

**BOROUGH OF OAKLAND**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2020**

## BOROUGH OF OAKLAND

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**BOROUGH OF OAKLAND**

**BERGEN COUNTY**

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**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2020**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTINA CUIFFO, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Oakland, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Oakland as of December 31, 2020 and 2019, or changes in financial position, or, where applicable, cash flows for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2020 and 2019. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 19 percent and 17 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2020 and 2019.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Oakland as of December 31, 2020 and 2019, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2020 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.



## ***Other Matters***

### ***Other Information***


Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Oakland as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Oakland.


The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance 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 schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated August 25, 2021 on our consideration of the Borough of Oakland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Oakland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Oakland's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
August 25, 2021

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Cash	A-4	\$ 8,082,381	\$ 7,247,396
Cash - Change Funds	A-5	250	250
Due from State of New Jersey -Senior Citizens and Veterans Dedication	A-6	9,494	7,489
Grants Receivable	A-9	<u>720,885</u>	<u>351,860</u>
		<u>8,813,010</u>	<u>7,606,995</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-7	7,364	20,226
Tax Title Liens Receivable	A-8	357,196	339,958
Property Acquired for Taxes	A	1,054,950	1,054,950
Due from Unemployment Insurance Trust Fund	B-16	408	
Revenue Accounts Receivable	A-10	<u>13,461</u>	<u>23,524</u>
		<u>1,433,379</u>	<u>1,438,658</u>
Total Assets		<u>\$ 10,246,389</u>	<u>\$ 9,045,653</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3, A-11	\$ 1,662,498	\$ 1,010,694
Encumbrances/Accounts Payable	A-12	721,703	856,901
Prepaid Taxes	A-13	428,810	343,397
Tax Overpayments	A-14	162,730	82,710
County Taxes Payable	A-15	6,087	5,216
Due to Municipal Open Space Trust Fund	B-14	-	188
Due to Other Trust Fund	B-10	250,000	12,000
Due to General Capital Fund	C-4	260,578	
Reserve for Tax Appeals	A-18	320,009	301,054
Appropriated Grant Reserves	A-19	514,530	604,958
Unappropriated Grant Reserves	A-20	25,993	28,829
Due to State of New Jersey	A-21	5,083	2,864
Reserve for Revaluation	A-22	<u>-</u>	<u>19,012</u>
		4,358,021	3,267,823
Reserve for Receivables and Other Assets	A	1,433,379	1,438,658
Fund Balance	A-1	<u>4,454,989</u>	<u>4,339,172</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,246,389</u>	<u>\$ 9,045,653</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>		
Fund Balance Utilized	\$ 1,555,000	\$ 1,510,000
Miscellaneous Revenues Anticipated	3,668,861	3,870,348
Receipts from Delinquent Taxes	20,137	27,065
Receipts from Current Taxes	65,107,390	62,883,424
Non-Budget Revenue	58,086	227,600
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	908,500	586,599
Cancelled Payable		10,138
Reserve for Revaluation Cancelled	19,012	
Appropriated Grant Reserves	439	
Prior Year Adjustment - Grants Receivable	<u>122,316</u>	<u>-</u>
	<u>71,459,741</u>	<u>69,115,174</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operations		
Salaries and Wages	7,235,223	7,353,425
Other Expenses	8,166,063	7,742,996
Capital Improvements	1,130,000	935,000
Municipal Debt Service	1,783,494	1,801,373
Deferred Charges and Statutory Expenditures	1,822,450	1,854,207
County Taxes	6,539,720	6,034,652
Local District School Taxes	30,429,709	29,569,800
Regional School Taxes	12,443,338	12,200,829
Municipal Open Space Taxes	217,730	217,859
Other Debits		
Interfund Advance	408	
Appropriated Grants		17,125
Refund of Prior Year Revenue	<u>20,789</u>	<u>-</u>
Total Expenditures	<u>69,788,924</u>	<u>67,727,266</u>
Excess in Revenue	1,670,817	1,387,908
Fund Balance, January 1	<u>4,339,172</u>	<u>4,461,264</u>
	6,009,989	5,849,172
Decreased by:		
Utilization as Anticipated Revenue	<u>1,555,000</u>	<u>1,510,000</u>
Fund Balance, December 31	<u>\$ 4,454,989</u>	<u>\$ 4,339,172</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	<u>\$ 1,555,000</u>	<u>-</u>	<u>\$ 1,555,000</u>	<u>-</u>
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	24,000		24,650	\$ 650
Other	31,000		31,946	946
Fees and Permits				
Construction Code Official	110,000		187,809	77,809
Other	135,000		206,258	71,258
Fines and Costs				
Municipal Court	150,000		160,350	10,350
Interest and Costs on Taxes	45,000		49,571	4,571
Interest on Investments and Deposits	75,000		76,483	1,483
Recreation Fees	177,850		195,764	17,914
Energy Receipts Tax	1,312,169		1,312,169	
Public and Private Revenues Offset with Appropriations				
Recycling Tonnage Grant	33,423		33,423	
Municipal Alliance for Alcoholism and Drug Abuse	9,876		9,876	-
Roots for Rivers	2,788		2,788	
FEMA Firefighter Grant		\$ 210,476	210,476	-
Bulletproof Vest		2,634	2,634	-
Body Armor Grant	2,850		2,850	-
BMED - Employee Wellness Grant		10,000	10,000	-
Drunk Driving Enforcement Fund	2,776		2,776	-
Fire Prevention Grant		3,000	3,000	-
Clean Communities Program	28,829		28,829	-
Radon Awareness Grant		2,000	2,000	-
Community Garden Grant		20,000	20,000	-
Bergen County Elections Grant		1,000	1,000	-
Senior Citizen Center Software Grant		10,300	10,300	-
Other Special Items				
Uniform Fire Safety Act	35,000		17,762	(17,238)
Open Space Trust Fund	200,000		200,000	-
Cellular Tower Lease	168,000		176,223	8,223
Cablevision Franchise Fee	125,000		125,449	449
Verizon Franchise Fee	68,500		68,993	493
Real Property Lease	76,000		82,584	6,584
Sale of Recyclables	13,000		12,235	(765)
Shared Service Agreement - School Crossing Guards	3,100		5,177	2,077
Off Duty Police Officers Administrative Fees	5,000		19,291	14,291
Pension Reimbursement - Library	40,600		44,500	3,900
Pension Reimbursement - Water Utility	66,800		68,900	2,100
Tree Permit Fees	7,900	-	12,795	4,895
Health Benefit Reserve	250,000	-	250,000	-
<b>Total Miscellaneous Revenues</b>	<u>3,199,461</u>	<u>259,410</u>	<u>3,668,861</u>	<u>209,990</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>9,000</u>	<u>-</u>	<u>20,137</u>	<u>11,137</u>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Local Tax for Municipal Purposes	14,718,866		15,080,706	361,840
Minimum Library Tax	876,187	-	876,187	-
	<u>15,595,053</u>	<u>-</u>	<u>15,956,893</u>	<u>361,840</u>
<b>Total General Revenues</b>	<u>\$ 20,358,514</u>	<u>\$ 259,410</u>	<u>21,200,891</u>	<u>\$ 582,967</u>
Non-Budget Revenue			<u>58,086</u>	
			<u>\$ 21,258,977</u>	

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(Continued)**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection	
Revenue from Collections	\$ 65,107,390
Less: Allocation to School, County and Municipal Open Space Taxes	<u>49,630,497</u>
	15,476,893
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>480,000</u>
 Balance for Support of Municipal Budget Appropriations	 <u><u>\$ 15,956,893</u></u>
 Delinquent Taxes	
Taxes Receivable	\$ 4,130
Tax Title Liens	<u>16,007</u>
	<u><u>\$ 20,137</u></u>
 Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 59,399
Due from Animal Control Trust Fund	96
Due from Unemployment Insurance Trust Fund	121
Due from Other Trust Fund	3,919
Due from General Capital Fund	<u>12,948</u>
	<u><u>\$ 76,483</u></u>
 Analysis of Non-Budget	
Misc. Tax Collector Fees and Charges	\$ 15,057
Lien Search	70
Temporary Signs	100
Hotel Tax	910
NSF Check Fees	426
Alarm Fines	3,392
Refunds/Reimbursements	4,514
DMV Inspection Fines	3,287
Administration Fee - Senior and Veterans	1,465
Prior Year Voided Checks	4,773
Copy Fees	340
Duplicate Check Fee	2,049
LOSAP - Unvested Return	1,674
OPD Records	1,190
Excess Fuel Usage	1,261
Miscellaneous	<u>17,578</u>
	<u><u>\$ 58,086</u></u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 292,250	\$ 292,250	\$ 291,570	\$ 680	
Other Expenses	7,000	7,000	5,267	1,733	
Communications Committee					
Other Expenses	11,500	11,500	8,715	2,785	
General Services					
Salaries and Wages	98,000	98,000	97,921	79	
Other Expenses	66,000	65,000	55,781	9,219	
Mayor and Council					
Salaries and Wages	50,150	50,150	50,102	48	
Other Expenses	30,000	30,000	7,317	22,683	
Municipal Clerk					
Salaries and Wages	94,750	94,750	94,750	-	
Other Expenses	22,500	22,500	21,466	1,034	
Elections					
Salaries and Wages	2,275	2,275	850	1,425	
Other Expenses	12,200	12,200	8,974	3,226	
Financial Administration					
Salaries and Wages	203,998	203,998	198,249	5,749	
Other Expenses	39,000	36,000	28,927	7,073	
Audit Services	37,000	37,000	37,000	-	
Information Technology					
Other Expenses	125,000	125,000	111,075	13,925	
Tax Assessment Administration					
Salaries and Wages	83,400	83,400	80,608	2,792	
Other Expenses	15,000	15,000	13,974	1,026	
Revenue Administration					
Salaries and Wages	81,000	81,000	65,121	15,879	
Other Expenses	7,000	11,000	10,398	602	
Legal Services & Costs					
Other Expenses	190,000	190,000	155,000	35,000	
Engineering Service & Costs					
Other Expenses	60,000	60,000	55,650	4,350	
Land Use Administration					
Salaries and Wages	16,000	16,000	14,294	1,706	
Other Expenses	18,100	18,100	10,827	7,273	
Zoning Board of Adjustment					
Salaries and Wages	16,000	16,000	14,294	1,706	
Other Expenses	7,900	7,900	5,733	2,167	
Insurance					
Other Insurance	484,305	484,305	470,431	13,874	
Employee Group Health	1,981,737	1,981,737	1,800,799	180,938	
Employee Group Health Employee Waiver	31,063	31,063	29,418	1,645	
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police Department					
Salaries and Wages	4,501,000	4,501,000	4,005,992	495,008	
Other Expenses	177,800	177,800	153,308	24,492	
Office of Emergency Management					
Salaries and Wages	9,050	9,050	8,196	854	
Other Expenses	10,000	10,000	2,250	7,750	
Flood Control Committee					
Salaries and Wages	4,950	4,950	4,612	338	
Other Expenses	1,500	1,500	-	1,500	
Aid to Volunteer First Aid	45,000	45,000	32,494	12,506	
Fire Department					
Salaries and Wages	83,000	83,000	70,751	12,249	
Other Expenses	103,500	103,500	84,914	18,586	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS" (Continued)</b>					
<b>PUBLIC WORKS FUNCTION</b>					
Streets and Roads					
Salaries and Wages	\$ 510,500	\$ 510,500	\$ 506,291	\$ 4,209	
Other Expenses	105,250	105,250	67,477	37,773	
Snow Removal					
Salaries and Wages	60,000	60,000	352	59,648	
Other Expenses	80,000	80,000	40,061	39,939	
Solid Waste Collection					
Salaries and Wages	53,700	53,700	51,156	2,544	
Other Expenses	1,451,000	1,451,000	1,446,415	4,585	
Buildings and Grounds					
Salaries and Wages	206,600	206,600	199,842	6,758	
Other Expenses	160,500	160,500	155,122	5,378	
Vehicle Maintenance					
Salaries and Wages	75,050	75,050	75,050	-	
Other Expenses	83,000	83,000	79,094	3,906	
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services					
Salaries and Wages	52,200	52,200	50,172	2,028	
Other Expenses	180,000	180,000	174,507	5,493	
Environmental Commission					
Salaries and Wages	1,200	1,200	1,024	176	
Other Expenses	1,300	1,300	850	450	
<b>PARKS AND RECREATION FUNCTIONS</b>					
Recreation Services and Programs					
Salaries and Wages	198,700	198,700	143,436	55,264	
Other Expenses	322,600	322,600	230,967	91,633	
Senior Citizens Activities					
Salaries and Wages	83,050	83,050	75,235	7,815	
Other Expenses	34,600	34,600	17,546	17,054	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Accumulated Leave Compensation					
Salaries and Wages	70,000	70,000	70,000	-	
<b>MUNICIPAL COURT</b>					
Salaries and Wages	145,400	145,400	136,021	9,379	
Other Expenses	11,750	11,750	1,467	10,283	
Public Defender					
Other Expenses	10,600	10,600	8,000	2,600	
Municipal Prosecutor					
Other Expenses	21,000	21,000	20,350	650	
Shade Tree					
Other Expenses	45,900	45,900	45,776	124	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY</b>					
<b>DEDICATED REVENUES (NJAC5:23-4.17)</b>					
Uniform Construction Code Enforcement					
Salaries and Wages	243,000	243,000	196,748	46,252	
Other Expenses	87,500	87,500	80,210	7,290	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	\$ 126,000	\$ 126,500	\$ 93,485	\$ 33,015	
Street Lighting	142,000	142,000	115,681	26,319	
Telephone	93,000	98,000	91,031	6,969	
Natural Gas	37,000	37,000	33,535	3,465	
Gasoline	155,000	149,500	83,752	65,748	-
Total Operations Within "CAPS"	13,866,328	13,866,328	12,397,681	1,468,647	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent - Within "CAPS"	13,871,328	13,871,328	12,397,681	1,473,647	-
Detail:					
Salaries and Wages	7,235,223	7,235,223	6,509,954	732,586	-
Other Expenses (Including Contingent)	6,636,105	6,636,105	5,887,727	741,061	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
<b>Statutory Charges</b>					
Public Employees Retirement System	398,455	398,455	398,455		
Social Security System	509,545	504,545	460,015	44,530	
Police and Firemen's Retirement System	906,450	906,450	906,450		
Defined Contribution Retirement Plan	8,000	13,000	10,242	2,758	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	1,822,450	1,822,450	1,775,162	47,288	-
Total General Appropriations for Municipal Purposes Within "CAPS"	15,693,778	15,693,778	14,172,843	1,520,935	-
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>PUBLIC SAFETY FUNCTIONS</b>					
Length of Service Awards Program					
Other Expenses	88,000	88,000		88,000	
Police Dispatch - 911					
Other Expenses	14,000	14,000	13,764	236	
<b>PUBLIC WORKS FUNCTIONS</b>					
Stormwater Management					
Salaries and Wages	64,350	64,350	64,141	209	
Other Expenses	28,000	28,000	18,348	9,652	
<b>EDUCATION</b>					
Maintenance of Free Public Library	876,187	876,187	834,721	41,466	
Supplemental Library Funding	15,000	15,000	15,000	-	
<b>UNCLASSIFIED</b>					
Reserve for Tax Appeals	100,000	100,000	100,000	-	-
Total Other Operations Excluded From "CAPS"	1,185,537	1,185,537	1,045,974	139,563	-



