u>	<u>\$ -</u>	<u>\$ 242</u>	<u>\$ -</u>	<u>\$ -</u>
Debt Service:							
Payment of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on Bonds	-	-	-	-	-	-	-
Interest on Notes	4,269	4,269	4,269	-	-	-	-
	<u>\$ 4,269</u>	<u>\$ 4,269</u>	<u>\$ 4,269</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Charges:							
Emergency Authorizations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Overexpenditures	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Statutory Expenditures:							
Public Employees Retirement System	\$ 9,689	\$ 9,689	\$ 9,689	\$ -	\$ -	\$ -	\$ -
Social Security System	12,000	12,000	7,634	-	4,366	-	-
Unemployment Compensation	-	-	-	-	-	-	-
	<u>\$ 21,689</u>	<u>\$ 21,689</u>	<u>\$ 17,323</u>	<u>\$ -</u>	<u>\$ 4,366</u>	<u>\$ -</u>	<u>\$ -</u>
Deficit in Operations in Prior Years	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appropriations	<u>\$ 369,500</u>	<u>\$ 369,500</u>	<u>\$ 300,098</u>	<u>\$ 24,333</u>	<u>\$ 45,069</u>	<u>\$ -</u>	<u>\$ -</u>
Other Charges to Income:							
Refund of Prior Year's Revenue			<u>\$ -</u>				

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - STATUTORY BASIS

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash:		
Sewer Capital Account	\$ 48,650	\$ 96,616
Fixed Capital	\$ 74,100	\$ 74,100
Fixed Capital Authorized & Uncompleted	\$ 874,760	\$ 979,000
Total Assets	<u>\$ 997,510</u>	<u>\$ 1,149,716</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Contracts Payable	\$ 29,672	\$ 111,196
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ 44,000	\$ 25,000
Reserve for Amortization	74,100	74,100
Reserve for Debt Service	35,000	20,000
	<u>\$ 153,100</u>	<u>\$ 119,100</u>
Improvement Authorizations:		
Unfunded	\$ 532,738	\$ 637,420
Bond Anticipation Notes Payable	\$ 282,000	\$ 282,000
Total Liabilities and Fund Balance	<u>\$ 997,510</u>	<u>\$ 1,149,716</u>

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

Cash Balance, December 31, 2011		\$	96,616
Receipts:			
Capital Improvement Fund	\$	19,000	
Reserve for Debt Service		15,000	
Due to Sewer Utility Operating Fund:			
Interest Earned		65	
			<u>34,065</u>
			130,681
Disbursements:			
Improvement Authorizations	\$	1,355	
Contracts Payable		80,611	
Due to Sewer Utility Operating Fund:			
Interest Earned		65	
			<u>82,031</u>
Cash Balance, December 31, 2012		\$	<u><u>48,650</u></u>

**BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
Year Ended December 31, 2012**

G-6

Description	Balance December 31, 2011	Transferred From Fixed Capital Authorized & Uncompleted	Adjustments	Cancellations	Balance December 31, 2012
Unidentified from CY2004 Audit	\$ 74,100	\$ -	\$ -	\$ -	\$ 74,100

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
Year Ended December 31, 2012

G-7

Description	Balance December 31, 2011	Authorized	Transferred to Fixed Capital	Adjustments	Cancellations	Balance December 31, 2012
#08-575 Various Public Improvements	\$ 232,000	\$ -	\$ -	\$ -	\$ -	\$ 232,000
#08-584 Various Public Improvements	50,000	-	-	-	-	50,000
#11-638 Various Public Improvements	697,000	-	-	-	104,240	592,760
	<u>\$ 979,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,240</u>	<u>\$ 874,760</u>

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
Year Ended December 31, 2012

G-8

Vendor	Ordinance Number	Contract Number	Original Amount	Balance December 31, 2011	Paid	Accrued	Cancellations and Adjustments	Balance December 31, 2012
Crew Engineers, Inc.	11-638	C1-20	\$ 57,000	\$ 51,471	\$ 23,750	\$ -	\$ 4,850	\$ 22,871
Crew Engineers, Inc.	08-575	C9-41	8,250	8,250	8,250	-	-	-
Crew Engineers, Inc.	08-575	C2-04	4,000	-	2,340	4,000	-	1,660
National Water Main Cleaning	08-575	C1-39	51,475	51,475	46,271	-	63	5,141
				<u>\$ 111,196</u>	<u>\$ 80,611</u>	<u>\$ 4,000</u>	<u>\$ 4,913</u>	<u>\$ 29,672</u>

**BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2012**

G-9

<u>Description</u>	<u>Balance December 31, 2011</u>	<u>Sewer Operating Fund Appropriation</u>	<u>Used to Finance Authorizations</u>	<u>Cancelled Funded Authorizations</u>	<u>Balance December 31, 2012</u>
Capital Improvement Fund	\$ 25,000	\$ 19,000	\$ -	\$ -	\$ 44,000

**BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
Year Ended December 31, 2012**

G-10

Description	Balance December 31, 2011	Transferred From Fixed Capital Authorized & Uncompleted	Adjustments	Cancellations	Balance December 31, 2012
Unidentified from CY2004 Audit	\$ 74,100	\$ -	\$ -	\$ -	\$ 74,100

**BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE
Year Ended December 31, 2012**

G-11

<u>Ordinance</u>	<u>Balance December 31, 2011</u>	<u>Sewer Operating Fund Revenue</u>	<u>Cancelled Funded Authorizations</u>	<u>Balance December 31, 2012</u>
Unallocated - CY2010 Budget	\$ 5,000	\$ -	\$ -	\$ 5,000
Unallocated - CY2011 Budget	15,000	-	-	15,000
Unallocated - CY2012 Budget	-	-	15,000	15,000
	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 35,000</u>

