

**BOROUGH OF OAKLAND**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2022**

# **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, 2022**



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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Oakland, as of December 31, 2022 and 2021, 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, 2022, and the related notes to the financial statements.

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

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Oakland as of December 31, 2022 and 2021, 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, 2022 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Oakland as of December 31, 2022 and 2021, or changes in financial position, or, where applicable, cash flows for the years then ended.

#### *Basis for Opinions*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Oakland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 17 percent and 21 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2022 and 2021, respectively.

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

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

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Oakland's internal control. Accordingly, no such opinion is expressed.



- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Oakland's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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


### ***Other Information***

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2023 on our consideration of the Borough of Oakland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Oakland's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Oakland's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
July 26, 2023

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

<b>ASSETS</b>	<b>Reference</b>	<b>2022</b>	<b>2021</b>
Cash	A-4	\$ 8,914,497	\$ 8,290,242
Cash - Change Funds	A-5	250	250
Due from State of New Jersey -Senior Citizens and Veterans Dedication	A-6	6,020	8,994
Grants Receivable	A-9	<u>1,010,779</u>	<u>835,653</u>
		<u>9,931,546</u>	<u>9,135,139</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-7	10,489	16,422
Tax Title Liens Receivable	A-8	198,299	308,261
Property Acquired for Taxes	A-10	1,140,550	1,140,550
Due from General Capital Fund	C-4	946	
Due from Sewer Utility Operating Fund	A-20	240,995	87,690
Revenue Accounts Receivable	A-11	<u>14,616</u>	<u>14,149</u>
		<u>1,605,895</u>	<u>1,567,072</u>
Deferred Charges			
Special Emergency Authorization	A-24	<u>160,000</u>	<u>200,000</u>
Total Assets		<u>\$ 11,697,441</u>	<u>\$ 10,902,211</u>