**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
Matching Fund for Grants	\$ 2,000	\$ 2,000		\$ 2,000	
Municipal Alliance on Alcoholism and Drug Abuse					
County Share	9,876	9,876	\$ 9,876		
Local Share	2,469	2,469	2,469		
Recycling Tonnage Grant	33,423	33,423	33,423		
Drunk Driving Enforcement Fund	2,776	2,776	2,776		
Clean Communities	28,829	28,829	28,829		
Senior Citizens Center Software Grant		10,300	10,300		
Community Garden Grant		20,000	20,000		
FEMA - Firefighters Grant		210,476	210,476		
BMED - Employee Wellness Grant		10,000	10,000		
Radon Awareness Grant		2,000	2,000		
Bulletproof Vest		2,634	2,634		
Fire Prevention Grant		3,000	3,000		
Body Armor Replacement	2,850	2,850	2,850		
Roots for Rivers	2,788	2,788	2,788		
Bergen County Elections Grant	-	1,000	1,000	-	-
Total Public and Private Programs					
Offset by Revenues	85,011	344,421	342,421	2,000	-
Total Operations Excluded from "CAPS"	1,270,548	1,529,958	1,388,395	141,563	-
Detail:					
Other Expenses (Including Contingent)	1,270,548	1,529,958	1,388,395	141,563	-
<b>CAPITAL IMPROVEMENTS -</b>					
Capital Improvement Fund	930,000	930,000	930,000	-	
Acquisition of Fire Truck	200,000	200,000	200,000	-	-
Total Capital Improvements	1,130,000	1,130,000	1,130,000	-	-
<b>MUNICIPAL DEBT SERVICE -</b>					
Payment of Bond Principal	1,045,000	1,045,000	1,045,000		
Interest on Bonds	319,590	319,590	319,590		
Payment of Bond Anticipation Notes	260,578	260,578	260,578		
Interest on Notes	159,020	159,020	158,326	-	\$ 694
Total Municipal Debt Service	1,784,188	1,784,188	1,783,494	-	694
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,184,736	4,444,146	4,301,889	141,563	694
Subtotal General Appropriations	19,878,514	20,137,924	18,474,732	1,662,498	694
Reserve for Uncollected Taxes	480,000	480,000	480,000	-	-
Total General Appropriations	\$ 20,358,514	\$ 20,617,924	\$ 18,954,732	\$ 1,662,498	\$ 694
Budget as Adopted		\$ 20,358,514			
Added by NJSA 40A:4-87		259,410			
		\$ 20,617,924			
Cash Disbursed			\$ 17,064,967		
Encumbrances Payable			706,766		
Reserve for Tax Appeals			100,000		
Appropriated Grant Reserves			342,421		
Reserve for Uncollected Taxes			480,000		
Due to General Capital Fund			260,578		
			\$ 18,954,732		

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ 21,689	\$ 15,048
Change Fund	B	<u>50</u>	<u>50</u>
		<u>21,739</u>	<u>15,098</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	8,150,385	8,179,202
Due from Current Fund	B-10	<u>250,000</u>	<u>12,000</u>
		<u>8,400,385</u>	<u>8,191,202</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-3	<u>146,981</u>	<u>141,347</u>
		<u>146,981</u>	<u>141,347</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	766,336	767,181
Due from Current Fund	B-14	<u>-</u>	<u>188</u>
		<u>766,336</u>	<u>767,369</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)</b>			
Investment	B	2,067,801	1,780,679
Contribution Receivables	B	<u>86,725</u>	<u>80,395</u>
		<u>2,154,526</u>	<u>1,861,074</u>
Total Assets		<u>\$ 11,489,967</u>	<u>\$ 10,976,090</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2020 AND 2019**  
**(Continued)**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to State of New Jersey	B-4	\$ 30	
Reserve for Animal Control Expenditures	B-6	<u>21,709</u>	<u>\$ 15,098</u>
		<u>21,739</u>	<u>15,098</u>
<b>OTHER TRUST FUND</b>			
Developer's Escrow and Other Reserves	B-11	3,307,118	3,389,386
Reserve for Health Benefit Claims	B-12	4,814,388	4,749,158
Reserve for Payroll Deductions Payable	B-13	<u>278,879</u>	<u>52,658</u>
		<u>8,400,385</u>	<u>8,191,202</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-7	7,471	5,953
Due to Current Fund	B-16	408	
Reserve for Unemployment Claims	B-8	<u>139,102</u>	<u>135,394</u>
		<u>146,981</u>	<u>141,347</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Expenditures	B-15	<u>766,336</u>	<u>767,369</u>
		<u>766,336</u>	<u>767,369</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)</b>			
Reserve for Length of Service Award Program	B	<u>2,154,526</u>	<u>1,861,074</u>
		<u>2,154,526</u>	<u>1,861,074</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 11,489,967</u>	<u>\$ 10,976,090</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUES-REGULATORY BASIS**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 217,730	\$ 217,730	\$ 217,730	
Interest on Deposits	<u>-</u>	<u>-</u>	<u>2,594</u>	<u>\$ 2,594</u>
	<u>\$ 217,730</u>	<u>\$ 217,730</u>	<u>\$ 220,324</u>	<u>\$ 2,594</u>

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS**  
**MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Variance</u>
Debt Service				
Payment of Bond Principal	\$ 200,000	\$ 200,000	\$ 200,000	
Other Expenses	<u>17,730</u>	<u>17,730</u>	<u>21,357</u>	<u>\$ (3,627)</u>
	<u>\$ 217,730</u>	<u>\$ 217,730</u>	<u>\$ 221,357</u>	<u>\$ (3,627)</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 9,950,952	\$ 3,446,917
Due from Current Fund	C-4	260,578	
Deferred Charges to Future Taxation			
Funded	C-5	25,426,000	10,701,000
Unfunded	C-6	2,000,699	12,748,089
Grants Receivable	C-7	<u>4,362,395</u>	<u>4,362,395</u>
		<u>\$ 42,000,624</u>	<u>\$ 31,258,401</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-8	\$ 25,426,000	\$ 10,701,000
Bond Anticipation Notes	C-9	-	7,951,000
Improvement Authorizations			
Funded	C-10	8,310,287	1,238,311
Unfunded	C-10	2,000,699	5,833,465
Accounts Payable	C-11	3,809,800	2,095,006
Reserve for Payment of Debt Service	C	1,414,331	1,414,331
Reserve for Preliminary Costs	C	9,000	9,000
Reserve for Fire Truck	C-12	1,478	1,000,000
Reserve for Grants Receivable	C-7	150,000	150,000
Capital Improvement Fund	C-13	272,975	416,652
Fund Balance	C-1	<u>606,054</u>	<u>449,636</u>
		<u>\$ 42,000,624</u>	<u>\$ 31,258,401</u>

There were bonds and notes authorized but not issued of \$2,000,699 and \$4,974,292 at December 31, 2020 and 2019 respectively (Exhibit C-14).

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Balance, January 1	\$ 449,636	\$ 210,400
Increased by:		
Premium on Sale of Bonds and Notes	154,861	60,069
Cancelled Improvement Authorizations	<u>1,557</u>	<u>332,920</u>
	<u>156,418</u>	<u>392,989</u>
	<u>606,054</u>	<u>603,389</u>
Decreased by:		
Anticipated as Revenue in the Current Fund		35,000
Prior Year Adjustment		
Grants Receivable		118,750
Capital Improvement Fund	<u>-</u>	<u>3</u>
	<u>-</u>	<u>153,753</u>
Balance, December 31	<u>\$ 606,054</u>	<u>\$ 449,636</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

<b>ASSETS</b>	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>OPERATING FUND</b>			
Cash	D-5	\$ 2,167,798	\$ 1,966,954
Change Fund	D	<u>50</u>	<u>50</u>
		<u>2,167,848</u>	<u>1,967,004</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-7	<u>261,399</u>	<u>174,518</u>
		<u>2,429,247</u>	<u>2,141,522</u>
<b>CAPITAL FUND</b>			
Cash	D-5,D-6	1,957,892	1,754,373
Fixed Capital	D-9	13,869,176	13,813,896
Fixed Capital Authorized and Uncompleted	D-12	<u>205,000</u>	<u>205,000</u>
		<u>16,032,068</u>	<u>15,773,269</u>
Total Assets		<u>\$ 18,461,315</u>	<u>\$ 17,914,791</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**  
**(Continued)**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	D-4,D-13	\$ 256,170	\$ 198,385
Accounts Payable	D-14	44,404	51,966
Reserve for Rate Stabilization	D-10	260,000	260,000
Accrued Interest Payable on Bonds	D-19	<u>3,051</u>	<u>3,323</u>
		563,625	513,674
Reserve for Receivables	D	261,399	174,518
Fund Balance	D-1	<u>1,604,223</u>	<u>1,453,330</u>
		<u>2,429,247</u>	<u>2,141,522</u>
<b>CAPITAL FUND</b>			
Serial Bonds Payable	D-18	1,215,000	1,345,000
Accounts Payable	D-8	27,668	75,879
Improvement Authorization			
Funded	D-15	34,152	203,029
Reserves for			
Amortization	D-20	11,747,671	11,562,391
Deferred Amortization	D-11	734,142	734,142
Payment of Debt	D-21	169,230	54,425
Capital Improvement Fund	D-16	1,790,047	1,484,245
Fund Balance	D-2	<u>314,158</u>	<u>314,158</u>
		<u>16,032,068</u>	<u>15,773,269</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,461,315</u>	<u>\$ 17,914,791</u>

There were bonds and notes authorized but not issued in the amount of \$377,363 and \$377,363 at December 31, 2020 and 2019 (Exhibit D-22).



**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES AND OTHER INCOME</b>		
Fund Balance Anticipated	\$ 200,000	\$ 265,000
Rents	2,187,452	1,840,594
Miscellaneous	25,390	45,191
Other Credits to Income		
Cancellation of Accounts Payable	11,041	
Unexpended Balance of Appropriation Reserves	<u>132,010</u>	<u>71,053</u>
	<u>2,555,893</u>	<u>2,221,838</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operating	1,504,700	1,457,018
Capital Improvements	405,802	400,431
Debt Service	169,598	172,251
Deferred Charges and Statutory Expenditures	124,900	119,300
Refund of Prior Year Revenue	<u>-</u>	<u>265</u>
	<u>2,205,000</u>	<u>2,149,265</u>
Excess in Revenue	350,893	72,573
Fund Balance, January 1	<u>1,453,330</u>	<u>1,645,757</u>
	1,804,223	1,718,330
Decreased by:		
Utilization as Anticipated Revenue	<u>200,000</u>	<u>265,000</u>
Fund Balance, December 31	<u>\$ 1,604,223</u>	<u>\$ 1,453,330</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Balance, January 1	\$ 314,158	\$ 314,158
Balance, December 31	\$ 314,158	\$ 314,158

EXHIBIT D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 200,000	\$ 200,000	
Rents	2,000,000	2,187,452	\$ 187,452
Miscellaneous	<u>5,000</u>	<u>25,390</u>	<u>20,390</u>
	<u>\$ 2,205,000</u>	<u>\$ 2,412,842</u>	<u>\$ 207,842</u>
Analysis of Miscellaneous Revenues			
Interest on Investments and Deposits		\$ 13,742	
Other Miscellaneous		<u>11,648</u>	
		<u>\$ 25,390</u>	
Analysis of Miscellaneous Revenues			
Cash Receipts		\$ 19,520	
Due from Water Utility Capital Fund		<u>5,870</u>	
		<u>\$ 25,390</u>	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 759,400	\$ 759,400	\$ 711,958	\$ 47,442
Other Expenses	745,300	745,300	585,147	160,153
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	305,802	305,802	305,802	-
Capital Outlay	100,000	100,000	55,280	44,720
<b>DEBT SERVICE</b>				
Payment of Bond Principal	130,000	130,000	130,000	-
Interest on Bonds	39,598	39,598	39,598	-
<b>STATUTORY EXPENDITURES</b>				
Public Employees Retirement System	68,900	68,900	68,900	-
Social Security System	<u>56,000</u>	<u>56,000</u>	<u>52,145</u>	<u>3,855</u>
	<u>\$ 2,205,000</u>	<u>\$ 2,205,000</u>	<u>\$ 1,948,830</u>	<u>\$ 256,170</u>
Cash Disbursed			\$ 1,864,828	
Accounts Payable			44,404	
Accrued Interest on Bonds			<u>39,598</u>	
			<u>\$ 1,948,830</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-5	\$ 436,257	\$ 503,227
Change Fund	E	<u>25</u>	<u>25</u>
		436,282	503,252
Receivables with Full Reserves			
Consumer Accounts Receivable	E-7	<u>102,657</u>	<u>94,267</u>
		<u>538,939</u>	<u>597,519</u>
<b>CAPITAL FUND</b>			
Cash	E-5,E-6	156,366	333,367
Fixed Capital	E	304,100	304,100
Fixed Capital Authorized and Uncompleted	E-16	<u>6,315,798</u>	<u>928,917</u>
		<u>6,776,264</u>	<u>1,566,384</u>
Total Assets		<u>\$ 7,315,203</u>	<u>\$ 2,163,903</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	E-4,E-10	\$ 80,173	\$ 39,019
Encumbrances Payable	E-11	42,734	180,731
Accrued Interest on Bonds and Notes	E-13	489	864
Reserve for Sewer Rate Stabilization	E-12	<u>79,000</u>	<u>79,000</u>
		202,396	299,614
Reserve for Receivables	E	102,657	94,267
Fund Balance	E-1	<u>233,886</u>	<u>203,638</u>
		<u>538,939</u>	<u>597,519</u>
<b>CAPITAL FUND</b>			
Encumbrances Payable	E-9	46,362	96,569
Improvement Authorizations			
Funded	E-18	9,328	9,328
Unfunded	E-18	5,875,000	572,648
Serial Bonds Payable	E-17	140,000	155,000
Bond Anticipation Notes	E-21	300,000	300,000
Reserve for Amortization	E-15	164,100	149,100
Deferred Reserve for Amortization	E-14	36,157	36,157
Reserve for Debt Service	E	60,000	60,000
Capital Improvement Fund	E-19	100,127	175,273
Reserve for Preliminary Expenses	E-20	35,882	3,001
Fund Balance	E-2	<u>9,308</u>	<u>9,308</u>
		<u>6,776,264</u>	<u>1,566,384</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,315,203</u>	<u>\$ 2,163,903</u>

There were bonds and notes authorized but not issued in the amount of \$5,979,641 and \$592,760 at December 31, 2020 and 2019. (Exhibit E-22).