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
Year Ended December 31, 2012

G-12

Description	Balance - January 1, 2012		Bonds & Notes Authorized	Paid or Charged	Encumbered	Cancellations	Adjustments	Balance - December 31, 2012	
	Funded	Unfunded						Funded	Unfunded
#08-575 Various Sewer Improvements	\$ -	\$ 6,776	\$ -	\$ -	\$ 4,000	\$ -	\$ (4,913)	\$ -	\$ 7,689
#08-584 Various Sewer Improvements	-	9,221	-	1,157	-	-	-	-	8,064
#11-638 Various Sewer Improvements	-	621,423	-	198	-	104,240	-	-	516,985
\$	-	\$ 637,420	\$ -	\$ 1,355	\$ 4,000	\$ 104,240	\$ (4,913)	\$ -	\$ 532,738

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2012

G-13

Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Issued	Decreased	Paydown	Balance December 31, 2012
<u>10-1SU</u>										
#08-575 Skyview Sewer Plant Improvements	232,000	05/27/10	02/11/11	02/10/12	1.50%	\$ 232,000	\$ -	\$ 232,000	\$ -	\$ -
#08-584 Skyview Sewer Plant Improvements	50,000	05/27/10	02/11/11	02/10/12	1.50%	50,000	-	50,000	-	-
						<u>\$ 282,000</u>	<u>\$ -</u>	<u>\$ 282,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>12-1SU</u>										
#08-575 Skyview Sewer Plant Improvements	232,000	05/27/10	02/10/12	02/08/13	0.67%	\$ -	\$ 232,000	\$ -	\$ -	\$ 232,000
#08-584 Skyview Sewer Plant Improvements	50,000	05/27/10	02/10/12	02/08/13	0.67%	-	50,000	-	-	50,000
						<u>\$ -</u>	<u>\$ 282,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,000</u>
						<u>\$ 282,000</u>	<u>\$ 282,000</u>	<u>\$ 282,000</u>	<u>\$ -</u>	<u>\$ 282,000</u>

BOROUGH OF OAKLAND
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2012

G-14

<u>Description</u>	<u>Balance December 31, 2011</u>	<u>Authorized</u>	<u>Issued</u>	<u>Cancellations and Adjustments</u>	<u>Balance December 31, 2012</u>
#11-638 Various Sewer Improvements	\$ 697,000	\$ -	\$ -	\$ -	\$ 697,000

BOROUGH OF OAKLAND
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF ASSETS AND FUND BALANCE - STATUTORY BASIS

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Land	\$ 26,856,400	\$ 9,854,476
Improvements	9,284,701	5,246,212
Buildings	-	-
Equipment	2,652,145	7,274,056
Vehicles	4,226,706	-
Construction in Progress	-	2,563,047
	<u>\$ 43,019,952</u>	<u>\$ 24,937,791</u>
<u>FUND BALANCE</u>		
Reserve for Investment in		
General Fixed Assets	<u>\$ 43,019,952</u>	<u>\$ 24,937,791</u>

BOROUGH OF OAKLAND
GENERAL FIXED ASSET ACCOUNT GROUP
STATEMENT OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS

H-2

	Balance December 31, 2011	Additions	Retirements	Adjustments	Balance December 31, 2012
Land	\$ 9,854,476	\$ -	\$ -	\$ 17,001,924	\$ 26,856,400
Improvements	5,246,212	-	-	4,038,489	9,284,701
Buildings	-	-	-	-	-
Equipment	7,274,056	-	-	(4,621,911)	2,652,145
Vehicles	-	-	-	4,226,706	4,226,706
Construction in Progress	2,563,047	-	-	(2,563,047)	-
	<u>\$ 24,937,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,082,161</u>	<u>\$ 43,019,952</u>

BOROUGH OF OAKLAND
NJ Comprehensive Annual Financial Report
Statistical Section

BOROUGH OF OAKLAND
Adopted Budgets
(Unaudited)

	2012	2011	2010	2009	2008
<u>CURRENT FUND</u>					
<u>REVENUES</u>					
Fund Balance	\$ 1,036,000	\$ 486,000	\$ 886,000	\$ 361,000	\$ 445,000
Miscellaneous Revenues	3,429,270	3,205,269	3,050,302	3,828,951	4,068,754
Receipts From Delinquent Taxes	30,000	122,300	499,250	395,000	380,000
Amount to be Raised by Taxation - Municipal	13,028,227	13,028,228	13,719,459	13,245,980	12,635,789
Amount to be Raised by Taxation - Library	816,497	855,637	-	-	-
Total Revenues	<u>\$ 18,339,994</u>	<u>\$ 17,697,434</u>	<u>\$ 18,155,011</u>	<u>\$ 17,830,931</u>	<u>\$ 17,529,543</u>
<u>APPROPRIATIONS</u>					
Within "CAPS":					
Operations:					
Salaries and Wages	\$ 6,392,585	\$ 6,341,385	\$ 6,177,800	\$ 6,066,249	\$ 5,853,851
Other Expenses	6,157,940	6,257,116	6,310,450	6,157,395	6,256,925
Deferred Charges	-	-	-	28,602	46,168
Statutory Expenditures	1,483,461	1,548,700	1,278,031	433,500	413,000
Judgments	-	-	-	-	-
Excluded From "CAPS":					
Operations:					
Salaries and Wages	487,775	495,420	601,255	650,977	4,025
Other Expenses	774,896	746,437	1,052,123	1,912,670	2,203,958
Capital Improvements	708,000	208,000	120,000	120,000	100,000
Municipal Debt Service	1,473,292	1,205,476	1,364,352	1,279,299	1,158,251
Deferred Charges	684,790	647,600	626,000	646,000	887,843
Reserve for Uncollected Taxes	177,255	247,300	625,000	536,239	605,522
Total Appropriations	<u>\$ 18,339,994</u>	<u>\$ 17,697,434</u>	<u>\$ 18,155,011</u>	<u>\$ 17,830,931</u>	<u>\$ 17,529,543</u>
	-	-	-	-	-