**LIABILITIES, RESERVES AND FUND BALANCE**

Liabilities			
Appropriation Reserves	A-3, A-12	\$ 1,051,267	\$ 996,684
Encumbrances/Accounts Payable	A-13	973,667	1,422,100
Prepaid Taxes	A-14	603,008	592,683
Tax Overpayments	A-15	76,939	65,243
County Taxes Payable	A-16	2,474	7,802
Due to Municipal Open Space Trust Fund	B-14		15
Due to Other Trust Fund	B-10	1,000,000	
Reserve for Tax Appeals	A-19	344,691	337,709
Reserve for Municipal Relief Fund	A-25	68,448	
Appropriated Grant Reserves	A-21	698,548	525,207
Unappropriated Grant Reserves	A-22	32,751	710,612
Due to State of New Jersey - Fees Payable	A-23	<u>7,045</u>	<u>12,583</u>
		<u>4,858,838</u>	<u>4,670,638</u>
Reserve for Receivables and Other Assets	A	1,605,895	1,567,072
Fund Balance	A-1	<u>5,232,708</u>	<u>4,664,501</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 11,697,441</u>	<u>\$ 10,902,211</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>		
Fund Balance Utilized	\$ 1,870,000	\$ 1,925,000
Miscellaneous Revenues Anticipated	5,003,912	4,239,444
Receipts from Delinquent Taxes	126,384	14,797
Receipts from Current Taxes	68,475,067	66,662,887
Non-Budget Revenue	79,319	218,631
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	1,101,751	1,243,558
Accounts Payable Cancelled		14,937
Grants Receivable Adjustment	-	2,172
2021 Sewer Operating Appropriation Returned	<u>80,754</u>	<u>-</u>
	<u>76,737,187</u>	<u>74,321,426</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operations		
Salaries and Wages	7,426,302	7,262,838
Other Expenses	9,253,504	8,673,321
Capital Improvements	1,142,370	1,130,000
Municipal Debt Service	2,256,795	2,278,235
Deferred Charges and Statutory Expenditures	2,115,671	2,103,099
County Taxes	6,862,864	6,601,146
Local District School Taxes	31,706,066	31,225,936
Regional School Taxes	13,091,514	12,770,613
Municipal Open Space Taxes	289,643	217,612
Other Debits		
Interfund Advance	154,251	87,282
Appropriated Grants		1,396
Refund of Prior Year Revenue	<u>-</u>	<u>35,436</u>
Total Expenditures	<u>74,298,980</u>	<u>72,386,914</u>
Excess in Revenue	2,438,207	1,934,512
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	<u>-</u>	<u>200,000</u>
Statutory Excess to Fund Balance	2,438,207	2,134,512
Fund Balance, January 1	<u>4,664,501</u>	<u>4,454,989</u>
	7,102,708	6,589,501
Decreased by:		
Utilization as Anticipated Revenue	<u>1,870,000</u>	<u>1,925,000</u>
Fund Balance, December 31	<u>\$ 5,232,708</u>	<u>\$ 4,664,501</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budget	Added by 40A:4-87	Realized	Excess or (Deficit)
<b>FUND BALANCE ANTICIPATED</b>	<u>\$ 1,870,000</u>	<u>-</u>	<u>\$ 1,870,000</u>	<u>-</u>
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	24,000		24,650	\$ 650
Other	31,000		35,479	4,479
Fees and Permits				
Construction Code Official	160,000		192,604	32,604
Other	120,000		159,154	39,154
Fines and Costs				
Municipal Court	200,000		194,270	(\$,730)
Interest and Costs on Taxes	45,000		82,041	37,041
Interest on Investments and Deposits	30,000		191,152	161,152
Recreation Fees	495,000		529,124	34,124
Energy Receipts Tax	1,312,169		1,312,169	
Public and Private Revenues Offset with Appropriations				
Recycling Tonnage Grant	25,038		25,038	
Municipal Alliance for Alcoholism and Drug Abuse	4,507		4,507	
National Opiod		\$ 11,099	11,099	
Library HVAC	76,000		76,000	
Reserve for BC 200 Club - Oakland Police Department - Bicycle	5,000		5,000	
Reserve for Body Armor Grant	1,480		1,480	
BMED - Employee Wellness Grant	10,000		10,000	
FEMA - Public Assistance - Allerman Brook		104,282	104,282	
NRCS Allerman Brook Removal		137,587	137,587	
Reserve for Clean Communities Program	27,659		27,659	
Fire Assistance - Wild Life Equipment		5,000	5,000	
BPV Grant		455	455	
Great Oak Band Shell		40,000	40,000	
Clean Communities - Mini	300	300	600	
CDBG - CV3 Senior Center Chairs		11,000	11,000	
Other Special Items				
Uniform Fire Safety Act	120,073		126,426	6,353
Open Space Trust Fund	106,716		106,716	-
Cellular Tower Lease	188,000		204,210	16,210
Cablevision Franchise Fee	109,000		109,059	59
Verizon Franchise Fee	72,000		73,759	1,759
Real Property Lease	82,000		82,584	584
Sale of Recyclables	14,000		11,411	(\$,589)
Shared Service Agreement - School Crossing Guards	5,000		5,509	509
Off Duty Police Officers Administrative Fees	15,000		51,276	36,276
Pension Reimbursement - Library	49,000		49,000	-
Pension Reimbursement -Water Utility	79,000		79,000	-
Tree Permit Fees	17,150		16,830	(\$,320)
Recreation/CAP Field Contribution	9,595		9,595	-
Reserve for Debt Service - General Capital Fund	191,284		191,284	-
Sale of Municipal Assets	26,250		456,903	430,653
Health Benefit Reserve	250,000	-	250,000	-
<b>Total Miscellaneous Revenues</b>	<u>3,901,221</u>	<u>309,723</u>	<u>5,003,912</u>	<u>792,968</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>10,000</u>	<u>-</u>	<u>126,384</u>	<u>116,384</u>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Local Tax for Municipal Purposes	15,720,531		16,069,262	348,731
Minimum Library Tax	920,718	-	920,718	-
	<u>16,641,249</u>	<u>-</u>	<u>16,989,980</u>	<u>348,731</u>
<b>Total General Revenues</b>	<u>\$ 22,422,470</u>	<u>\$ 309,723</u>	<u>23,990,276</u>	<u>\$ 1,258,083</u>
<b>Non-Budget Revenue</b>			<u>79,319</u>	
			<u>\$24,069,595</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(Continued)**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection	
Revenue from Collections	\$ 68,475,067
Less: Allocation to School, County and Municipal Open Space Taxes	<u>51,950,087</u>
	16,524,980
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>465,000</u>
 Balance for Support of Municipal Budget Appropriations	 <u>\$ 16,989,980</u>
 Delinquent Taxes	
Taxes Receivable	\$ 16,422
Tax Title Liens	<u>109,962</u>
	<u>\$ 126,384</u>
 Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 86,165
Due from Animal Control Trust Fund	143
Due from Other Trust Fund	32,886
Due from General Capital Fund	<u>71,958</u>
	<u>\$ 191,152</u>
 Analysis of Non-Budget	
Misc. Tax Collector Fees and Charges	\$ 215
FEMA Reimbursements	23,060
Hotel Tax	935
NSF Check Fees	126
Alarm Fines	3,505
Refunds/Reimbursements	16,692
Abandoned Property Maintenance Fees	5,004
Administration Fee - Senior and Veterans	1,315
Copy Fees	119