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - SEWER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>		
Operating Surplus Anticipated	\$ 105,000	\$ 180,000
Sewer Rents	413,574	418,065
Non-Budget Revenue	2,833	8,122
Other Credits		
Cancellation of Prior Year Encumbrances	2,385	
Unexpended Balance of Appropriation Reserves	<u>68,456</u>	<u>14,251</u>
 Total Income	 <u>592,248</u>	 <u>620,438</u>
 <b>EXPENDITURES</b>		
Budget Appropriations		
Operating	411,800	530,325
Capital Improvements	19,854	20,400
Debt Service	25,346	19,875
Deferred Charges and Statutory Expenditures	<u>-</u>	<u>9,400</u>
 Total Expenditures	 <u>457,000</u>	 <u>580,000</u>
 Excess in Revenue	 135,248	 40,438
 Fund Balance, January 1	 <u>203,638</u>	 <u>343,200</u>
	338,886	383,638
 Decreased by:		
Utilization as Anticipated Revenue	<u>105,000</u>	<u>180,000</u>
 Fund Balance, December 31	 <u>\$ 233,886</u>	 <u>\$ 203,638</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - SEWER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Balance, January 1	\$ 9,308	\$ 3,465
Increased by:		
Funded Improvement Authorizations Cancelled	<u>-</u>	<u>5,843</u>
Balance, December 31	<u>\$ 9,308</u>	<u>\$ 9,308</u>

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 105,000	\$ 105,000	
Sewer Rents	<u>415,000</u>	<u>413,574</u>	<u>\$ (1,426)</u>
	<u>\$ 520,000</u>	<u>\$ 518,574</u>	<u>\$ (1,426)</u>
Non Budget			
Miscellaneous		1,867	
Interest Earned Due from Sewer Utility Capital Fund		<u>966</u>	
		<u>\$ 521,407</u>	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>					
Other Expenses	\$ 474,800	\$ 474,800	\$ 331,627	\$ 80,173	\$ 63,000
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	19,854	19,854	19,854		
<b>DEBT SERVICE</b>					
Payment of Bond Principal	15,000	15,000	15,000		
Interest on Bonds	5,766	5,766	5,766		
Interest on Notes	<u>4,580</u>	<u>4,580</u>	<u>4,580</u>	<u>-</u>	<u>-</u>
	<u>\$ 520,000</u>	<u>\$ 520,000</u>	<u>\$ 376,827</u>	<u>\$ 80,173</u>	<u>\$ 63,000</u>
Cash Disbursed			\$ 323,747		
Accrued Interest on Bonds and Notes			10,346		
Encumbrances Payable			<u>42,734</u>		
			<u>\$ 376,827</u>		



**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Land	\$ 26,856,400	\$ 26,856,400
Buildings and Building Improvements	9,284,701	9,284,701
Machinery and Equipment	<u>9,635,859</u>	<u>9,360,061</u>
 Total Assets	 <u>\$ 45,776,960</u>	 <u>\$ 45,501,162</u>
 <b>FUND BALANCE</b>		
 Investment in General Fixed Assets	 <u>\$ 45,776,960</u>	 <u>\$ 45,501,162</u>

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**B. Description of Regulatory Basis of Accounting**

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2019 balances to conform to the December 31, 2020 presentation.

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

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

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

**Appropriation Reserves** - Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**Expenditures** - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Incurred But Not Reported (IBNR) Reserves and Claims Payable** - The Borough has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Borough has not received notices or report of losses (i.e. IBNR). Additionally, the Borough has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the government-wide financial statements.

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical

No depreciation has been provided for in the financial statements.

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

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

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

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

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



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2020 and 2019 the Borough Council increased the original budget by \$259,410 and \$247,342. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2020 and 2019.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

A. **Cash Deposits**

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**A. Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2020 and 2019, the book value of the Borough's deposits were \$31,837,412 and \$24,355,387 and bank and brokerage firm balances of the Borough's deposits amounted to \$32,253,988 and \$25,592,460, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2020</u>	<u>2019</u>
Insured	\$ 32,253,988	\$ 25,592,460

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2020 and 2019, none of the Borough's bank balances were exposed to custodial credit risk.

**B. Investments**

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

As of December 31, 2020 and 2019, the Borough had the following investments:

	<u>2020</u>	<u>Fair Value</u>	<u>2019</u>
Investment:			
Length of Service Awards Program			
Lincoln Financial (Unaudited)	\$ 2,067,801		\$ 1,780,679

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2020 and 2019, \$2,067,801 and \$1,780,679 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2020</u>	<u>2019</u>
<u>Uninsured and Collateralized:</u>		
Collateral held by pledging financial institution's trust		
department not in the Borough's name (Unaudited)	\$ 2,067,801	\$ 1,780,679

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2020 and 2019, the Borough's investment in Lincoln Financial Group was rated Baa1 by Moody's Investors Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln Financial Group. These investments are 100% of the Borough's total investments.

The fair value of the above-listed investments were based on quoted market prices.

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2020 consisted of the following:

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

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

Receivables at December 31, 2019 consisted of the following:

	<u>Current</u>	<u>Utility</u>		<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	
<b><u>2019</u></b>				
Property Taxes	\$ 20,226			\$ 20,226
Tax Title Liens	339,958			339,958
Utility Rents	-	\$ 174,518	\$ 94,267	268,785
	<u>\$ 360,184</u>	<u>\$ 174,518</u>	<u>\$ 94,267</u>	<u>\$ 628,969</u>

In 2019, the Borough collected \$27,065 and \$276,827 from delinquent taxes and utility charges and fees, which represented 8% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2018.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

	<u>2020</u>		<u>2019</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 408	\$ 510,578		\$ 12,188
Trust Funds				
Other Trust Fund	250,000		\$ 12,000	
Unemployment Trust Fund		408		
Municipal Open Space	-	-	188	-
General Capital Fund	<u>260,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 510,986</u>	<u>\$ 510,986</u>	<u>\$ 12,188</u>	<u>\$ 12,188</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

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

**NOTE 6 FUND BALANCES APPROPRIATED**

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

	<u>2020</u>		<u>2019</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 3,724,610	\$ 1,925,000	\$ 3,979,823	\$ 1,555,000
Non-Cash Surplus	<u>730,379</u>	<u>-</u>	<u>359,349</u>	<u>-</u>
	<u>\$ 4,454,989</u>	<u>\$ 1,925,000</u>	<u>\$ 4,339,172</u>	<u>\$ 1,555,000</u>
Water Utility Operating Fund				
Cash Surplus	<u>\$ 1,604,223</u>	<u>\$ 577,363</u>	<u>\$ 1,453,330</u>	<u>\$ 200,000</u>
Sewer Utility Operating Fund				
Cash Surplus	<u>\$ 233,886</u>	<u>\$ 25,000</u>	<u>\$ 203,638</u>	<u>\$ 105,000</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2020 and 2019.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
Land	\$ 26,856,400			\$ 26,856,400
Buildings and Building Improvements	9,284,701			9,284,701
Machinery and Equipment	<u>9,360,061</u>	<u>\$ 366,298</u>	<u>\$ 90,500</u>	<u>9,635,859</u>
	<u>\$ 45,501,162</u>	<u>\$ 366,298</u>	<u>\$ 90,500</u>	<u>\$ 45,776,960</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>
Land	\$ 26,856,400			\$ 26,856,400
Buildings and Building Improvements	9,284,701			9,284,701
Machinery and Equipment	<u>9,102,770</u>	<u>\$ 610,921</u>	<u>\$ 353,630</u>	<u>9,360,061</u>
	<u>\$ 45,243,871</u>	<u>\$ 610,921</u>	<u>\$ 353,630</u>	<u>\$ 45,501,162</u>

**B. Utility Funds Fixed Assets**

The following is a summary of changes in the utility funds fixed assets for the years ended December 31, 2020 and 2019.

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
<b>Water Utility Capital Fund</b>				
Fixed Capital				
Unallocated	<u>\$ 13,813,896</u>	<u>\$ 55,280</u>	<u>\$ -</u>	<u>\$ 13,869,176</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>
Fixed Capital				
Unallocated	<u>\$ 13,276,932</u>	<u>\$ 536,964</u>	<u>\$ -</u>	<u>\$ 13,813,896</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 7 FIXED ASSETS (Continued)**

**B. Utility Funds Fixed Assets (Continued)**

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
<b>Sewer Utility Capital Fund</b>				
Fixed Capital				
Unallocated	\$ <u>304,100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>304,100</u>
	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>
Fixed Capital				
Unallocated	\$ <u>304,100</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>304,100</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2020</u>	<u>2019</u>
Issued		
General		
Bonds and Notes	\$ 25,426,000	\$ 18,652,000
Water Utility		
Bonds	1,215,000	1,345,000
Sewer Utility		
Bonds and Notes	<u>440,000</u>	<u>455,000</u>
Total Issued	27,081,000	20,452,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,643,561</u>	<u>1,705,959</u>
Net Debt Issued	25,437,439	18,746,041
Authorized But Not Issued		
General		
Bonds and Notes	2,000,699	4,974,292
Water Utility		
Bonds and Notes	377,363	377,363
Sewer Utility		
Bonds and Notes	<u>5,979,641</u>	<u>592,760</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 33,795,142</u>	<u>\$ 24,690,456</u>



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and Report of Audit indicates a statutory net debt of 1.01% and .87% at December 31, 2020 and 2019, respectively.

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2019</u></b>			
General Debt	\$ 23,626,292	\$ 1,591,534	\$ 22,034,758
School Debt	4,614,035	4,614,035	
Water and Sewer Utility Debt	<u>2,770,123</u>	<u>2,770,123</u>	<u>-</u>
Total	<u>\$ 31,010,450</u>	<u>\$ 8,975,692</u>	<u>\$ 22,034,758</u>

**Statutory Borrowing Power**

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

	<u>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 90,176,893	\$ 88,566,082
Less: Net Debt	<u>26,012,368</u>	<u>22,034,758</u>
Remaining Borrowing Power	<u>\$ 64,164,525</u>	<u>\$ 66,531,324</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2020</u>	<u>2019</u>
\$1,096,000, 2006 Bonds, due in annual installments of \$96,000 on December 1, 2021, interest at 4.00%	\$ 96,000	\$ 191,000
\$14,235,000, 2015 Bonds, due in annual installments of \$1,000,000 to \$1,120,000 through December 1, 2029, interest at 3.00-3.125%	9,560,000	10,510,000
\$15,770,000, 2020 Bonds, due in annual installments of \$660,000 to \$1,030,000 through December 1, 2038, interest at 1.00-2.00%	<u>15,770,000</u>	<u>-</u>
	<u>\$ 25,426,000</u>	<u>\$ 10,701,000</u>

**Utility Bonds**

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

<b>Water Utility</b>	<u>2020</u>	<u>2019</u>
\$1,995,000, 2015 Bonds, due in annual installments of \$135,000 through December 1, 2029, interest at 3.00-3.125%	<u>\$ 1,215,000</u>	<u>\$ 1,345,000</u>
<b>Sewer Utility</b>		
\$230,000, 2015 Bonds, due in annual installments of \$15,000 to \$20,000 through December 1, 2029, interest at 3.00-3.125%	<u>\$ 140,000</u>	<u>\$ 155,000</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2020 is as follows:

Calendar Year	<u>General Bonds</u>		<u>Water Utility Bonds</u>		<u>Sewer Utility Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,756,000	\$ 522,235	\$ 135,000	\$ 36,619	\$ 15,000	\$ 4,225	\$ 2,469,079
2022	1,775,000	481,795	135,000	32,569	15,000	3,775	2,443,139
2023	1,790,000	443,545	135,000	28,519	15,000	3,325	2,415,389
2024	1,830,000	405,145	135,000	24,469	15,000	2,875	2,412,489
2025	1,845,000	365,845	135,000	20,419	15,000	2,425	2,383,689
2026-2030	8,675,000	1,218,925	540,000	41,176	65,000	5,200	10,545,301
2031-2035	4,725,000	583,095					5,308,095
2036-2038	<u>3,030,000</u>	<u>122,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,152,000</u>
	<u>\$ 25,426,000</u>	<u>\$ 4,142,585</u>	<u>\$ 1,215,000</u>	<u>\$ 183,771</u>	<u>\$ 140,000</u>	<u>\$ 21,825</u>	<u>\$ 31,129,181</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2020 and 2019 were as follows:

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>General Capital Fund</u>					
Bonds Payable	<u>\$ 11,691,000</u>	<u>\$ -</u>	<u>\$ 990,000</u>	<u>\$ 10,701,000</u>	<u>\$ 1,045,000</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	<u>\$ 1,475,000</u>	<u>\$ -</u>	<u>\$ 130,000</u>	<u>\$ 1,345,000</u>	<u>\$ 130,000</u>
<u>Sewer Utility Capital Fund</u>					
Bonds Payable	<u>\$ 170,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 155,000</u>	<u>\$ 15,000</u>

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2020 and 2019 was as follows:

**Bond Anticipation Notes**

	Rate <u>(%)</u>	Maturity <u>Date</u>	Balance December 31, <u>2019</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2020</u>
<u>General Capital Fund</u>						
Various Improvements	2.00%	12/13/2020	\$ 1,100,000		\$ 1,100,000	-
Van Allen House Improvements	2.00%	12/13/2020	2,298,000		2,298,000	-
Renovation of Library	2.00%	12/13/2020	1,553,000		1,553,000	-
Various Public Improvements and Acquisition of New Communication Equipment	2.00%	12/13/2020	1,000,000		1,000,000	-
Various Public Improvements	2.00%	12/13/2020	1,000,000		1,000,000	-
Various Public Improvements	2.00%	12/13/2020	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
Total General Capital Fund			<u>\$ 7,951,000</u>	<u>\$ -</u>	<u>\$ 7,951,000</u>	<u>\$ -</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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

	Rate (%)	Maturity Date	Balance December 31, 2018	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2019
<b><u>General Capital Fund</u></b>						
Various Improvements	3.25%	12/13/2019	\$ 1,400,000		\$ 1,400,000	\$ -
Various Improvements	2.00%	12/13/2020		\$ 1,100,000		\$ 1,100,000
Van Allen House Improvements	3.25%	12/13/2019	2,298,000		2,298,000	-
Van Allen House Improvements	2.00%	12/13/2020		2,298,000		2,298,000
Renovation of Library	3.25%	12/13/2019	1,553,000	-	1,553,000	-
Renovation of Library	2.00%	12/13/2020		1,553,000		1,553,000
Various Public Improvements and Acquisition of New Communication Equipment	2.00%	12/13/2020		1,000,000		1,000,000
Various Public Improvements	2.00%	12/13/2020		1,000,000		1,000,000
Various Public Improvements	2.00%	12/13/2020	-	1,000,000	-	1,000,000
Total General Capital Fund			<u>\$ 5,251,000</u>	<u>\$ 7,951,000</u>	<u>\$ 5,251,000</u>	<u>\$ 7,951,000</u>

	Rate (%)	Maturity Date	Balance December 31, 2018	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2019
<b><u>Sewer Utility Capital Fund</u></b>						
Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System						
	2.00%	12/13/2020	\$ -	\$ 300,000	\$ -	\$ 300,000
Total Sewer Utility Capital Fund			<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 300,000</u>

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

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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

**NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2020</u>		
2018 Road Program	\$ 191,938	2021
Construction of a Roller Hockey Rink	27,945	2021
2019 Road Program	152,126	2021
Fire Co. 1 Accessory Garage Project	36,949	2021
E-One Cycone II Ladder Truck	1,198,522	2021
Radio Communications System	173,336	2021
Removal of The Stream House	117,300	2021
2020 Road Program	1,084,238	2021
2021 Chevrolet Tahoe Police Vehicle	39,678	2021
2021 Chevrolet Tahoe Police Vehicle	39,841	2021
Virtual Desktop System	37,001	2021
Yale Way Drainage Improvement Project	85,207	2021
2021 Ford Trucks with Plow and Snow Plow	90,100	2021
SCBA Packs	221,348	2021
<u>2019</u>		
2018 Road Program	\$ 246,722	2021
Exterior Renovations to Van Allen House	20,660	2020
Cascade System	52,330	2020
Restoration of Salt Spreader on Two International Dump Trucks	61,673	2020
Purchase of an Ambulance	242,704	2020
Construction of a Roller Hockey Rink	189,858	2020
2019 Road Program	188,508	2021
Two 2020 Chevy Tahoe Police Vehicles	76,690	2020
Purchase of 4RE In Car Video Systems	45,184	2020
Purchase of 22 sets of Turnout Gear	59,356	2020
Purchase of Two Ford F350 Pickup Trucks	75,066	2020
New Police Computer Network	156,121	2020
Dump Truck with Salt Spreader	143,180	2020

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 10 OPERATING LEASES**

The Borough leases copies under noncancelable operating leases. Lease payments for the years ended December 31, 2020 and 2019 were \$9,624 and \$9,624, respectively. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ 9,624
2022	<u>1,604</u>
Total	<u>\$ 11,228</u>

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,761,710 and \$1,250,901 at December 31, 2020 and 2019, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2020 and 2019, the Borough has reserved in the Other Trust Fund \$344,807 and \$347,316, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**Changes in Other Long-Term Liabilities**

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2020 and 2019 were as follows:

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

	Balance, December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<b><u>2019</u></b>					
Compensated Absences	\$ 1,246,204	\$ 4,697		\$ 1,250,901	\$ 400,000
Net OPEB Obligation	28,953,559	4,972,316		33,925,875	
Net Pension Liability					
PERS	8,226,867		\$ 860,726	7,366,141	
PFRS	<u>12,376,970</u>	<u>-</u>	<u>1,395,033</u>	<u>10,981,937</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 50,803,600</u>	<u>\$ 4,977,013</u>	<u>\$ 2,255,759</u>	<u>\$ 53,524,854</u>	<u>\$ 400,000</u>

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PFRS:

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

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



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

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

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

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

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

**Other Pension Funds**

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

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

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds (Continued)**

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

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 and 2019 is \$16.4 billion and \$18.1 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 58.32% and 56.27%, respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 and 2019 is \$14.9 billion and \$14.2 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 63.52% and 65.00%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 and 2018 which were rolled forward to June 30, 2020 and 2019, respectively.

**Actuarial Methods and Assumptions**

In the July 1, 2019 and 2018 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2020 and 2019 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2020, 2019 and 2018 were equal to the required contributions.

During the years ended December 31, 2020, 2019 and 2018, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2020	\$ 906,450	\$ 398,455	\$ 10,242
2019	907,132	429,075	6,175
2018	865,915	405,152	6,567

In addition for the years ended December 31, 2020, 2019 and 2018 the Borough contributed for long-term disability insurance premiums (LTDI) \$791, \$739 and \$2,106, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2020 and 2019, the Borough reported a liability of \$7,009,845 and \$7,366,141, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was 0.04298 percent, which was an increase of 0.00210 percent from its proportionate share measured as of June 30, 2019 of 0.04088 percent.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough's pension expense to be \$99,749 and \$219,042, respectively, for PERS based on the actuarial valuations which are less than the actual contribution reported in the Borough's financial statements of \$398,455 and \$429,075, respectively. At December 31, 2020 and 2019, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2020		2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 127,638	\$ 24,790	\$ 132,213	\$ 32,540
Changes of Assumptions	227,407	2,935,089	735,536	2,556,764
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	239,602			116,277
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>425,398</u>	<u>341,832</u>	<u>109,265</u>	<u>567,295</u>
Total	<u>\$ 1,020,045</u>	<u>\$ 3,301,711</u>	<u>\$ 977,014</u>	<u>\$ 3,272,876</u>

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u><b>2020 and 2019</b></u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.28%

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

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

	<u><b>2020</b></u>	<u><b>2019</b></u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2057
Municipal Bond Rate *	Not Applicable	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.28%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.28%, respectively or 1-percentage-point higher 8.00% and 7.28%, respectively than the current rate:

	<u><b>1% Decrease (6.00%)</b></u>	<u><b>Current Discount Rate (7.00%)</b></u>	<u><b>1% Increase (8.00%)</b></u>
<u><b>2020</b></u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,824,225</u>	<u>\$ 7,009,845</u>	<u>\$ 5,470,294</u>
	<u><b>1% Decrease (5.28%)</b></u>	<u><b>Current Discount Rate (6.28%)</b></u>	<u><b>1% Increase (7.28%)</b></u>
<u><b>2019</b></u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,304,633</u>	<u>\$ 7,366,141</u>	<u>\$ 5,732,687</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***Pension Plan Fiduciary Net Position***

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

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2020 and 2019, the Borough reported a liability of \$11,573,800 and \$10,981,937, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was 0.089571 percent, which was a decrease of 0.000166 percent from its proportionate share measured as of June 30, 2019 of 0.089737 percent.

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough pension expense to be \$512,085 and \$822,920 respectively, for PFRS based on the actuarial valuations which are less than the actual contribution reported in the Borough's financial statements of \$906,450 and \$907,132, respectively. At December 31, 2020 and 2019, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 116,684	\$ 41,537	\$ 92,702	\$ 69,529
Changes of Assumptions	29,125	3,102,866	376,301	3,549,261
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	678,626			148,802
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	108,325	681,846	222,318	897,660
Total	<u>\$ 932,760</u>	<u>\$ 3,826,249</u>	<u>\$ 691,321</u>	<u>\$ 4,665,252</u>



**BOROUGH OF OAKLAND**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen's Retirement System (PFRS) (Continued)**

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

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

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**2020 and 2019**

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Discount Rate (Continued)***

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

	<u><b>2020</b></u>	<u><b>2019</b></u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2076
Municipal Bond Rate *	Not Applicable	From July 1, 2076 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.85%, respectively, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.85%, respectively or 1-percentage-point higher 8.00% and 7.85%, respectively than the current rate:

<u><b>2019</b></u>	<u><b>(6.00%)</b></u>	<u><b>(7.00%)</b></u>	<u><b>(8.00%)</b></u>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 15,390,772</u>	<u>\$ 11,573,800</u>	<u>\$ 8,403,513</u>
	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<u><b>2019</b></u>	<u><b>(5.85%)</b></u>	<u><b>(6.85%)</b></u>	<u><b>(7.85%)</b></u>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,843,577</u>	<u>\$ 10,981,937</u>	<u>\$ 7,785,874</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Special Funding Situation – PFRS***

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

At December 31, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,796,201 and \$1,734,069, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$203,563 and \$201,485, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$138,217 and \$116,840, respectively. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was 0.089571 percent, which was a decrease of 0.000166 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of 0.089737 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

**Plan Description**

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

**Benefits Provided**

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

**Employees Covered by Postemployment Benefits**

At December 31, 2020 and 2019, the following employees were covered by postemployment health care benefits:

	<u>2020</u>	<u>2019</u>
Active Employees	65	73
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>45</u>	<u>48</u>
	<u><u>110</u></u>	<u><u>121</u></u>

At December 31, 2020 and 2019, the Borough's total OPEB liabilities were \$37,404,819 and \$33,925,875, respectively. Net OPEB liability was measured as of December 31, 2020 and December 31, 2019, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2020 and 2019, the Borough has determined it's OPEB expense to be \$1,932,839 and \$1,981,319, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$691,248 and \$704,736 , respectively. At December 31, 2020 and 2019, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

At December 31, 2020 and 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	2020		2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience				
Changes of Assumptions	\$ 5,933,086		\$ 3,695,733	
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments				
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions				
Contributions made Subsequent to the Measurement Date	-	-	-	-
Total	<u>\$ 5,933,086</u>	<u>\$ -</u>	<u>\$ 3,695,733</u>	<u>\$ -</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ 536,134
2021	536,134
2022	536,134
2023	536,134
2024	536,134
Thereafter	<u>3,252,416</u>
	<u>\$ 5,933,086</u>

***Actuarial Assumptions***

The Borough's total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation. The total OPEB liability reported for the year ended December 31, 2019 was based on the December 31, 2019 measurement date as determined by an actuarial valuation. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**BOROUGH OF OAKLAND**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

**Key Actuarial Assumptions**

Mortality	RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement.
Turnover	NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility.
Assumed Retirement Age	At first eligibility after the completion of 15 years of service police and white collar, later of 15 years of service and age 62 library, 25 years of service all others.
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	2.12% Based on the Bond Buyer 20 Index December 31, 2020. 2.74% Based on the Bond Buyer 20 Index as of December 31, 2019.
CPI Increase	2.5%
Rate of Salary Increase	2.5%
Medical Trend	Medical: 5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026. Drug: 9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026. Dental: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

- Attribution Period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2020 premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (46) and scaled to each aged based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. When actual data is not available, post 65 costs are decreased using the assumption that Medicare picks up 66.7% of medical costs.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2020 salaries were reported as \$5.100 million.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Changes in the Total OPEB Liability*

The change in the Borough's OPEB liability for the years ended December 31, 2020 and 2019 based on measurement dates of December 31, 2020 and December 31, 2019, respectively are as follows:

	<u>2020</u>	<u>2019</u>
Balance - January 1	\$ 33,925,875	\$ 28,953,559
Changes for the Year:		
Service Cost	463,895	472,215
Interest on the Total OPEB Liability	932,810	1,192,010
Changes in Assumptions	2,773,487	4,012,827
Benefit Payments	(691,248)	(704,736)
Net Changes	<u>3,478,944</u>	<u>4,972,316</u>
Balance - December 31	<u>\$ 37,404,819</u>	<u>\$ 33,925,875</u>

*Sensitivity of Net OPEB Liability to Changes in the Discount Rate*

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the discount rate of 2.12% and 2.74%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.12% and 1.74% or 1-percentage-point higher 3.12% and 3.74%, respectively, than the current rate:

	<b>1% Decrease (1.12%)</b>	<b>Current Discount Rate (2.12%)</b>	<b>1% Increase (3.12%)</b>
<b><u>2020</u></b>			
Net OPEB Liability	<u>\$ 41,635,106</u>	<u>\$ 37,404,819</u>	<u>\$ 33,921,333</u>
	<b>1% Decrease (1.74%)</b>	<b>Current Discount Rate (2.74%)</b>	<b>1% Increase (3.74%)</b>
<b><u>2019</u></b>			
Net OPEB Liability	<u>\$ 36,749,783</u>	<u>\$ 33,925,875</u>	<u>\$ 31,562,168</u>



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

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

The following presents the Borough's net OPEB liability as of December 31, 2020 and 2019 calculated using the healthcare trend rates as disclosed above as well as what the Borough's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
<u>2020</u>			
Net OPEB Liability	<u>\$ 33,414,219</u>	<u>\$ 37,404,819</u>	<u>\$ 42,302,165</u>
	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
<u>2019</u>			
Net OPEB Liability	<u>\$ 31,138,377</u>	<u>\$ 33,925,875</u>	<u>\$ 37,255,410</u>

**NOTE 14 RISK MANAGEMENT**

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

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

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

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

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 RISK MANAGEMENT (Continued)**

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2020	\$ 13,610	\$ 9,902	\$ 139,102
2019	13,450	18,035	135,394
2018	12,462	10,814	139,979

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2020 and 2019, the Borough reserved \$320,009 and \$301,054, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2020 and 2019, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

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

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

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

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

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

The Borough of Oakland has contributed \$1,422 and \$1,410 for 2020 and 2019, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$86,725 and \$80,395 for 2020 and 2019, respectively.

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

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

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the "COVID-19 Pandemic"). On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. Recently, the United States Congress has passed relief and stimulus legislation including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor's executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Borough cannot predict how the outbreak will impact the financial condition or operations of the Borough, or if there will be any impact on the assessed values of property within the Borough or deferral of tax payments to municipalities. The Borough cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is not possible to predict any future financial impacts as a result of this pandemic on the Borough's operations; however, such amounts, if any, could be material.

## **SUPPLEMENTARY SCHEDULES**

**CURRENT FUND**

**BOROUGH OF OAKLAND  
STATEMENT OF CURRENT CASH**

Balance, December 31, 2019		\$ 7,247,396
Increased by Receipts:		
Taxes Receivable	\$ 64,692,868	
Tax Title Liens	16,007	
Prepaid Taxes	428,810	
Tax Overpayments	162,730	
Grants Receivable	64,414	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	73,250	
Revenue Accounts Receivable	2,861,825	
Non-Budget Revenue	58,086	
Receipts from Animal Control Trust Fund	96	
Receipts from Other Trust Fund	253,919	
Receipts from Municipal Open Space Trust Fund	200,000	
Receipts from Unemployment Insurance Trust Fund	121	
Receipts from General Capital Fund	12,948	
Health Benefit Reserve	250,000	
Unappropriated Grant Reserves	25,993	
Marriage License Fees State of NJ Fees	15,775	
	<u>69,116,842</u>	
		76,364,238
Decreased by Disbursements:		
2020 Budget Appropriations	17,064,967	
2019 Appropriation Reserves	940,903	
Appropriated Grant Reserves	432,410	
Tax Overpayments	82,710	
Accounts Payable	3,255	
County Taxes Payable	6,538,849	
Local District School Taxes Payable	30,429,709	
Regional School Taxes Payable	12,443,338	
Reserve for Tax Appeals	81,045	
Payments To Unemployment Insurance Trust Fund	408	
Payments to Other Trust Fund	12,000	
Payments to Municipal Open Space Trust Fund	217,918	
State of NJ	13,556	
Refund of Prior Year Revenue	20,789	
	<u>68,281,857</u>	
Balance, December 31, 2020		<u>\$ 8,082,381</u>

**BOROUGH OF OAKLAND  
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, December 31, <u>2019</u>	Balance, December 31, <u>2020</u>
Tax Collector	\$ 100	\$ 100
Water and Sewer	100	100
Borough Clerk	<u>50</u>	<u>50</u>
	<u>\$ 250</u>	<u>\$ 250</u>

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

Balance, December 31, 2019	\$ 7,489
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 9,000
Veterans' Deductions Per Tax Billings	66,250
Senior Citizens' and Veterans Deductions Allowed by Tax Collector - Prior Year	<u>2,005</u>
	<u>77,255</u>
	84,744
Decreased by:	
Cash Received from State of New Jersey	73,250
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector	<u>2,000</u>
	<u>75,250</u>
Balance, December 31, 2020	<u>\$ 9,494</u>