BOROUGH OF OAKLAND
Adopted Budgets
(Unaudited)

	2012	2011	2010	2009	2008
<u>WATER UTILITY FUND</u>					
<u>REVENUES</u>					
Fund Balance Anticipated	\$ 50,000	\$ 50,000	\$ 100,000	\$ 135,000	\$ 35,000
Rents	1,850,000	1,866,000	1,827,000	1,679,121	1,785,000
Water Capital Fund Balance	-	-	-	110,000	-
Reserve for Debt Service	-	-	-	155,879	-
Deficit (General Budget)	-	-	-	-	25,000
Miscellaneous	8,000	4,000	17,000	40,000	40,000
Total Revenues	<u>\$ 1,908,000</u>	<u>\$ 1,920,000</u>	<u>\$ 1,944,000</u>	<u>\$ 2,120,000</u>	<u>\$ 1,885,000</u>
<u>APPROPRIATIONS</u>					
Operations:					
Salaries and Wages	\$ 546,500	\$ 524,900	\$ 514,715	\$ 524,000	\$ 510,318
Other Expenses	698,400	738,290	768,010	893,501	835,759
Capital Improvements	79,279	75,468	20,106	-	-
Municipal Debt Service	483,710	481,950	482,120	478,854	479,195
Deferred Charges	-	-	-	9,495	14,728
Statutory Expenditures	100,111	99,392	91,815	103,081	45,000
Judgments	-	-	-	-	-
Surplus (General Budget)	-	-	-	-	-
Deficit in Operations	-	-	67,234	111,069	-
Total Appropriations	<u>\$ 1,908,000</u>	<u>\$ 1,920,000</u>	<u>\$ 1,944,000</u>	<u>\$ 2,120,000</u>	<u>\$ 1,885,000</u>
	-	-	-	-	-

BOROUGH OF OAKLAND
Adopted Budgets
(Unaudited)

	2012	2011	2010	2009	2008
<u>SEWER UTILITY FUND</u>					
<u>REVENUES</u>					
Fund Balance Anticipated	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 25,000
Rents	344,500	344,500	385,000	390,000	340,000
Miscellaneous	-	-	-	-	-
Deficit (General Budget)	-	-	-	-	-
Total Revenues	<u>\$ 369,500</u>	<u>\$ 369,500</u>	<u>\$ 385,000</u>	<u>\$ 390,000</u>	<u>\$ 365,000</u>
<u>APPROPRIATIONS</u>					
Operations:					
Salaries and Wages	\$ 99,300	\$ 94,500	\$ 95,400	\$ 97,550	\$ 84,671
Other Expenses	225,000	231,830	262,910	264,554	241,829
Capital Improvements	19,242	19,279	6,372	-	-
Municipal Debt Service	4,269	1,830	-	-	-
Deferred Charges	-	-	-	-	-
Statutory Expenditures	21,689	22,061	20,318	23,962	13,500
Surplus (General Budget)	-	-	-	-	25,000
Deficit in Operations	-	-	-	3,934	-
Total Appropriations	<u>\$ 369,500</u>	<u>\$ 369,500</u>	<u>\$ 385,000</u>	<u>\$ 390,000</u>	<u>\$ 365,000</u>

BOROUGH OF OAKLAND
Fund Balance Summary
(Unaudited)

	2012	2011	2010	2009	2008
<u>CURRENT FUND</u>					
Fund Balance, Beginning	\$ 2,508,370	\$ 2,229,288	\$ 2,181,030	\$ 1,382,530	\$ 690,824
Generated Current Year	752,629	765,082	934,258	1,159,500	1,136,706
Utilized Current Year	(1,036,000)	(486,000)	(886,000)	(361,000)	(445,000)
Fund Balance, Ending	<u>\$ 2,224,999</u>	<u>\$ 2,508,370</u>	<u>\$ 2,229,288</u>	<u>\$ 2,181,030</u>	<u>\$ 1,382,530</u>
<u>WATER UTILITY FUND</u>					
Fund Balance, Beginning	\$ 412,879	\$ 416,458	\$ 173,150	\$ 308,150	\$ 343,150
Generated Current Year	126,115	46,421	343,308	-	-
Utilized Current Year	(50,000)	(50,000)	(100,000)	(135,000)	(35,000)
Fund Balance, Ending	<u>\$ 488,994</u>	<u>\$ 412,879</u>	<u>\$ 416,458</u>	<u>\$ 173,150</u>	<u>\$ 308,150</u>
<u>SEWER UTILITY FUND</u>					
Fund Balance, Beginning	\$ 156,048	\$ 87,666	\$ 4,247	\$ 2,695	\$ 27,695
Generated Current Year	65,745	93,382	83,419	1,552	-
Utilized Current Year	(25,000)	(25,000)	-	-	(25,000)
Fund Balance, Ending	<u>\$ 196,793</u>	<u>\$ 156,048</u>	<u>\$ 87,666</u>	<u>\$ 4,247</u>	<u>\$ 2,695</u>