Duplicate Check Fee	756
Elections	320
Miscellaneous	<u>27,272</u>
	<u>\$ 79,319</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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	\$ 320,650	\$ 305,650	\$ 283,439	\$ 22,211	
Other Expenses	7,000	7,000	4,262	2,738	
Communications Committee					
Salaries and Wages	1,200	1,200	416	784	
Other Expenses	11,650	11,650	9,502	2,148	
General Services					
Salaries and Wages	100,000	100,000	87,136	12,864	
Other Expenses	67,000	67,000	66,992	8	
Mayor and Council					
Salaries and Wages	53,000	53,000	48,697	4,303	
Other Expenses	56,250	56,250	52,368	3,882	
Municipal Clerk					
Salaries and Wages	99,000	114,000	113,773	227	
Other Expenses	24,400	26,400	23,437	2,963	
Elections					
Salaries and Wages	2,150	2,150	2,116	34	
Other Expenses	12,200	12,200	12,200	-	
Financial Administration					
Salaries and Wages	241,324	241,324	232,648	8,676	
Other Expenses	37,000	37,000	32,446	4,554	
Audit Services	43,000	43,000	43,000	-	
Information Technology					
Other Expenses	140,000	140,000	107,603	32,397	
Tax Assessment Administration					
Salaries and Wages	92,000	92,000	88,669	3,331	
Other Expenses	66,300	66,300	66,218	82	
Revenue Administration					
Salaries and Wages	82,150	82,150	72,366	9,784	
Other Expenses	14,100	14,100	11,730	2,370	
Legal Services & Costs					
Other Expenses	185,000	185,000	160,300	24,700	
Engineering Service & Costs					
Other Expenses	65,000	65,000	51,475	13,525	
Land Use Administration					
Salaries and Wages	16,500	16,500	16,337	163	
Other Expenses	18,100	18,100	17,504	596	
Zoning Board of Adjustment					
Salaries and Wages	16,500	16,500	15,629	871	
Other Expenses	7,800	7,800	7,042	758	
Sustainable Oakland					
Other Expenses	1,500	1,500	1,478	22	
Insurance					
Other Insurance	510,300	510,300	381,243	129,057	
Employee Group Health	2,079,042	2,079,042	2,054,071	24,971	
Employee Group Health Employee Waiver	21,658	21,658		21,658	
<b>PUBLIC SAFETY</b>					
Police Department					
Salaries and Wages	4,468,170	4,426,170	4,251,571	174,599	
Other Expenses	181,500	181,500	134,729	46,771	
Office of Emergency Management					
Salaries and Wages	9,500	9,500	9,443	57	
Other Expenses	10,000	10,000	2,845	7,155	
Flood Control Committee					
Salaries and Wages	5,150	5,150	5,057	93	
Other Expenses	1,500	1,500		1,500	
Aid to Volunteer First Aid	45,000	45,000	45,000	-	
Fire Department					
Salaries and Wages	77,000	77,000	68,108	8,892	
Other Expenses	104,000	104,000	94,523	9,477	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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</b>					
Streets and Roads					
Salaries and Wages	\$ 538,100	\$ 553,100	\$ 553,099	\$ 1	
Other Expenses	105,950	105,950	92,088	13,862	
Snow Removal					
Salaries and Wages	60,000	60,000	59,939	61	
Other Expenses	107,000	107,000	101,789	5,211	
Solid Waste Collection					
Salaries and Wages	74,100	64,100	47,428	16,672	
Other Expenses	1,977,000	1,977,000	1,860,308	116,692	
Buildings and Grounds					
Salaries and Wages	239,500	229,500	227,161	2,339	
Other Expenses	160,500	175,500	175,406	94	
Vehicle Maintenance					
Salaries and Wages	85,800	90,800	90,800	-	
Other Expenses	87,000	87,000	69,510	17,490	
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services					
Salaries and Wages	63,900	63,900	61,125	2,775	
Other Expenses	180,200	180,200	178,185	2,015	
Environmental Commission					
Salaries and Wages	1,200	1,200	1,182	18	
Other Expenses	1,300	1,300	1,167	133	
<b>PARKS AND RECREATION</b>					
Recreation Services and Programs					
Salaries and Wages	180,800	180,800	172,194	8,606	
Other Expenses	358,050	358,050	354,316	3,734	
Senior Citizens Activities					
Salaries and Wages	88,950	88,950	84,877	4,073	
Other Expenses	41,600	41,600	37,287	4,313	
Shade Tree					
Other Expenses	77,000	77,000	73,408	3,592	
<b>OTHER COMMON OPERATING</b>					
Accumulated Leave Compensation					
Salaries and Wages	160,000	160,000	160,000	-	
<b>MUNICIPAL COURT</b>					
Municipal Court					
Salaries and Wages	154,600	154,600	144,592	10,008	
Other Expenses	11,400	16,400	9,517	6,883	
Public Defender					
Other Expenses	10,600	10,600	7,200	3,400	
Municipal Prosecutor					
Other Expenses	32,400	32,400	31,950	450	
<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	216,600	216,600	208,506	8,094	
Other Expenses	86,300	86,300	86,204	96	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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	\$ 124,000	\$ 139,000	\$ 123,999	\$ 15,001	
Street Lighting	150,000	170,000	150,000	20,000	
Telephone	60,000	50,000	44,759	5,241	
Natural Gas	42,000	37,000	33,806	3,194	
Gasoline	220,000	220,000	200,000	20,000	-
Total Operations Within "CAPS"	14,989,444	14,989,444	14,117,175	872,269	-
Contingent	5,000	5,000	-	5,000	-
Total Operations Including Contingent - Within "CAPS"	14,994,444	14,994,444	14,117,175	877,269	-
Detail:					
Salaries and Wages	7,468,302	7,426,302	7,105,892	320,410	-
Other Expenses (Including Contingent)	7,526,142	7,568,142	7,011,283	556,859	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Deferred Charges					
Anticipated Deficit Sewer Utility Fund	84,222	84,222	11,671	-	\$ 72,551
Statutory Charges					
Public Employees Retirement System	526,100	526,100	526,078	22	
Social Security System	540,000	540,000	517,374	22,626	
Police and Firemen's Retirement System	983,900	983,900	982,367	1,533	
Defined Contribution Retirement Plan	14,000	14,000	6,585	7,415	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	2,148,222	2,148,222	2,044,075	31,596	72,551
Total General Appropriations for Municipal Purposes Within "CAPS"	17,142,666	17,142,666	16,161,250	908,865	72,551
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>PUBLIC SAFETY</b>					
Length of Service Awards Program					
Other Expenses	90,000	90,000		90,000	
Police Dispatch - 911					
Other Expenses	14,600	14,600	14,600	-	
<b>PUBLIC WORKS</b>					
Stormwater Management					
Salaries and Wages	89,200	89,200	69,541	19,659	
Other Expenses	28,000	28,000	22,346	5,654	
<b>EDUCATION</b>					
Maintenance of Free Public Library	920,718	920,718	893,629	27,089	
<b>UNCLASSIFIED</b>					
Reserve for Tax Appeals	80,000	80,000	80,000	-	-
Total Other Operations Excluded From "CAPS"	1,222,518	1,222,518	1,080,116	142,402	-