**BOROUGH OF OAKLAND  
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, December 31, 2019	2020 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections 2019	2020	Senior Citizens' and Veterans' Deductions Allowed	Transfer to Tax Title Liens	Cancelled	Balance, December 31, 2020
2019	\$ 20,226		\$ 507			\$ 2,125	\$ 2,005		\$ 16,603	-
2020	<u>-</u>	\$ 65,281,426	<u>-</u>	\$ 2,000	\$ 343,397	64,690,743	75,250	\$ 33,245	133,427	\$ 7,364
	<u>\$ 20,226</u>	<u>\$ 65,281,426</u>	<u>\$ 507</u>	<u>\$ 2,000</u>	<u>\$ 343,397</u>	<u>\$ 64,692,868</u>	<u>\$ 77,255</u>	<u>\$ 33,245</u>	<u>\$ 150,030</u>	<u>\$ 7,364</u>

**Analysis of 2020 Property Tax Levy**

**Tax Yield**

General Purpose Tax	\$ 65,219,261
Added Taxes (54:4-63.1 et seq.)	<u>62,165</u>
	<u>\$65,281,426</u>

**Tax Levy**

Local District School Tax	\$ 30,429,709
Regional School Tax	12,443,338
County Tax	6,270,401
County Open Space Tax	263,232
Due for Added and Omitted Taxes (54:4-63.1 et seq.)	<u>6,087</u>
	49,412,767
Local Tax for Municipal Purposes	14,718,866
Minimum Library Tax	876,187
Municipal Open Space Tax	217,528
Municipal Open Space Tax Added	202
Add Additional Tax Levies	<u>55,876</u>
	<u>15,868,659</u>
	<u>\$65,281,426</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2019	\$ 339,958
Increased by:	
Transferred from Taxes Receivable	<u>33,245</u>
	373,203
Decreased by:	
Collections	<u>16,007</u>
Balance, December 31, 2020	<u>\$ 357,196</u>

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2019</u>	<u>Adjustment</u>	Accrued in 2020	<u>Receipts</u>	Balance, December 31, <u>2020</u>
Municipal Alliance Grant	\$ 2,086		\$ 9,876	\$ 1,669	\$ 10,293
Sustainable Jersey Grant	4,000				4,000
Highlands - Plan Conformance	249,357				249,357
Highlands - Transfer Development Rights	4,824				4,824
Drunk Driving Enforcement Fund			2,776		2,776
BMED - Employee Wellness - 2019	7,661			5,865	1,796
BMED - Employee Wellness - 2020			10,000		10,000
Bergen County Elections Grant			1,000	1,000	-
BCUA Recycling	1,000	\$ 3,000		1,000	3,000
Roots for Rivers	120		2,788		2,908
Recycling Tonnage Grant			33,423	33,423	-
Community Garden Grant			20,000	12,000	8,000
Radon Awareness Grant			2,000	2,000	-
CDBG - Senior Citizen Center		119,316			119,316
FEMA - Firefighters Grant			210,476		210,476
Fire Prevention Grant			3,000	3,000	-
Senior Citizens Center Software Grant			10,300		10,300
Body Armor Replacement Fund	6,184		2,850	4,457	4,577
Bulletproof Vest Grant			2,634		2,634
Bergen County Open Space					
Ramapo Valley Park	40,000				40,000
Van Allen/Stream House	19,503				19,503
Bergen County Park Improvement Pgm	<u>17,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,125</u>
	<u>\$ 351,860</u>	<u>\$ 122,316</u>	<u>\$ 311,123</u>	<u>\$ 64,414</u>	<u>\$ 720,885</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2019</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2020</u>
Licenses				
Alcoholic Beverage		\$ 24,650	\$ 24,650	
Other		31,946	31,946	
Fees and Permits		206,258	206,258	
Construction Code Official				
Fees and Permits		187,809	187,809	
Recreation				
Fees and Permits		195,764	195,764	
Municipal Court				
Fines and Costs	\$ 23,524	150,287	160,350	\$ 13,461
Interest and Costs on Taxes		49,571	49,571	
Interest on Investments and Deposits		59,399	59,399	
Energy Receipts Tax		1,312,169	1,312,169	
Uniform Fire Safety Act		17,762	17,762	
Cellular Tower Lease		176,223	176,223	
Cablevision Franchise Fee		125,449	125,449	
Verizon Franchise Fee		68,993	68,993	
Real Property Lease		82,584	82,584	
Sale of Recyclables		12,235	12,235	
Shared Service Agreement - School Crossing Guards		5,177	5,177	
Off Duty Police Officers Administrative Fees		19,291	19,291	-
Pension Reimbursement - Library		44,500	44,500	
Pension Reimbursement - Water Utility		68,900	68,900	
Tree Permit Fees	-	12,795	12,795	-
	<u>\$ 23,524</u>	<u>\$ 2,851,762</u>	<u>\$ 2,861,825</u>	<u>\$ 13,461</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2019</u>	<u>Transfers</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages						
General Administration	\$ 3,944			\$ 3,944		\$ 3,944
General Services	8,380			8,380	\$ (21,790)	30,170
Mayor and Council	756			756		756
Municipal Clerk	71			71		71
Financial Administration	7,507			7,507	90	7,417
Tax Assessment	1,677			1,677		1,677
Revenue Administration	4,126			4,126	420	3,706
Land Use Administration	1,900			1,900		1,900
Zoning Board of Adjustment	1,900			1,900		1,900
Police	296,110			296,110	26,058	270,052
Flood Control Committee	27			27		27
Office of Emergency Management	20			20		20
Fire	8,192			8,192		8,192
Streets and Road Maintenance	604			604		604
Snow Removal	23,026			23,026	23,026	-
Solid Waste Collection	6,408			6,408		6,408
Buildings and Grounds	10,102			10,102		10,102
Vehicle Maintenance	1,844			1,844		1,844
Board of Health	10,699			10,699		10,699
Board of Recreation Commissioners	16,974			16,974	973	16,001
Senior Citizens Activities	4,062			4,062	826	3,236
Municipal Court	3,880			3,880		3,880
Uniform Construction Code	12,141			12,141	902	11,239
Stormwater Management	185	-	-	185	-	185
Total Salaries and Wages	424,535	-	-	424,535	30,505	394,030
Other Expenses						
General Administration	2,351		\$ 909	3,260	865	2,395
Communication Committee	596		661	1,257	461	796
General Services	2,775	\$ (500)	3,169	5,444	4,032	1,412
Mayor and Council	7,650		16,835	24,485	11,275	13,210
Municipal Clerk	468		8,095	8,563	7,908	655
Elections	499			499		499
Financial Administration	7,048	(1,000)	8,560	14,608	10,525	4,083
Audit Services	6,500			6,500	6,500	-
Information Technology	2,295		4,570	6,865	733	6,132
Revenue Administration	286		3,778	4,064	3,828	236
Tax Assessment Administration	1,535		4,060	5,595	1,210	4,385
Legal Services and Costs	7,473		81,311	88,784	17,688	71,096
Engineering Services	4,175		23,157	27,332	9,525	17,807
Land Use Administration	4,126		6,730	10,856	1,594	9,262
Zoning Board of Adjustment	664		3,110	3,774	1,100	2,674
Insurance						
Other Insurance	6,621			6,621		6,621
Employee Group Insurance	58,590		30,411	89,001	89,001	-
Police	22,803		33,810	56,613	54,603	2,010
Flood Control Committee	1,500			1,500	-	1,500
Office of Emergency Management	6,275		2,550	8,825	300	8,525

**BOROUGH OF OAKLAND**  
**STATEMENT OF APPROPRIATION RESERVES**  
**(Continued)**

	Balance, December 31, <u>2019</u>	<u>Transfers</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)						
Fire	\$ 22,719		\$ 43,857	\$ 66,576	\$ 44,157	\$ 22,419
Aid to Volunteer First Aid	8,500			8,500		8,500
Streets and Road Maintenance	19,663		20,403	40,066	6,066	34,000
Snow Removal	52,278		27,866	80,144	80,144	-
Shade Tree Commission	30,935		2,500	33,435	2,500	30,935
Solid Waste Collection	5,152		271,844	276,996	242,418	34,578
Buildings and Grounds	388	500	41,354	42,242	27,514	14,728
Vehicle Maintenance	7,273		12,746	20,019	(9,017)	29,036
Board of Health	222		78,333	78,555	57,856	20,699
Environmental Health Services Commission	32		508	540	508	32
Board of Recreation Commissioners	37,488		46,300	83,788	65,412	18,376
Senior Citizens Activities	3,257		9,807	13,064	6,563	6,501
Municipal Court	5,015		3,006	8,021	4,652	3,369
Public Defender	2,200		1,500	3,700	900	2,800
Municipal Prosecutor	1,650		3,150	4,800	1,800	3,000
Uniform Construction Code	7,205		1,036	8,241	136	8,105
Gasoline	31,047		24,675	55,722	25,288	30,434
Electricity	15,291			15,291	13,297	1,994
Natural Gas	2,649	1,000	4,913	8,562	4,989	3,573
Street Lighting	30,769		1,102	31,871	20,827	11,044
Telephone	4,692		3,034	7,726	2,021	5,705
Contingent	4,943			4,943		4,943
Social Security	27,040			27,040		27,040
Defined Contribution Retirement Program	1,825			1,825		1,825
Length of Service Awards Program	83,040			83,040	80,395	2,645
Stormwater Management	9,993		2,482	12,475	1,914	10,561
911 System	6			6		6
Maintenance of Free Public Library	8,625		2,546	11,171	4,879	6,292
Matching Fund for Grants	2,000	-	-	2,000	-	2,000
Capital Improvements	16,032	-	18,968	35,000	18,968	16,032
Total Other Expenses	586,159	-	853,646	1,439,805	925,335	514,470
	<u>\$ 1,010,694</u>	<u>\$ -</u>	<u>\$ 853,646</u>	<u>\$ 1,864,340</u>	<u>\$ 955,840</u>	<u>\$ 908,500</u>
			Cash Disbursements		\$ 940,903	
			Accounts Payable		14,937	
					<u>\$ 955,840</u>	

**BOROUGH OF OAKLAND**  
**STATEMENT OF ENCUMBRANCES/ACCOUNTS PAYABLE**

Balance, December 31, 2019		\$ 856,901
Increased by:		
Charges to 2020 Budget Appropriation	\$ 706,766	
Transferred from 2019 Appropriation Reserves	<u>14,937</u>	
		<u>721,703</u>
		1,578,604
Decreased by:		
Cash Disbursements	3,255	
Cancelled Payables Restored to Appropriation Reserves	<u>853,646</u>	
		<u>856,901</u>
Balance, December 31, 2020		<u>\$ 721,703</u>

EXHIBIT A-13

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2019		\$ 343,397
Increased by:		
2021 Taxes Collected		<u>428,810</u>
		772,207
Decreased by:		
Applied to 2020 Taxes Receivable		<u>343,397</u>
Balance, December 31, 2020		<u>\$ 428,810</u>

EXHIBIT A-14

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2019		\$ 82,710
Increased by:		
Overpayments		<u>162,730</u>
		245,440
Decreased by:		
Refunds		<u>82,710</u>
Balance, December 31, 2020		<u>\$ 162,730</u>

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

Balance, December 31, 2019		\$ 5,216
Increased by:		
Tax Levy		
County Taxes	\$ 6,270,401	
County Open Space Preservation	263,232	
Added and Omitted Taxes	<u>6,087</u>	
		<u>6,539,720</u>
		6,544,936
Decreased by:		
Payments		<u>6,538,849</u>
Balance, December 31, 2020		<u>\$ 6,087</u>

EXHIBIT A-16

**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year		<u>\$ 30,429,709</u>
Decreased by:		
Payments		<u>\$ 30,429,709</u>

EXHIBIT A-17

**STATEMENT OF REGIONAL HIGH SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year		<u>\$ 12,443,338</u>
Decreased by:		
Payments		<u>\$ 12,443,338</u>

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

Balance, December 31, 2019	\$ 301,054
Increased by:	
Budget Appropriation	<u>100,000</u>
	401,054
Decreased by:	
Tax Refunds	<u>81,045</u>
Balance, December 31, 2020	<u>\$ 320,009</u>

EXHIBIT A-19

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

	Balance, December 31, 2019	Prior Year Adjustment	Transferred from 2020 Appropriations	Cash Disbursements	Balance, December 31, 2020
NJ State Police OEM Grant	\$ 8,008				\$ 8,008
Recycling Tonnage Grant	8,843		\$ 33,423	\$ 37,868	4,398
Clean Communities	25,843	\$ (292)	28,829	15,932	38,448
Police Body Armor	4,540		2,850	7,390	-
Bulletproof Vest Grant			2,634	403	2,231
Drunk Driving Enforcement Fund	12,560	(814)	2,776	4,386	10,136
Alcohol Education and Rehabilitation	2,185			490	1,695
Municipal Alliance Grant					
State Share	13,876	667	9,876	6,418	18,001
Local Share	3,802		2,469	1,625	4,646
CDBG - Emergency Generators - Senior Center	119,316			112,000	7,316
BMED - Employee Wellness - 2019	3,452			2,103	1,349
First Aide Vehicle	117,704			117,704	-
Sustainable Jersey Grant	989			364	625
Bergen County Elections Grant			1,000	1,000	-
Roots for Rivers	119		2,788		2,907
BCUA Recycling Grant	3,000			3,000	-
Highlands - Plan Conformance	210,218			102,210	108,008
BMED - Employee Wellness - 2020			10,000	795	9,205
Radon Awareness Grant			2,000		2,000
Community Garden Grant			20,000	15,722	4,278
Senior Citizens Center Software Grant			10,300		10,300
Fire Preventions Grant			3,000	3,000	-
FEMA - Firefighters Grant			210,476		210,476
Bergen County Roller Hockey	17,125				17,125
Bergen County Open Space					
Ramapo Valley Park	28,741				28,741
Van Allen/Stream House	352				352
NJ Motor Vehicle Service Police Fees	<u>24,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,285</u>
	<u>\$ 604,958</u>	<u>\$ (439)</u>	<u>\$ 342,421</u>	<u>\$ 432,410</u>	<u>\$ 514,530</u>



**BOROUGH OF OAKLAND**  
**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

	Balance, December 31, 2019	Cash Received	Appropriated in 2020 Budget	Balance, December 31, 2020
Clean Communities Grant	<u>\$ 28,829</u>	<u>\$ 25,993</u>	<u>\$ 28,829</u>	<u>\$ 25,993</u>

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

	Total	UCC Fees	Marriage License Fees
Balance, December 31, 2019	\$ 2,864	\$ 2,839	\$ 25
Increased by:			
Cash Received	<u>15,775</u>	<u>15,700</u>	<u>75</u>
	18,639	18,539	100
Decreased by:			
Payments to State of New Jersey	<u>13,556</u>	<u>13,556</u>	<u>-</u>
Balance, December 31, 2020	<u>\$ 5,083</u>	<u>\$ 4,983</u>	<u>\$ 100</u>

**STATEMENT OF RESERVE FOR REVALUATION**

Balance, December 31, 2019	\$ 19,012
Decreased by:	
Cancelled	<u>19,012</u>
Balance, December 31, 2020	<u>\$ -</u>