BOROUGH OF OAKLAND
Tax Levy and Collection Data
(Unaudited)

	2012	2011	2010	2009	2008	2007
<u>CURRENT YEAR % COLLECTION RATES</u>						
Current Tax Levy	\$ 54,959,288	\$ 54,186,791	\$ 53,550,515	\$ 52,331,471	\$ 50,362,212	\$ 48,406,730
Current Collections	\$ 54,860,183	\$ 54,158,022	\$ 53,310,631	\$ 51,610,493	\$ 49,907,149	\$ 48,024,958
Percentage of Collections	99.82%	99.95%	99.55%	98.62%	99.10%	99.21%
<u>DELINQUENT TAX %</u>						
Delinquent Taxes	\$ 46,920	\$ 44,498	\$ 42,383	\$ 539,674	\$ 393,549	\$ 370,101
Tax Title Liens	117,451	117,387	120,623	99,092	81,584	69,381
Total Delinquent	\$ 164,371	\$ 161,885	\$ 163,006	\$ 638,766	\$ 475,133	\$ 439,482
Tax Levy	\$ 54,959,288	\$ 54,186,791	\$ 53,550,515	\$ 52,331,471	\$ 50,362,212	\$ 48,406,730
Percentage of Tax Levy	0.30%	0.30%	0.30%	1.22%	0.94%	0.91%
<u>PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES</u>						
Recorded at - Assessed Valuation	\$ 1,054,950	\$ 1,054,950	\$ 1,054,950	\$ 1,054,950	\$ 1,054,950	\$ 1,054,950

BOROUGH OF OAKLAND
Assessed and County Equalized Valuation Data
(Unaudited)

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Description	2012		2011		2010		2009		2008		2007	
	# of Parcels	Total Value	# of Parcels	Total Value	# of Parcels	Total Value	# of Parcels	Total Value	# of Parcels	Total Value	# of Parcels	Total Value
NET VALUATIONS TAXABLE												
Vacant Land	179	\$ 26,098,000	181	\$ 28,272,400	185	\$ 42,187,500	188	\$ 42,396,400	193	\$ 44,786,500	193	\$ 45,082,600
Residential	4413	1,800,660,000	4410	1,798,418,300	4413	2,142,909,700	4414	2,141,264,100	4413	2,135,944,700	4415	2,128,715,000
Farm (Regular)	3	2,577,300	3	2,577,300	3	2,982,300	4	3,305,200	4	3,578,600	4	3,578,600
Farm (Qualified)	8	25,900	8	25,900	8	22,700	8	65,800	8	65,800	8	25,800
Commercial	139	172,464,500	140	173,457,800	140	182,765,500	140	176,488,900	140	173,664,700	140	172,988,100
Industrial	60	170,032,900	60	168,479,300	59	174,344,700	59	174,344,700	59	174,344,700	59	172,016,600
Apartments	0	-	0	-	0	-	0	-	0	-	0	-
Sub-Total	<u>4802</u>	<u>2,171,858,600</u>	<u>4802</u>	<u>2,171,231,000</u>	<u>4808</u>	<u>2,545,212,400</u>	<u>4813</u>	<u>2,537,865,100</u>	<u>4817</u>	<u>2,532,385,000</u>	<u>4819</u>	<u>2,522,406,700</u>
Personal Property		100		100		5,049,895		4,707,334		4,422,455		4,588,960
Net Valuations Taxable		<u>2,171,858,700</u>		<u>2,171,231,100</u>		<u>2,550,262,295</u>		<u>2,542,572,434</u>		<u>2,536,807,455</u>		<u>2,526,995,660</u>
Bergen County Equalization Adjustment		284,429,118		199,607,102		128,435,177		233,161,742		134,336,033		77,560,134
Bergen County Equalized Valuations		<u>\$ 2,456,287,818</u>		<u>\$ 2,370,838,202</u>		<u>\$ 2,678,697,472</u>		<u>\$ 2,775,734,176</u>		<u>\$ 2,671,143,488</u>		<u>\$ 2,604,555,794</u>
Bergen County Equalization Ratio		<u>88.64%</u>		<u>91.85%</u>		<u>95.46%</u>		<u>91.83%</u>		<u>95.23%</u>		<u>97.29%</u>
Average Improved Residential Assessment		<u>\$ 408,035</u>		<u>\$ 407,805</u>		<u>\$ 485,590</u>		<u>\$ 485,107</u>		<u>\$ 484,012</u>		<u>\$ 482,155</u>

BOROUGH OF OAKLAND
Tax Requirement and Rate Data
(Unaudited)