**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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	\$ 2,010	\$ 2,010	\$ 2,010		
Municipal Alliance on Alcoholism and Drug Abuse					
County Share	4,507	4,507	4,507		
Local Share	1,127	1,127	1,127		
Recycling Tonnage Grant	25,038	25,038	25,038		
Clean Communities	27,659	27,659	27,659		
Clean Communities - Mini	300	600	600		
Fire Assistance - Wild Life Equipment		5,000	5,000		
NRCS Allerman Brook Removal		137,587	137,587		
FEMA - Public Assistance - Allerman Brook		104,282	104,282		
BMED - Employee Wellness Grant	10,000	10,000	10,000		
CDBG - CV3 Senior Center Chairs		11,000	11,000		
Library HVAC	76,000	76,000	76,000		
Body Armor Replacement	1,480	1,480	1,480		
BPV Grant		455	455		
Oakland Police Department - Bicycle	5,000	5,000	5,000		
Great Oak Band Shell		40,000	40,000		
National Opiod	-	11,099	11,099	-	-
Total Public and Private Programs					
Offset by Revenues	153,121	462,844	462,844	-	-
Total Operations Excluded from "CAPS"	1,375,639	1,685,362	1,542,960	142,402	-
Detail:					
Other Expenses (Including Contingent)	1,375,639	1,685,362	1,542,960	142,402	-
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	1,142,370	1,142,370	1,142,370	-	-
Total Capital Improvements	1,142,370	1,142,370	1,142,370	-	-
<b>MUNICIPAL DEBT SERVICE</b>					
Payment of Bond Principal	1,775,000	1,775,000	1,775,000		
Interest on Bonds	481,795	481,795	481,795	-	-
Total Municipal Debt Service	2,256,795	2,256,795	2,256,795	-	-
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>DEFERRED CHARGES</b>					
Special Emergency Authorization	40,000	40,000	40,000	-	-
Total Deferred Charges	40,000	40,000	40,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,814,804	5,124,527	4,982,125	142,402	-
Subtotal General Appropriations	21,957,470	22,267,193	21,143,375	1,051,267	\$ 72,551
Reserve for Uncollected Taxes	465,000	465,000	465,000	-	-
Total General Appropriations	\$ 22,422,470	\$ 22,732,193	\$ 21,608,375	\$ 1,051,267	\$ 72,551
Budget as Adopted		\$ 22,422,470			
Added by N.J.S.A. 40A:4-87		309,723			
		\$ 22,732,193			
Cash Disbursed			\$ 19,717,262		
Encumbrances Payable			833,608		
Reserve for Tax Appeals			80,000		
Appropriated Grant Reserves			460,834		
Special Emergency Authorization			40,000		
Reserve for Uncollected Taxes			465,000		
Due to Sewer Utility Operating Fund			11,671		
			\$ 21,608,375		