## **TRUST FUNDS**

**BOROUGH OF OAKLAND  
STATEMENT OF TRUST CASH**

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment</u>	<u>Municipal Open Space</u>
Balance, December 31, 2019	\$ 15,048	\$ 8,179,202	\$ 141,347	\$ 767,181
Increased by Receipts:				
Interest on Investments and Deposits	\$ 96	3,919	\$ 121	\$ 2,594
Employee Payroll Deductions		12,189,522	13,610	
Developer's Escrow and Other Reserves		1,726,491		
State Dog License Fees	1,623			
Animal Control Fees	17,563			
Receipts Due to Current Fund				
Receipts from Current Fund		12,000	408	217,918
Health Benefits	-	355,140	-	-
	<u>19,282</u>	<u>14,287,072</u>	<u>14,139</u>	<u>220,512</u>
	34,330	22,466,274	155,486	987,693
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	10,952			
Payments to Current Fund	96	253,919	121	200,000
Payments to State of New Jersey	1,593		8,384	
Miscellaneous Payments				
Developer's Escrow and Other Reserves		1,808,759		
Payroll Deductions Payable		11,963,301		
Reserve for Health Benefit Claims		289,910		
Municipal Open Space Expenditures	-	-	-	21,357
	<u>12,641</u>	<u>14,315,889</u>	<u>8,505</u>	<u>221,357</u>
Balance, December 31, 2020	<u>\$ 21,689</u>	<u>\$ 8,150,385</u>	<u>\$ 146,981</u>	<u>\$ 766,336</u>

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

Increased by:	
State Fees Collected	\$ 1,623
Decreased by:	
Payments to State of New Jersey	<u>1,593</u>
Balance, December 31, 2020	<u>\$ 30</u>

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

Increased by:	
Interest and Deposits	\$ 96
Decreased by:	
Payments to Current Fund	<u>96</u>
Balance, December 31, 2020	<u>\$ -</u>

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

Balance, December 31, 2019	\$ 15,098
Increased by:	
Cash Receipts	<u>17,563</u>
	32,661
Decreased by:	
Expenditures Under R.S. 4:19 - 15.11	<u>10,952</u>
Balance, December 31, 2020	<u>\$ 21,709</u>

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

Balance, December 31, 2019	\$ 5,953
Increased by:	
Unemployment Claims Due to State of New Jersey	<u>9,902</u>
	15,855
Decreased by:	
Payments to State of New Jersey	<u>8,384</u>
Balance, December 31, 2020	<u>\$ 7,471</u>

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

Balance, December 31, 2019	\$ 135,394
Increased by:	
Employee Payroll Deductions	<u>13,610</u>
	149,004
Decreased by:	
Benefits Due State of New Jersey	<u>9,902</u>
Balance, December 31, 2020	<u>\$ 139,102</u>

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

Increased by:	
Interest on Deposits	\$ 121
Decreased by:	
Payments to Current Fund	<u>121</u>
Balance, December 31, 2020	<u>\$ -</u>

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

Balance, December 31, 2019	\$ 12,000
Increased by:	
Payments to Current Fund	<u>253,919</u>
	<u>265,919</u>
Decreased by:	
Receipts from Current Fund	\$ 12,000
Interest on Investments	<u>3,919</u>
	<u>15,919</u>
Balance, December 31, 2020	<u>\$ 250,000</u>

EXHIBIT B-11

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

	Balance, December 31, 2019	Receipts	Disbursements	Balance December 31, 2020
Planning Board Escrow	\$ 206,112	\$ 107,637	\$ 89,067	\$ 224,682
Board of Adjustment Escrow	125,654	44,510	46,742	123,422
Soil Movement	15,387	14,868		30,255
Performance Bonds	427,733	12,241	206,800	233,174
Escrow Funds	77,623	-	-	77,623
Public Events	92,440	-	3,202	89,238
Donations	-	450	210	240
Donations - Dog Park	-	49,673	1,025	48,648
Donations - Oakland Police Department - PPE		3,200	462	2,738
Board of Health - Marriage License	2,680	900	975	2,605
Communications	48,317	9,000	11,240	46,077
Recycling Containers	2,986	3,510	2,562	3,934
Municipal Alliance	19,892	3,000	888	22,004
Shade Tree	12,785	-	12,710	75
Public Events - Banner Program	2,734	13,315	15,737	312
Recreation	125,200	48,876	46,279	127,797
Municipal Court - POAA	253	178	-	431
Public Defender	2,662	-	-	2,662
Storm Recovery	247,482	109,068	151,838	204,712
Off Duty Police Officer	52,662	-	-	52,662
Found Money	1,943	254	1,923	274
Junior Police Academy	6,195	1,050	-	7,245
Active Shooter Program	47	2,773	2,773	47
Municipal Court Ticket Refunds	105	-	-	105
Sanitary Landfill	2,170	8	693	1,485
Redemption of Liens	825,458	1,113,163	1,068,762	869,859
Accumulated Absences	347,316	126,772	129,281	344,807
Flexible Spending	36,659	14,119	12,036	38,742
COAH	<u>706,891</u>	<u>47,926</u>	<u>3,554</u>	<u>751,263</u>
	<u>\$ 3,389,386</u>	<u>\$ 1,726,491</u>	<u>\$ 1,808,759</u>	<u>\$ 3,307,118</u>

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

Balance, December 31, 2019	\$4,749,158
Increased by:	
Cash Receipts	<u>355,140</u>
	5,104,298
Decreased by:	
Cash Disbursements	<u>289,910</u>
Balance, December 31, 2020	<u><u>\$4,814,388</u></u>

EXHIBIT B-13

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

Balance, December 31, 2019	\$ 52,658
Increased by:	
Cash Receipts	<u>12,189,522</u>
	12,242,180
Decreased by:	
Cash Disbursements	<u>11,963,301</u>
Balance, December 31, 2020	<u><u>\$ 278,879</u></u>

EXHIBIT B-14

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

Balance, December 31, 2019	\$ 188
Increased by:	
2020 Tax Levy	\$ 217,528
2020 Added Tax Levy	202
Payments to Current Fund	<u>200,000</u>
	<u>417,730</u>
	417,918
Decreased by:	
Receipts from Current Fund	217,918
Anticipated as Current Fund Revenue	<u>200,000</u>
	<u>417,918</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

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

Balance, December 31, 2019	\$ 767,369
Increased by:	
2020 Tax Levy	\$ 217,528
2020 Added Tax Levy	202
Interest on Investments and Deposits	<u>2,594</u>
	<u>220,324</u>
	987,693
Decreased by:	
Anticipated as Current Fund Revenue	200,000
Expenditures	<u>21,357</u>
	<u>221,357</u>
Balance, December 31, 2020	<u><u>\$ 766,336</u></u>

EXHIBIT B-16

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

Increased by:	
Receipts from Current Fund	<u>\$ 408</u>
Balance, December 31, 2020	<u><u>\$ 408</u></u>



**GENERAL CAPITAL FUND**

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

Balance, December 31, 2019		\$ 3,446,917
Increased by:		
Interest on Investments and Deposits	\$ 12,948	
Bond Proceeds	15,770,000	
Premium on Sale of Bonds	154,861	
Capital Improvement Fund	930,000	
Reserve for Fire Truck	<u>200,000</u>	
		<u>17,067,809</u>
		20,514,726
Decreased by Disbursements:		
Improvement Authorizations	2,599,826	
Bond Anticipation Notes	7,951,000	
Payments to Current Fund	<u>12,948</u>	
		<u>10,563,774</u>
Balance, December 31, 2020		<u>\$ 9,950,952</u>

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

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 606,054
Capital Improvement Fund	272,975
Reserve for Preliminary Costs	9,000
Reserve for Ladder Truck	1,478
Grants Receivable	(4,212,395)
Accounts Payable	3,809,800
Reserve for Payment of Debt Service	1,414,331
Due from Current Fund	(260,578)

Improvement Authorizations:

Ord. <u>No.</u>	<u>Improvement Description</u>	
09-607	Acquisition of Real Property	47,711
13-690	Recreation Improvements	235,293
14-704	Various Public Improvements	483,184
15-717	Various Public Improvements	25,000
15-718	Various Public Improvements	11,433
16-741	Various Public Improvements	1,508
16-742	Various Public Improvements	93,684
16-743	Various Public Improvements	826,439
17-760	Various Public Improvements and Acquisitions	35,444
17-761	Various Public Improvements and Acquisition of New Communication Equipment	256,838
18-770	Various Public Improvements and Acquisitions	56,319
18-771	Various Public Improvements	502,746
19-786/19-798	Various Public Improvements and Acquisitions	51,542
19-787	Various Public Improvements	796,711
19-789/19-793	Allerman Brook	13,783
20-809	Various Public Improvements and Acquisitions	318,432
20-810	Various Public Improvements and Acquisitions	<u>4,554,220</u>
		<u>\$ 9,950,952</u>

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

Increased by:		
Payments to Current Fund	\$	12,948
2020 Budget Appropriation - Deferred Charges Unfunded		<u>260,578</u>
	\$	273,526
Decreased by:		
Interest on Investments		<u>12,948</u>
Balance, December 31, 2020	\$	<u><u>260,578</u></u>

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2019	\$	10,701,000
Increased by:		
Bond Sale Proceeds		<u>15,770,000</u>
		26,471,000
Decreased by:		
2020 Budget Appropriation		
Bond Principal		<u>1,045,000</u>
Balance, December 31, 2020	\$	<u><u>25,426,000</u></u>

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

Ord. No.	Improvement Description	Balance, December 31, 2019	2020 Authorizations	Bond Proceeds	Budget Appropriations	Analysis of Balance	
						Balance, December 31, 2020	Unexpended Improvement Authorizations
15-718	Various Public Improvements	\$ 922,797		\$ 524,831	\$ 148,966	\$ 249,000	\$ 249,000
16-743	Various Public Improvements	2,298,000		2,194,940	58,060	45,000	45,000
17-749	Renovation of the Oakland Public Library	1,553,000		1,499,448	53,552		
17-761	Various Public Improvements and Acquisition of New Communication Equipment	2,555,500		2,405,500		150,000	150,000
18-771	Various Public Improvements	2,801,317		1,931,982		869,335	869,335
19-787	Various Public Improvements	2,099,475		2,099,475		-	
19-789/19-793	Allerman Brook	518,000	-	518,000	-	-	-
20-810	Various Public Improvements and Acquisitions	-	\$ 5,283,188	4,595,824	-	687,364	687,364
		<u>\$ 12,748,089</u>	<u>\$ 5,283,188</u>	<u>\$ 15,770,000</u>	<u>\$ 260,578</u>	<u>\$ 2,000,699</u>	<u>\$ 2,000,699</u>

**BOROUGH OF OAKLAND**  
**SCHEDULE OF GRANTS RECEIVABLE**

	Balance <u>December 31, 2019</u>	Balance, <u>December 31, 2020</u>
Federal:		
Department of Environmental Protection (Passed Through State of New Jersey)		
Ord. No. 14-705 Acquisition of Flood Prone Properties	\$ 325,000	\$ 325,000
Department of Transportation (Passed Through State of New Jersey)		
Ord. No. 19-787 Various Public Improvements	217,000	217,000
Other:		
Bergen County Open Space Trust Fund		
Ord. No 14-705 Acquisition of Flood Prone Properties	1,439,918	1,439,918
Ord. No. 16-743 Various Public Improvements	1,764,950	1,764,950
Ord. No. 17-761 Various Public Improvements - Van Allen House	150,000	150,000
Ord. No. 19-787 Various Public Improvements - Hockey Rink	175,000	175,000
Ord. No. 19-787 Various Public Improvements - Van Allen House	150,000	150,000
Bergen County Historical Preservation Trust Fund		
Ord. No. 16-748 Van Allen House Improvements	<u>140,527</u>	<u>140,527</u>
	<u>\$ 4,362,395</u>	<u>\$ 4,362,395</u>
Reserve for Grants Receivable (Ord 17-761)		\$ 150,000
Balance Pledged to Ordinance		<u>4,212,395</u>
		<u>\$ 4,362,395</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	12/29/2006	\$ 1,096,000	12/1/2021	\$ 96,000	4.00 %	\$ 191,000		\$ 95,000	\$ 96,000
General Improvement Bonds	5/15/2015	14,235,000	12/1/2021	1,000,000	3.00				
			12/1/2022	1,025,000	3.00				
			12/1/2023	1,025,000	3.00				
			12/1/2024	1,050,000	3.00				
			12/1/2025	1,050,000	3.00				
			12/1/2026	1,075,000	3.00				
			12/1/2027	1,100,000	3.00				
			12/1/2028	1,115,000	3.00				
			12/1/2029	1,120,000	3.125	10,510,000		950,000	9,560,000
General Improvement Bonds	12/1/2020	15,770,000	12/1/2021	660,000	1.000				
			12/1/2022	750,000	1.000				
			12/1/2023	765,000	1.000				
			12/1/2024	780,000	1.000				
			12/1/2025	795,000	1.000				
			12/1/2026	815,000	1.000				
			12/1/2027	830,000	1.000				
			12/1/2028	845,000	1.000				
			12/1/2029	875,000	1.000				
			12/1/2030	900,000	1.150				
			12/1/2031	915,000	1.300				
			12/1/2032	930,000	2.000				
			12/1/2033	945,000	2.000				
			12/1/2034	960,000	2.000				
			12/1/2035	975,000	2.000				
			12/1/2036	990,000	2.000				
			12/1/2037	1,010,000	2.000				
			12/1/2038	1,030,000	2.000				
						-	\$ 15,770,000	-	15,770,000
						\$ 10,701,000	\$ 15,770,000	\$ 1,045,000	\$ 25,426,000

**BOROUGH OF OAKLAND**  
**STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 2019	Increased	Decreased	Balance, December 31, 2020
15-718	Various Improvements	12/15/2017	12/13/2019	12/13/2020	2.00	\$ 1,100,000		\$ 1,100,000	
16-743	Van Allen House Improvements	12/15/2017	12/13/2019	12/13/2020	2.00	2,298,000		2,298,000	
17-749	Renovation of the Oakland Public Library	12/15/2017	12/13/2019	12/13/2020	2.00	1,553,000		1,553,000	
17-761	Various Public Improvements and Acquisition of New Communication Equipment	12/13/2019	12/13/2019	12/13/2020	2.00	1,000,000		1,000,000	
18-771	Various Public Improvements	12/13/2019	12/13/2019	12/13/2020	2.00	1,000,000		1,000,000	
19-787	Various Public Improvements	12/13/2019	12/13/2019	12/13/2020	2.00	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
						<u>\$ 7,951,000</u>	<u>\$ -</u>	<u>\$ 7,951,000</u>	<u>\$ -</u>
						Bond Proceeds		\$ 7,219,219	
						General Capital Cash		<u>731,781</u>	
								<u>\$ 7,951,000</u>	