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	2012	2011	2010	2009	2008	2007	2006	2005**	2004	2003
<u>TAX REQUIREMENTS</u>										
County	\$ 5,332,218	\$ 4,852,258	\$ 5,177,795	\$ 5,051,134	\$ 4,662,797	\$ 4,437,288	\$ 4,230,763	\$ 3,974,395	\$ 3,715,430	\$ 3,531,942
County Open Space	61,407	59,271	66,967	277,573	267,114	260,455	239,025	210,510	187,817	84,826
Municipal Open Space	222,103	260,000	260,000	260,000	253,681	252,500	252,500	252,500	117,700	-
District School	25,518,325	24,901,454	24,122,035	23,413,368	22,741,261	22,002,323	20,780,983	19,754,160	18,874,318	17,486,433
Regional High School	9,897,661	10,087,200	10,142,565	9,912,969	9,698,905	9,583,163	9,140,589	8,575,981	8,108,765	7,550,671
Library	816,497	855,637	-	-	-	-	-	-	-	-
Municipal	13,028,227	13,028,228	13,719,460	13,245,980	12,635,789	11,657,044	10,626,801	9,325,821	8,400,141	7,861,718
Total Tax Requirements	<u>\$ 54,876,438</u>	<u>\$ 54,044,048</u>	<u>\$ 53,488,822</u>	<u>\$ 52,161,024</u>	<u>\$ 50,259,547</u>	<u>\$ 48,192,773</u>	<u>\$ 45,270,661</u>	<u>\$ 42,093,367</u>	<u>\$ 39,404,171</u>	<u>\$ 36,515,590</u>
<u>TAX RATES</u>										
County	0.246	0.224	0.204	0.199	0.184	0.176	0.168	0.157	0.316	0.300
County Open Space	0.003	0.003	0.003	0.011	0.011	0.010	0.010	0.010	0.010	0.005
Municipal Open Space	0.010	0.012	0.010	0.010	0.011	0.010	0.010	0.010	0.010	-
District School	1.175	1.147	0.946	0.921	0.896	0.871	0.823	0.782	1.604	1.486
Regional High School	0.456	0.465	0.398	0.390	0.382	0.379	0.362	0.340	0.689	0.642
Library	0.037	0.039	-	-	-	-	-	-	-	-
Municipal	0.600	0.600	0.537	0.521	0.499	0.464	0.427	0.371	0.721	0.677
Total Tax Rates	<u>2.527</u>	<u>2.490</u>	<u>2.098</u>	<u>2.052</u>	<u>1.983</u>	<u>1.910</u>	<u>1.800</u>	<u>1.670</u>	<u>3.350</u>	<u>3.110</u>

**Revaluation Year

BOROUGH OF OAKLAND**Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita
(Unaudited)**

	2012	2011	2010	2009	2008
Population	12,873	12,824	12,754	13,293	13,249
County Equalized Valuation	\$ 2,456,287,818	\$ 2,370,838,202	\$ 2,678,697,472	\$ 2,775,734,176	\$ 2,671,143,488
Gross Debt	\$ 28,605,519	\$ 27,530,654	\$ 31,954,183	\$ 31,457,371	\$ 26,642,370
Gross Debt Per Capita	\$ 2,222	\$ 2,147	\$ 2,505	\$ 2,366	\$ 2,011
Ratio of Gross Debt to County Equalized Valuations	1.16%	1.16%	1.19%	1.13%	1.00%
Net Debt	\$ 15,967,269	\$ 13,897,194	\$ 16,722,790	\$ 22,320,440	\$ 17,028,550
Ratio of Net Debt to County Equalized Valuations	0.65%	0.59%	0.62%	0.80%	0.64%
Net Debt per Capita	\$ 1,240	\$ 1,084	\$ 1,311	\$ 1,679	\$ 1,285

BOROUGH OF OAKLAND
Legal Debt Margin
(Unaudited)

	2012	2011	2010	2009	2008
Equalized Valuation Basis (State)	\$ 2,467,933,234	\$ 2,556,640,626	\$ 2,659,372,180	\$ 2,688,334,733	\$ 2,665,957,743
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 86,377,663	\$ 89,482,422	\$ 93,078,026	\$ 94,091,716	\$ 93,308,521
Net Debt	15,967,269	13,897,194	16,722,790	22,320,440	17,028,550
Remaining Borrowing Power	<u>\$ 70,410,394</u>	<u>\$ 75,585,228</u>	<u>\$ 76,355,236</u>	<u>\$ 71,771,276</u>	<u>\$ 76,279,971</u>
School Borrowing Power:					
3% of Equalized Valuation Basis	\$ 74,037,997	\$ 76,699,219	\$ 79,781,165	\$ 80,650,042	\$ 79,978,732
Net School Debt	7,701,363	8,123,802	8,594,070	9,136,930	9,534,279
School Borrowing Margin Available	<u>\$ 66,336,634</u>	<u>\$ 68,575,417</u>	<u>\$ 71,187,095</u>	<u>\$ 71,513,112</u>	<u>\$ 70,444,453</u>

BOROUGH OF OAKLAND
Direct and Overlapping Debt
(Unaudited)

	2012	2011	2010	2009	2008
<u>DIRECT DEBT</u>					
Municipal Debt (Net)	\$ 15,967,269	\$ 13,897,194	\$ 16,722,790	\$ 22,320,440	\$ 17,028,550
Local School Debt	2,755,000	2,980,000	3,200,000	3,555,000	3,750,000
Regional School Debt	4,946,363	5,143,802	5,394,070	5,581,930	5,784,279
	<u>\$ 23,668,632</u>	<u>\$ 22,020,996</u>	<u>\$ 25,316,860</u>	<u>\$ 31,457,370</u>	<u>\$ 26,562,829</u>
	-	-	-	-	-
<u>OVERLAPPING DEBT</u>					
County of Bergen	<u>\$ 18,641,731</u>	<u>\$ 16,573,312</u>	<u>\$ 18,224,793</u>	<u>\$ 16,849,880</u>	<u>\$ 16,097,574</u>

(1) County Debt:

Municipal Equalized Valuations	\$ 2,456,287,818	\$ 2,370,838,202	\$ 2,678,697,472	\$ 2,775,734,176	\$ 2,671,143,488
Total County Equalized Valuations	\$ 168,748,014,772	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263
	1.46%	1.37%	1.46%	1.48%	1.46%
X's Outstanding County Debt	1,276,830,919	1,209,730,830	1,248,273,490	1,138,505,430	1,102,573,565
	<u>\$ 18,641,731</u>	<u>\$ 16,573,312</u>	<u>\$ 18,224,793</u>	<u>\$ 16,849,880</u>	<u>\$ 16,097,574</u>

BOROUGH OF OAKLAND**Ratio of Annual Debt Service Appropriations to Total Adopted Current Fund Appropriations
(Unaudited)**

	2012	2011	2010	2009	2008
Serial Bonds:					
Principal	\$ 805,000	\$ 790,000	\$ 898,000	\$ 890,000	\$ 875,000
Interest	130,143	160,296	193,995	229,328	261,960
Notes:					
Principal	435,687	116,688	101,240	-	-
Interest	102,462	127,952	149,826	137,615	-
Loans:					
Principal	-	10,540	20,768	20,358	19,958
Interest	-	-	523	932	1,333
	<u>\$ 1,473,292</u>	<u>\$ 1,205,476</u>	<u>\$ 1,364,352</u>	<u>\$ 1,278,233</u>	<u>\$ 1,158,251</u>
Total Current Fund Budget Appropriations	<u>\$ 18,339,994</u>	<u>\$ 17,697,434</u>	<u>\$ 18,155,011</u>	<u>\$ 17,830,930</u>	<u>\$ 17,529,543</u>
Ratio of Debt Service to Current Fund Budget Appropriations	<u>8.03%</u>	<u>6.81%</u>	<u>7.52%</u>	<u>7.17%</u>	<u>6.61%</u>

BOROUGH OF OAKLAND
Demographic Statistics
(Unaudited)

	2012	2011	2010	2009	2008
Average Labor Force Estimates by Municipality:					
Labor Force	7,242	7,190	7,193	7,246	7,271
Employment	6,799	6,758	6,753	6,814	7,030
Unemployment	443	432	439	432	241
Unemployment Rate	6.1%	6.0%	6.1%	6.0%	3.3%
Per Capital Personal Income - Bergen Cty.					
	\$ 66,096	\$ 66,096	\$ 63,385	\$ 62,604	\$ 68,227

	Estimates as of July 1,				
Subcounty Population Estimates:					
Oakland BORO	12,873	12,824	12,754	13,293	13,249
County of Bergen	918,888	912,773	905,116	884,581	887,322

BOROUGH OF OAKLAND
Ten Largest Taxpayers by Assessment
(Unaudited)

Taxpayer	2012 Assessed Valuation	As a Percent of Total Net
		Valuations Taxable \$ 2,171,858,700
Jayare Associates, LLC	15,500,000	0.71%
Washington Square Owner, LLC	14,858,400	0.68%
40 Potash Road Associates, LLC	12,084,100	0.56%
Shiseido America, Inc.	11,511,700	0.53%
The Realty Associates Fund VII, L.P.	10,216,600	0.47%
5 Thorton Road Associates, LLC	9,908,200	0.46%
Oakland Care Ctr Real Estate Co., LLC	9,725,000	0.45%
Lincoln Realty Associates, LLC	7,427,100	0.34%
PSEG Services Corp. - Corp. Property Dept.	6,679,600	0.31%
1 Raritan Road Realty LLC	6,235,900	0.29%
	<u>\$ 104,146,600</u>	<u>4.80%</u>

BOROUGH OF OAKLAND
Value of New Construction, Improvements, Alterations and Demolitions
(Unaudited)

J-12

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
# of Permits Issued	866	872	751	719	761	806	965	980	976	1,005
Value of Construction	\$ 12,233,930	\$ 10,052,280	\$ 16,200,353	\$ 13,094,373	\$ 13,495,793	\$ 9,569,674	\$ 17,246,498	\$ 19,235,756	\$ 16,063,955	\$ 18,688,275

BOROUGH OF OAKLAND
NJ Comprehensive Annual Financial Report
Single Audit Section

Di Maria & Di Maria LLP
Accountants & Consultants

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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**

Honorable Mayor and Members of the Borough Council
 Borough of Oakland, County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Oakland, in the County of Bergen (the "Borough") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated June 30, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Di Maria & Di Maria LLP

**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 (Continued)**Compliance and Other Matters

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

We noted certain other matters that we reported to management of the Borough of Oakland, New Jersey in a separate letter dated June 30, 2013.

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 result of that testing, and not to provide an opinion on the effectiveness of the Borough'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Registered Municipal Accountant
RMA No. CR00463

June 30, 2013

BOROUGH OF OAKLAND
SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2012

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance December 31, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2012	Deferred Revenue December 31, 2012	Due to Grantor at December 31, 2012
					From	To									
Federal and State Grant Fund															
US Department of Housing and Urban Development -															
CDBG Grant		Community Development		\$ 103,700	01/01/09	12/31/09	\$ (60,010)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,010)	\$ -	\$ -
CDBG Grant		Community Development		103,700	01/01/09	12/31/09	37,604	-	-	-	-	-	-	37,604	-
US Department of Homeland Security - Passed thru the State of NJ Division of Law & Public Safety -															
N.J. State Police OEM Grant				5,000	01/01/10	12/31/10	5,000	-	-	-	-	-	-	5,000	-
Total Federal Financial Assistance							\$ (17,406)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (60,010)	\$ 42,604	\$ -

*Expenditures less than \$500,000; U.S. Office of Management and Budget (OMB) Circular A-133 (Revised, June 27, 2003), Audit not applicable.