**BOROUGH OF OAKLAND**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	2020 Authorizations								
		Balance, December 31, 2019		Capital Impvt. Fund	Deferred Charges to Future Taxation Unfunded	Accounts Payable Restored	Cancelled	Paid or Charged	Balance, December 31, 2020	
		Funded	Unfunded						Funded	Unfunded
09-607	Acquisition of Real Property	\$ 48,586						\$ 875	\$ 47,711	
10-636	Various Public Improvements					\$ 81,658		81,658	-	
12-670	Various Public Improvements					23,080		23,080		
13-690	Recreation Improvements	235,620				60,026		60,353	235,293	
14-704	Various Public Improvements	493,184				13,937		23,937	483,184	
15-717	Various Public Improvements	25,000							25,000	
15-718	Various Public Improvements		\$ 292,271			(60)		31,778	11,433	\$ 249,000
16-741	Various Public Improvements	31,508				1,000	\$ 30,000	1,000	1,508	
16-742	Various Public Improvements	110,684				1,550		18,550	93,684	
16-743	Various Public Improvements		936,237			50,413		115,211	826,439	45,000
16-748/19-795	Van Allen House Improvements					14,097		14,097	-	
17-749	Renovation of the Oakland Public Library		1,361			62,821	1,361	62,821		-
17-760	Various Public Improvements and Acquisitions	35,544				45,000	100	45,000	35,444	
17-761/20-804	Various Public Improvements and Acquisition of New Communication Equipment		957,922	\$ 175,000		224,764		950,848	256,838	150,000
18-770	Various Public Improvements and Acquisitions	78,673				166,547	13,150	175,751	56,319	
18-771	Various Public Improvements	-	1,654,940			287,666		570,525	502,746	869,335
19-786/19-798	Various Public Improvements and Acquisitions	179,512				452,610	335	580,245	51,542	
19-787	Various Public Improvements		1,962,070			599,771	196	1,764,934	796,711	-
19-789/19-793	Allerman Brook	-	28,664			10,126	-	25,007	13,783	-
20-809	Various Public Improvements and Acquisitions			664,200				345,768	318,432	
20-810	Various Public Improvements and Acquisitions	-	-	278,062	\$ 5,283,188	-	-	319,666	4,554,220	687,364
		<u>\$ 1,238,311</u>	<u>\$ 5,833,465</u>	<u>\$ 1,117,262</u>	<u>\$ 5,283,188</u>	<u>\$ 2,095,006</u>	<u>\$ 45,142</u>	<u>\$ 5,211,104</u>	<u>\$ 8,310,287</u>	<u>\$ 2,000,699</u>
				Capital Improvement Fund Fund Balance			\$ 43,585			
							<u>1,557</u>			
							<u>\$ 45,142</u>			
						Cash Disbursements		\$ 2,599,826		
						Accounts Payable		<u>2,611,278</u>		
								<u>\$ 5,211,104</u>		

**BOROUGH OF OAKLAND  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2019	\$	2,095,006
Increased by:		
Charges to Improvement Authorizations	\$	2,611,278
Charges to Reserve for Fire Truck		<u>1,198,522</u>
		<u>3,809,800</u>
		5,904,806
Decreased by:		
Accounts Payable Restored to Improvement Authorizations		<u>2,095,006</u>
Balance, December 31, 2020	\$	<u><u>3,809,800</u></u>

**STATEMENT OF RESERVE FOR FIRE TRUCK**

Balance, December 31, 2019	\$	1,000,000
Increased by:		
2020 Budget Appropriation		<u>200,000</u>
		1,200,000
Decreased by:		
Accounts Payable		<u>1,198,522</u>
Balance, December 31, 2020	\$	<u><u>1,478</u></u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2019	\$	416,652
Increased by:		
Cancelled Improvement Authorizations	\$	43,585
2020 Budget Appropriation		<u>930,000</u>
		<u>973,585</u>
		1,390,237
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>1,117,262</u>
Balance, December 31, 2020	\$	<u><u>272,975</u></u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	Improvement Description	Balance, December 31, 2019	2020 Authori- zations	Notes Paid by Capital Cash	Bonds Issued	Balance, December 31, 2020
15-718	Various Improvements			\$ 249,000		\$ 249,000
16-743	Van Allen House Improvements			45,000		45,000
17-761	Various Public Improvements and Acquisition of New Communication Equipment	\$ 1,555,500			\$ 1,405,500	\$ 150,000
18-771	Various Public Improvements	1,801,317			931,982	869,335
19-787	Various Public Improvements	1,099,475			1,099,475	-
19-789/19-793	Allerman Brook	518,000	-	-	518,000	-
20-810	Various Public Improvements and Acquisitions	-	\$ 5,283,188	-	4,595,824	687,364
		<u>\$ 4,974,292</u>	<u>\$ 5,283,188</u>	<u>\$ 294,000</u>	<u>\$ 8,550,781</u>	<u>\$ 2,000,699</u>

**WATER UTILITY FUND**

**BOROUGH OF OAKLAND**  
**STATEMENT OF WATER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2019	\$ 1,966,954	\$ 1,754,373
Increased by:		
Consumer Accounts Receivable	\$ 2,187,452	
Interest on Deposits		\$ 5,870
Miscellaneous	19,520	
Budget Appropriation - Capital Improvement Fund		305,802
Receipts from Water Utility Capital Fund	<u>5,870</u>	<u>-</u>
	<u>2,212,842</u>	<u>311,672</u>
	4,179,796	2,066,045
Decreased by:		
2020 Budget Appropriations	1,864,828	
2019 Appropriation Reserves	107,300	
Improvement Authorizations		102,283
Interest on Bonds	39,870	
Payments to Water Utility Operating Fund	<u>-</u>	<u>5,870</u>
	<u>2,011,998</u>	<u>108,153</u>
Balance, December 31, 2020	<u>\$ 2,167,798</u>	<u>\$ 1,957,892</u>

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

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 314,158
Capital Improvement Fund	1,790,047
Accounts Payable	27,668
Reserve for Payment of Debt	169,230
Ord.	
<u>No.</u> <u>Improvement Description</u>	
06-539   Various Capital Improvements	(47,333)
07-563   Lawlor/Walnut Water Mains	(330,030)
18-774   Various Water System Upgrades	<u>34,152</u>
	<u>\$ 1,957,892</u>

EXHIBIT D-7

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

Balance, December 31, 2019	\$ 174,518
Increased by:	
Water Rents Levied	<u>2,274,333</u>
	2,448,851
Decreased by:	
Cash Receipts	<u>2,187,452</u>
Balance, December 31, 2020	<u>\$ 261,399</u>

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

Balance, December 31, 2019	\$ 75,879
Increased By:	
Charges to Improvement Authorizations	<u>27,668</u>
	103,547
Decreased by:	
Payables Restored to Improvement Authorizations	<u>75,879</u>
Balance, December 31, 2020	<u>\$ 27,668</u>

EXHIBIT D-9

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

Balance, December 31, 2019	\$ 13,813,896
Increased by:	
Capital Outlay Charges in Water Operating Budget	<u>55,280</u>
Balance, December 31, 2020	<u>\$ 13,869,176</u>

EXHIBIT D-10

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

Balance, December 31, 2019	<u>\$ 260,000</u>
Balance, December 31, 2020	<u>\$ 260,000</u>

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

Balance, December 31, 2019 \$ 734,142

Balance, December 31, 2020 \$ 734,142

EXHIBIT D-12

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2019	Balance, December 31, 2020
18-774	Various Water System Upgrades	\$ <u>205,000</u>	\$ <u>205,000</u>
		\$ <u>205,000</u>	\$ <u>205,000</u>

EXHIBIT D-13

**STATEMENT OF APPROPRIATION RESERVES  
WATER UTILITY OPERATING FUND**

	Balance, December 31, 2019	Budget After <u>Modifications</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 66,883	\$ 66,883	\$ 23,474	\$ 43,409
Other Expenses	122,719	163,644	83,826	79,818
Capital Improvements				
Capital Outlay	1,450	1,450		1,450
Statutory Expenditures				
Social Security	<u>7,333</u>	<u>7,333</u>	-	<u>7,333</u>
	<u>\$ 198,385</u>	<u>\$ 239,310</u>	<u>\$ 107,300</u>	<u>\$ 132,010</u>
Appropriation Reserves		\$ 198,385		
Payables Restored		<u>40,925</u>		
		<u>\$ 239,310</u>		



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

Balance, December 31, 2019	\$ 51,966
Increased by:	
Charges to 2020 Appropriations	<u>44,404</u>
	96,370
Decreased by:	
Cancelled	\$ 11,041
Payables Restored to Appropriation Reserves	<u>40,925</u>
	<u>51,966</u>
Balance, December 31, 2020	<u>\$ 44,404</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2019 Funded	Prior Year Accounts Payable Restored	Paid or Charged	Improvement Authorizations Cancelled	Balance December 31, 2020 Funded
11-637	Various Water Improvements	\$ 104,851	\$ 9,954		\$ 114,805	
18-774	Various Water System Upgrades	<u>98,178</u>	<u>65,925</u>	\$ 129,951	<u>-</u>	\$ 34,152
		<u>\$ 203,029</u>	<u>\$ 75,879</u>	<u>\$ 129,951</u>	<u>\$ 114,805</u>	<u>\$ 34,152</u>
	Cash Disbursements			\$ 102,283		
	Accounts Payable			<u>27,668</u>		
				<u>\$ 129,951</u>		

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

Balance, December 31, 2019	\$ 1,484,245
Increased by:	
Budget Appropriation	<u>305,802</u>
Balance, December 31, 2020	<u>\$ 1,790,047</u>

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

Increased by:	
Interest on Deposits	\$ 5,870
Decreased by:	
Payments to Water Utility Operating Fund	<u>5,870</u>
Balance, December 31, 2020	<u>\$ -</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>		<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>			<u>December 31, 2019</u>		<u>December 31, 2020</u>
Water Bonds	6/1/2015	\$ 1,995,000	12/1/2021-28	\$ 135,000	3.000	%			
			12/1/2029	135,000	3.125		<u>\$ 1,345,000</u>	<u>\$ 130,000</u>	<u>\$ 1,215,000</u>
							<u>\$ 1,345,000</u>	<u>\$ 130,000</u>	<u>\$ 1,215,000</u>

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

Balance, December 31, 2019	\$ 3,323
Increased by:	
Budget Appropriation	
Interest on Bonds	<u>39,598</u>
	42,921
Decreased by:	
Interest Paid	<u>39,870</u>
Balance, December 31, 2020	<u>\$ 3,051</u>

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

Balance, December 31, 2019	\$ 11,562,391
Increased by:	
Capital Outlay	\$ 55,280
Serial Bonds Retired	<u>130,000</u>
	<u>185,280</u>
Balance, December 31, 2020	<u>\$ 11,747,671</u>

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

Balance, December 31, 2019	\$ 54,425
Increased by:	
Improvement Authorizations Cancelled	<u>114,805</u>
Balance, December 31, 2020	<u>\$ 169,230</u>

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

<u>Ord.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2019</u>	Balance December 31, <u>2020</u>
06-539	Various Water Improvements	\$ 47,333	\$ 47,333
07-563	Lawlor/Walnut Water Mains	<u>330,030</u>	<u>330,030</u>
		<u>\$ 377,363</u>	<u>\$ 377,363</u>

**SEWER UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2019	\$ 503,227	\$ 333,367
Increased by Receipts:		
Interest on Investments and Deposits		\$ 966
Sewer Rents	\$ 413,574	
Non-Budget Revenue	1,867	
Capital Improvement Fund		19,854
Receipts from Sewer Utility Capital Fund	<u>966</u>	<u>-</u>
	<u>416,407</u>	<u>20,820</u>
	919,634	354,187
Decreased by Disbursements:		
2020 Budget Appropriations	323,747	
2019 Appropriation Reserves	148,909	
Improvement Authorizations		134,736
Reserve for Preliminary Expenses		62,119
Interest on Bonds and Notes	10,721	
Payments to Sewer Utility Operating Fund	<u>-</u>	<u>966</u>
	<u>483,377</u>	<u>197,821</u>
Balance, December 31, 2020	<u>\$ 436,257</u>	<u>\$ 156,366</u>

**BOROUGH OF OAKLAND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH  
AS OF DECEMBER 31, 2020**

Fund Balance	\$ 9,308
Capital Improvement Fund	100,127
Encumbrances Payable	46,362
Reserve for Payment of Debt	60,000
Reserve for Preliminary Expenses	35,882

Ord.

No.      Improvement Description

08-575	Various Public Improvements	1,746
08-584	Various Public Improvements	7,582
11-638	Various Public Improvements	(59,641)
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	<u>(45,000)</u>
		<u>\$ 156,366</u>

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

Balance, December 31, 2019	\$ 94,267
Increased by:	
Sewer Rents Levied	<u>421,964</u>
	516,231
Decreased by:	
Cash Received	<u>413,574</u>
Balance, December 31, 2020	<u>\$ 102,657</u>



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

Increased by:	
Interest Earned	\$ 966
Decreased by:	
Receipts from Sewer Utility Capital Fund	<u>966</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

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

Balance, December 31, 2019	\$ 96,569
Increased by:	
Charges to Improvement Authorizations	<u>46,362</u>
	142,931
Decreased by:	
Cancelled and Restored to Improvement Authorizations	<u>96,569</u>
Balance, December 31, 2020	<u><u>\$ 46,362</u></u>

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

	Balance December 31, <u>2019</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Other Expenses	\$ 39,019	\$ 217,365	\$ 148,909	\$ 68,456
	<u>\$ 39,019</u>	<u>\$ 217,365</u>	<u>\$ 148,909</u>	<u>\$ 68,456</u>
Appropriation Reserves		\$ 39,019		
Payables Restored		<u>178,346</u>		
		<u>\$ 217,365</u>		

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

Balance, December 31, 2019	\$ 180,731
Increased by:	
Charges to 2020 Appropriations	<u>42,734</u>
	223,465
Decreased by:	
Cancelled Payables Restored to Appropriation Reserves	\$ 178,346
Cancelled	<u>2,385</u>
	<u>180,731</u>
Balance, December 31, 2020	<u>\$ 42,734</u>

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

Balance, December 31, 2019	\$ <u>79,000</u>
Balance, December 31, 2020	\$ <u><u>79,000</u></u>

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

Balance, December 31, 2019	\$ 864
Increased by:	
Budget Appropriation	
Interest on Bonds and Notes	<u>10,346</u>
	11,210
Decreased by:	
Interest Paid on Sewer Bonds and Notes	<u>10,721</u>
Balance, December 31, 2020	\$ <u><u>489</u></u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2019	Balance, December 31, 2020
08-575	Various Public Improvements	\$ 26,157	\$ 26,157
08-584	Various Public Improvements	<u>10,000</u>	<u>10,000</u>
		<u>\$ 36,157</u>	<u>\$ 36,157</u>

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

Balance, December 31, 2019	\$ 149,100
Increased by:	
Serial Bonds Retired	<u>15,000</u>
Balance, December 31, 2020	<u>\$ 164,100</u>