BOROUGH OF OAKLAND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2012

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable)	Deferred Revenue	Due to Grantor at
			From	To							December 31, 2012	December 31, 2012	December 31, 2012
<i>State of N.J., Department of Community Affairs --</i>													
Consolidated Municipal Property Tax Relief Aid	082-495-6020	\$ 33,244	01/01/12	12/31/12	\$ -	\$ -	\$ 33,244	\$ (33,244)	\$ -	\$ -	\$ -	\$ -	\$ -
LEA Rebates	022-100-6120	30,700	01/01/12	12/31/12	-	-	30,700	(30,700)	-	-	-	-	-
<i>State of N.J., Department of Treasury --</i>													
Energy Receipts Tax	082-100-6020	1,278,925	01/01/12	12/31/12	-	-	1,278,925	(1,278,925)	-	-	-	-	-
Veterans & Senior Citizens (Including Admin. Fee)	082-495-6020	132,847	01/01/12	12/31/12	-	-	132,847	(132,847)	-	-	-	-	-
<i>State of N.J., Department of Environmental Protection --</i>													
Clean Communities Program	042-4900-765-004	21,100	01/01/12	01/01/12	-	-	21,100	-	-	-	-	21,100	-
Clean Communities Program	042-4900-765-004	21,948	01/01/11	01/01/11	21,948	-	-	(9,571)	-	-	-	12,377	-
Clean Communities Program	042-4900-765-004	21,068	01/01/10	12/31/10	4,246	-	-	(4,246)	-	-	-	-	-
NJ HPO - Historical Preservation Grant		40,000	01/01/09	12/31/09	(40,000)	-	40,000	-	-	-	-	-	-
Highlands - Plan Conformance		50,000	01/01/11	12/31/11	15,417	-	-	(2,952)	-	-	-	12,465	-
Highlands - Plan Conformance		50,000	01/01/09	12/31/09	(48,537)	-	-	-	-	-	(48,537)	-	-
Highlands - Transfer Development Rights		25,000	01/01/09	12/31/09	(4,824)	-	-	-	-	-	(4,824)	-	-
Recycling Tonnage Grant	042-752-6020	30,416	Non-Expiring		-	-	30,416	-	-	-	-	30,416	-
Recycling Tonnage Grant	042-752-6020	26,756	Non-Expiring		26,756	-	-	-	-	-	-	26,756	-
Recycling Tonnage Grant	042-752-6020	43,406	Non-Expiring		43,406	-	-	(5,100)	-	-	-	38,306	-
Recycling Tonnage Grant	042-752-6020	20,116	Non-Expiring		4,645	-	-	(4,645)	-	-	-	-	-
Recycling Tonnage Grant	042-752-6020	10,090	Non-Expiring		2,084	-	-	(2,084)	-	-	-	-	-
<i>State of N.J., Department of Law and Public Safety --</i>													
Body Armor Replacement Program	066-1020-718-001	2,630	Non-Expiring		-	-	2,630	-	-	-	-	2,630	-
Body Armor Replacement Program	066-1020-718-001	2,550	Non-Expiring		2,550	-	-	-	-	-	-	2,550	-
Body Armor Replacement Program	066-1020-718-001	2,732	Non-Expiring		342	-	-	-	-	-	-	342	-
Drunk Driving Enforcement Fund		7,758	01/01/12	12/31/12	-	-	7,758	-	-	-	-	7,758	-
Drunk Driving Enforcement Fund		3,374	01/01/11	12/31/11	2,937	-	-	(1,018)	-	-	-	1,919	-
Alcohol Education & Rehabilitation Fund		-	01/01/12	12/31/12	-	-	1,025	(46)	-	-	-	979	-
Alcohol Education & Rehabilitation Fund		201	01/01/11	12/31/11	201	-	-	(201)	-	-	-	-	-
Alcohol Education & Rehabilitation Fund		589	01/01/09	12/31/09	269	-	-	(269)	-	-	-	-	-
Emergency Management Assistance Grant (EMMA)		5,000	01/01/12	12/31/12	-	-	5,000	(2,540)	-	-	-	2,460	-
<i>State of N.J., Department of Transportation --</i>													
Passed Thru County of Bergen - ADA Ramps		5,000	01/01/10	12/31/10	(5,000)	-	-	-	-	-	(5,000)	-	-
Passed Thru County of Bergen - ADA Ramps		5,000	01/01/10	12/31/10	5,000	-	-	-	-	-	-	5,000	-
<i>State of N.J., Association of Environmental Commissions --</i>													
ANJEC Sustainable Land Use Grant		8,000	01/01/12	12/31/12	-	-	-	-	-	-	(8,000)	8,000	-
<i>State of N.J., Department of Health --</i>													
H1N1 Flu Grant		3,500	01/01/10	12/31/10	211	-	-	-	-	-	-	211	-
<i>State of N.J., Department of State --</i>													
Per Capita Library State Aid	100-074-6010	5,644	Non-Expiring		-	-	5,644	(5,644)	-	-	-	-	-
<i>State of N.J., Department of Human Services --</i>													
<i>Passed thru the County of Bergen --</i>													
Municipal Alliance on Alcoholism & Drug Abuse		10,356	01/01/12	12/31/12	-	-	7,200	-	6,648	-	(3,156)	17,004	-
Municipal Alliance on Alcoholism & Drug Abuse		10,356	01/01/11	12/31/11	(5,657)	-	5,657	-	-	-	-	-	-
Municipal Alliance on Alcoholism & Drug Abuse		10,356	01/01/10	12/31/10	9,456	-	-	(7,025)	-	-	-	2,431	-
Municipal Alliance on Alcoholism & Drug Abuse		2,589	01/01/10	12/31/10	1,021	-	-	-	-	-	-	1,021	-
Total State Financial Assistance					\$ 36,471	\$ -	\$ 1,602,146	\$ (1,521,057)	\$ 6,648	\$ -	\$ (69,517)	\$ 193,725	\$ -

*Expenditures less than \$500,000; N.J. Office of Management and Budget (OMB) Circular 04-04 Audit not applicable.

BOROUGH OF OAKLAND
NOTES TO SCHEDULES OF STATE AND FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2012

Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Oakland, County of Bergen, State of New Jersey. The Borough of Oakland is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2 - Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - Relationship to General-Purpose Financial Statements

Organization

The Borough of Oakland, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Borough has delegated the general administration of grant programs and the reporting function to the Borough Treasurer. Substantially all grant and program cash funds are commingled with the Borough's other funds, although each grant is accounted for separately within the Borough's financial records. The Borough Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Borough's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected in total on the Schedule of State Financial Assistance.

BOROUGH OF OAKLAND
NOTES TO SCHEDULES OF STATE AND FEDERAL FINANCIAL ASSISTANCE
Year Ended December 31, 2012

Note 3 - Relationship to General-Purpose Financial Statements (continued)

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2012 to December 31, 2012.

Note 4 - Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 5 - Federal and State Loans Outstanding

The municipality did not have any federal and state loans outstanding at of December 31, 2012.

Note 6 - Contingencies

Each of the grantor agencies reserve the right to conduct additional audits of the Borough's grant programs for economy, efficiency and program results.

BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

Section I -- Summary of Auditors' Results

Financial Statements

- A) Type of auditors' report issued: Unqualified
- B) Internal control over financial reporting:
1. Material weakness(es) identified? _____ yes _____ X no
 2. Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes _____ X none reported
- C) Noncompliance material to financial statements noted? _____ yes _____ X no

BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

Section I -- Summary of Auditors' Results (Continued)

Federal Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$500,000****

A) Internal control over major programs:

- | | | |
|--|-----------|---------------------|
| 1. Material weakness(es) identified? | _____ yes | _____ no |
| 2. Reportable condition(s) identified that are not considered to be material weakness(es)? | _____ yes | _____ none reported |

B) Type of auditors' report issued on compliance for major programs:

- | | | |
|---|-----------|----------|
| C) Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | _____ yes | _____ no |
|---|-----------|----------|

D) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____

E) Dollar threshold used to distinguish between type A and type B programs:

- | | | |
|---|-----------|----------|
| F) Auditee qualified as low-risk auditee? | _____ yes | _____ no |
|---|-----------|----------|

BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

Section I -- Summary of Auditors' Results (Continued)

State Awards

****NOT APPLICABLE - EXPENDITURES UNDER \$500,000****

A) Internal control over major programs:

1. Material weakness(es) identified? _____ yes _____ no
2. Reportable condition(s) identified that are
not considered to be material weakness(es)? _____ yes _____ none reported

B) Type of auditors' report issued on compliance
for major programs:

- C) Any audit findings disclosed that are required
to be reported in accordance with
NJ OMB Circular Letter 04-04? _____ yes _____ no

D) Identification of major programs:

<u>Program Number(s)</u>	<u>Name of State Program or Cluster</u>

E) Dollar threshold used to distinguish between
type A and type B programs:

- F) Auditee qualified as low-risk auditee? _____ yes _____ no

BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

Section II -- Financial Statement Findings

None

**BOROUGH OF OAKLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012**

Section III -- Federal and State Award Findings and Questioned Costs

Current Year

Federal Awards:

There were no findings or questioned costs identified.

State Awards:

There were no findings or questioned costs identified.

Prior Year

Federal Awards:

There were no prior year findings or questioned costs.

State Awards:

There were no prior year findings or questioned costs.

BOROUGH OF OAKLAND
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2012

1. The Chief Financial Officer did not implement and maintain a general fixed asset accounting system as per Technical Accounting Directive #85-02.

Status - Resolved

BOROUGH OF OAKLAND

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Cash Cycle

Ref.

Chief Financial Officer

None

N/A

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

<u>Revenues/Receipts Cycle</u>	<u>Ref.</u>
<u>Municipal Court</u>	
None	N/A
<u>Construction Official</u>	
None	N/A
<u>Recreation</u>	
None	N/A

**BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Expenditures/Disbursements Cycle

Ref.

There were instances of missing committee signatures, and committee signatures obtained after council meeting dates noted during our purchase order/voucher testing.

2.

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Payroll Cycle

Ref.

None

N/A

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Other Significant Matters

Ref.

Affordable Housing Trust Funds

It is suggested that experienced professional(s) be retained who are proficient with existing and expected laws and/or regulations pertaining to the administration of Affordable Housing Trust Funds; for guidance in light of impending changes to affordable housing laws and regulations.

N/A

"Other Post-Employment Benefits" Reporting Requirement

The Borough has not completed the necessary disclosures/schedules for it's GASB 45 "Other Post-Employment Benefits" Reporting Requirement.

1.

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Water Utility

Ref.

It is suggested that rate increases be implemented as early as possible in the fiscal year in order to maximize revenue collections, and keep rates consistent throughout the fiscal year.

N/A

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Sewer Utility

Ref.

It is suggested that rate increases be implemented as early as possible in the fiscal year in order to maximize revenue collections, and keep rates consistent throughout the fiscal year.

N/A

BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Recommendations

1. That the Borough complete it's disclosure requirements applicable to GASB 45 "Other Post-Employment Benefits".
2. That required committee signatures be obtained on purchase orders/voucher documents prior to council approval.

**BOROUGH OF OAKLAND
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Status of Prior Years' Recommendations

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the Municipal Officials during the course of the audit.

**DI MARIA & DI MARIA LLP
Accountants and Consultants**

Frank Di Maria

**Registered Municipal Accountant
RMA No. CR00463**

June 30, 2013