EXHIBIT E-16

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

Ord. No.	Improvement Description	Balance, December 31, 2019	2020 Authorizations	Cancellations	Balance, December 31, 2020
08-575	Various Public Improvements	\$ 26,157			\$ 26,157
08-584	Various Public Improvements	10,000			10,000
11-638	Various Public Improvements	592,760		\$ 533,119	59,641
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	300,000			300,000
20-815	Infiltration and Inflow Reduction to the Skyview Collection System		\$ 420,000		420,000
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	<u>-</u>	<u>5,500,000</u>	<u>-</u>	<u>5,500,000</u>
		<u>\$ 928,917</u>	<u>\$ 5,920,000</u>	<u>\$ 533,119</u>	<u>\$ 6,315,798</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2019</u>	<u>Increased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Bonds	6/1/2015	\$ 230,000	12/1/2021-28	\$ 15,000	3.000%	\$ 155,000	\$ 15,000	\$ 140,000
			12/1/2029	20,000	3.125			
						<u>\$ 155,000</u>	<u>\$ 15,000</u>	<u>\$ 140,000</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2019</u>		<u>2020 Authorizations</u>	<u>Prior Year Encumbrances Cancelled</u>	<u>Paid or Charged</u>	<u>Cancelled</u>	<u>Balance, December 31, 2020</u>	
		<u>Funded</u>	<u>Unfunded</u>					<u>Funded</u>	<u>Unfunded</u>
08-575	Various Sewer Improvements	\$ 1,746						\$ 1,746	
08-584	Various Sewer Improvements	7,582						7,582	
11-638	Various Sewer Improvements	-	\$ 533,119				\$ 533,119		
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	-	39,529	\$ 420,000	\$ 96,569	\$ 136,098	-	-	-
20-815	Infiltration and Inflow Reduction to the Skyview Collection System					45,000			\$ 375,000
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	-	-	5,500,000	-	-	-	-	5,500,000
		<u>\$ 9,328</u>	<u>\$ 572,648</u>	<u>\$ 5,920,000</u>	<u>\$ 96,569</u>	<u>\$ 181,098</u>	<u>\$ 533,119</u>	<u>\$ 9,328</u>	<u>\$ 5,875,000</u>
	Cash Disbursements					\$ 134,736			
	Encumbrances Payable					46,362			
						<u>\$ 181,098</u>			

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

Balance, December 31, 2019	\$ 175,273
Increased by:	
Budget Appropriation	<u>19,854</u>
	195,127
Decreased by:	
Appropriated to Fund Preliminary Expenses	<u>95,000</u>
Balance, December 31, 2020	<u>\$ 100,127</u>

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

Balance, December 31, 2019	\$ 3,001
Increased by:	
Transfer from Capital Improvement Fund	<u>95,000</u>
	98,001
Decreased by:	
Cash Disbursements	<u>62,119</u>
Balance, December 31, 2020	<u>\$ 35,882</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Date of</u> <u>Issue of</u> <u>Original</u> <u>Note</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>		<u>Balance,</u> <u>December</u> <u>2019</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	12/13/2019	12/13/2019	12/13/2020	2.00	%	\$ 300,000		\$ 300,000	
			12/13/2020	12/11/2021	0.55		-	\$ 300,000	-	\$ 300,000
							<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

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

<u>Ord.</u>	<u>Improvement Description</u>	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>2020</u> <u>Authorizations</u>	<u>2020</u> <u>Cancelled</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>
11-638	Various Sewer Improvements	\$ 592,760		\$ 533,119	\$ 59,641
20-815	Infiltration and Inflow Reduction to the Skyview Collection System		\$ 420,000		420,000
20-817	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	-	5,500,000	-	5,500,000
		<u>\$ 592,760</u>	<u>\$ 5,920,000</u>	<u>\$ 533,119</u>	<u>\$ 5,979,641</u>

**BOROUGH OF OAKLAND**

**BERGEN COUNTY**

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**PART II**

**GOVERNMENT AUDITING STANDARDS**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Oakland as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated August 25, 2021. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Oakland's internal control over financial reporting (internal control) 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 of Oakland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Oakland's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Oakland's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.


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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Oakland's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Oakland's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
August 25, 2021

**BOROUGH OF OAKLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Grant <u>Year</u>	Federal CFDA <u>Number</u>	Award <u>Amount</u>	2020 Grant <u>Receipts</u>	Balance, December 31, <u>2019</u>	Revenue <u>Realized</u>	<u>Expenditures</u>	Balance, December 31, <u>2020</u>	(Memo Only) Cumulative <u>Expenditures</u>
U.S. Department of Environmental Protection Passed Thru the State of New Jersey Department of Environmental Protection Ord. No. 14-705 Acquisition of Flood Prone Properties	2014		\$ 325,000		\$ (325,000)			\$ (325,000)	
Community Development Block Grant: Purchase of Emergency Generators - Senior Center	2019		119,316		119,316		\$ 112,000	7,316	\$ 112,000
Purchase of First Aid Vehicle	2019		117,704		117,704		117,704	-	117,704
U.S. Dept. of Treasury Coronavirus Relief Fund	2020	21.019	31,970	\$ 31,970		\$ 31,970	31,970	-	31,970
U.S. Department of Homeland Security Passed Thru the State of New Jersey Division of Law and Public Safety FEMA - Firefighters Grant	2020		210,476	210,476	-	210,476		210,476	
Bulletproof Vest Grant	2020		2,634			2,634	403	2,231	403
NJ State Police OEM Grant	2015		5,000		3,008			3,008	1,992
NJ State Police OEM Grant	2016		5,000		5,000	-	-	5,000	-
					<u>\$ (79,972)</u>	<u>\$ 245,080</u>	<u>\$ 262,077</u>	<u>\$ (96,969)</u>	

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

**BOROUGH OF OAKLAND**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2020 Grant Receipts (Memo)</u>	<u>Balance, December 31, 2019</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2020</u>	<u>(Memo Only) Cumulative Expenditures</u>
<u>State of New Jersey - Department of Environmental Protection</u>										
Clean Communities Grant	042-4900-765-1789000	2020	\$ 28,829			\$ 28,829			\$ 28,829	-
		2019	26,129		\$ 25,843		\$ 15,932	\$ (292)	9,619	\$ 16,510
Highlands - Plan Conformance	NA	2015	230,150		(230,150)				(230,150)	
		2015	230,150		210,218		102,210		108,008	122,142
		2009	50,000		(19,207)				(19,207)	
Community Forestry Grant	NA	2018	3,000		3,000			(3,000)	-	-
Radon Awareness Grant	N/A	2020	2,000	\$ 2,000	-	2,000			2,000	-
Highlands - Transfer Developmental Rights	NA	2009	25,000		(4,824)				(4,824)	
Recycling Tonnage Grant	042-752-6020	2020	33,423	33,423	-	33,423	29,025		4,398	29,025
		2018	27,334		8,843		8,843		-	27,334
Sustainable Jersey Grant	NA	2019	2,000		989		364		625	1,375
Roots for Rivers	NA	2020	2,788		-	2,788			2,788	-
		2019	4,672		119				119	4,553
<u>State of New Jersey - Department of Law and Public Safety</u>										
Body Armor Replacement Fund	066-1020-718-001	2020	2,850	2,850	-	2,850	2,850		-	2,850
		2019	4,017	1,727	4,017		4,017		-	4,017
		2018	6,195	2,730	523		523		-	6,195
Drunk Driving Enforcement Fund	1110-448031020-22	2020	2,776		-	2,776			2,776	-
		2019	2,776		2,776				2,776	-
		2017	1,369		1,369				1,369	-
		2016	9,752		8,415		4,386	\$ (814)	3,215	6,537
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2019	322		322				322	-
		2018	366		366				366	-
		2016	236		236				236	-
		2014	1,425		1,261		490		771	654
Fire Prevention Grant	N/A	2020	3,000	3,000	-	3,000	3,000		-	3,000
<u>State of New Jersey - Association of Environmental Commissions</u>										
ANJEC Sustainable Communities Land Use Grant	NA	2012	8,000		(2,000)				(2,000)	10,000
<u>State of New Jersey - Department of Human Services</u>										
Passed Thru County of Bergen										
Municipal Alliance on Alcoholism and Drug Abuse	N/A	2019	9,876	1,669	9,876		2,418	667	8,125	1,751
		2018	9,876		4,000		4,000		-	9,876
		2020	9,876		-	9,876	-	-	9,876	-
					<u>\$ 25,992</u>	<u>\$ 85,542</u>	<u>\$ 178,058</u>	<u>\$ (3,439)</u>	<u>\$ (69,963)</u>	

N/A - Not Available

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

**BOROUGH OF OAKLAND**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 245,080</u>	<u>\$ 85,542</u>	<u>\$ 330,622</u>
Total Financial Awards	<u>\$ 245,080</u>	<u>\$ 85,542</u>	<u>\$ 330,622</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**BOROUGH OF OAKLAND  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Modified, Presentation of Unaudited LOSAP Trust Fund

Internal control over financial reporting:

1) Material weakness(es) identified \_\_\_\_\_ yes   X   no

2) Significant deficiency(ies) that are not considered to be material weakness(es)? \_\_\_\_\_ yes   X   none reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ yes   X   no

**Federal Awards Section**

**NOT APPLICABLE**

**State Awards Section**

**NOT APPLICABLE**

**BOROUGH OF OAKLAND  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

There are none.

**BOROUGH OF OAKLAND  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.



**BOROUGH OF OAKLAND**

**COUNTY OF BERGEN**

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2020**

**BOROUGH OF OAKLAND  
SUPPORTING DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>Tax Rate</u></b>	<u>\$2.999</u>	<u>\$2.894</u>	<u>\$2.833</u>
<b><u>Apportionment of Tax Rate</u></b>			
Municipal	.677	.649	.638
Municipal Library	.040	.038	.038
Municipal Open Space Tax	.010	.010	.010
Regional High School	.572	.561	.553
Local School	1.399	1.359	1.313
County (Includes County Open Space Tax)	.301	.277	.281

**Assessed Valuation Basis**

2020	<u>\$2,175,282,943</u>	
2019	<u>\$2,176,713,043</u>	
2018		<u>\$2,173,745,600</u>

**Comparison Of Tax Levies And Current Collections**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	Percentage of <u>Collection</u>
2020	\$ 65,281,426	\$ 65,107,390	99.73%
2019	63,044,270	62,883,424	99.74%
2018	61,701,584	61,543,796	99.74%

**Delinquent Taxes**

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

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	Percentage of <u>Tax Levy</u>
2020	\$ 7,364	\$ 357,196	\$ 364,560	0.56%
2019	20,226	339,958	360,184	0.57%
2018	18,075	313,407	331,482	0.54%

**BOROUGH OF OAKLAND  
SUPPORTING DATA**

**Property Acquired By Tax Title Lien Foreclosure**

No properties have been acquired in 2020 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2020	\$1,054,950
2019	1,054,950
2018	1,054,950

**Comparative Schedule Of Fund Balance**

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2020	\$4,454,989	\$1,925,000
	2019	4,339,172	1,555,000
	2018	4,461,264	1,510,000
	2017	4,482,257	1,548,000
	2016	3,939,967	1,198,000
Water Utility Operating Fund	2020	\$1,604,223	\$577,363
	2019	1,453,330	200,000
	2018	1,645,757	265,000
	2017	1,653,931	265,000
	2016	1,569,443	60,000
Sewer Utility Operating Fund	2020	\$233,886	\$25,000
	2019	203,638	105,000
	2018	343,200	180,000
	2017	445,910	181,000
	2016	386,769	30,000

**BOROUGH OF OAKLAND  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE**

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

<u>Name</u>	<u>Title</u>
Linda Schwager	Mayor
John Biale	Councilman
Lewis Levy	Councilman (Thru August 2020)
Eric Kulmala	Councilman (As of August 21, 2020)
Pat Pignatelli	Councilman
Russell Talamini	Councilman
Grant Van Eck	Councilman
Robert Knapp	Councilman
Richard Kunze	Borough Administrator
Lisa Duncan	Municipal Clerk
	Assessment Search Officer
David Young	Chief Financial Officer
	Treasurer
Debra Beningo	Tax Collector
	Utility Collector
	Tax Search Officer
Nancy Lightbody	Water/Sewer Account Clerk
Tracy Saliani	Payroll Clerk
Sandra Steele	Registrar of Vital Statistics
Scott Holzhauer	Tax Assessor
Thomas Buonocore, Esq.	Municipal Court Judge
Dawn Baron	Municipal Court Administrator
Andrew M. Cimiluca	Prosecutor
Diane D'Alessandro	Public Defender
John Wittekind	Construction Code Official
	Fire Official
	Fire Sub-Code Official
Robert Cellini	Building Inspector
Vincent Pellegrini	Plumbing Sub-Code Official
Christopher Walthour	Electrical Sub-Code Official

## **BOROUGH OF OAKLAND SUPPLEMENTARY DATA**

### **GENERAL COMMENTS**

#### **Current Year Findings**

Our audit noted that the Borough approved a contract for the acquisition of a fire truck, however a capital ordinance was not adopted for this purchase. It is recommended that the Borough adopt a capital ordinance prior to entering into any contractual agreement.

Our audit revealed there are cash deficits for certain Water Utility Capital ordinances that are over five years old. It is recommended that all cash deficits for water capital ordinances in excess of five years old be funded.

Our audit revealed that certain other reserves in the Other Trust Fund do not have approved dedication by riders from the Division of Local Government Services. It is recommended that dedication by riders be obtained or balances be disposed of for each of the other reserves in the Other Trust Fund.

Our audit noted instances where an employee's annual salary could not be verified to a Council resolution, labor agreement salary guide or the municipal salary ordinance. It is recommended that documentation supporting the respective employee annual salary be retained by the payroll department and included in their personnel records.

#### **Prior Year Findings Unresolved**

Our audit noted that certain Water Operating and Sewer Operating receipts were not deposited in a timely manner. It is recommended that all municipal receipts be deposited in a timely manner.

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

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$40,000 except by contract or agreement."

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

**BOROUGH OF OAKLAND  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

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

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

Fire Co. 1 Accessory Garage Project  
Fire Department Equipment and Supplies  
Senior Center Generator Project  
Removal of the Stream House  
2020 Road Program  
Yale Way Drainage Improvement Project

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

**COLLECTION OF INTEREST ON DELINQUENT TAXES UTILITY RENTS**

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

The Governing Body on January 5, 2020 adopted a resolution authorizing interest to be charged on delinquent taxes.

**APPRECIATION**

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

**SUGGESTIONS TO MANAGEMENT**

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

**BOROUGH OF OAKLAND  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

- \* 1. With respect to the Municipal Court, Tickets Assigned Not Issued that have been outstanding for over six months be recalled.
- \* 2. All municipal receipts be deposited in a timely manner.
- 3. The Borough adopt a capital ordinance prior to entering into any contractual agreement.
- 4. All cash deficits for water capital ordinances in excess of five years old be funded.
- 5. Dedication by riders be obtained or balances be disposed of for each of the other reserves in the Other Trust Fund.
- 6. The documentation supporting the respective employee annual salary be retained by the payroll department and included in their personnel records.

A review was performed on all prior year's recommendations. Those recommendations which have not been corrected and which are repeated in this audit are denoted with an asterisk (\*).