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ 27,164	\$ 23,121
Change Fund	B	<u>50</u>	<u>50</u>
		<u>27,214</u>	<u>23,171</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	7,480,712	8,542,624
Due from Current Fund	B-10	1,000,000	
Due from Sewer Utility Capital Fund	B-9	<u>1,000,000</u>	<u>-</u>
		<u>9,480,712</u>	<u>8,542,624</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash	B-3	<u>153,110</u>	<u>149,596</u>
		<u>153,110</u>	<u>149,596</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	704,385	778,870
Due from Current Fund	B-14	<u>-</u>	<u>15</u>
		<u>704,385</u>	<u>778,885</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)</b>			
Investment	B	2,021,166	2,404,802
Contribution Receivables	B	<u>88,748</u>	<u>57,075</u>
		<u>2,109,914</u>	<u>2,461,877</u>
Total Assets		<u>\$ 12,475,335</u>	<u>\$ 11,956,153</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2022 AND 2021**  
**(Continued)**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Due to State of New Jersey	B-4	\$ 30	\$ 30
Reserve for Animal Control Expenditures	B-6	<u>27,184</u>	<u>23,141</u>
		<u>27,214</u>	<u>23,171</u>
<b>OTHER TRUST FUND</b>			
Developer's Escrow and Other Reserves	B-11	4,400,615	3,498,234
Reserve for Health Benefit Claims	B-12	4,877,900	4,987,870
Reserve for Payroll Deductions Payable	B-13	<u>202,197</u>	<u>56,520</u>
		<u>9,480,712</u>	<u>8,542,624</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-7	338	
Reserve for Unemployment Claims	B-8	<u>152,772</u>	<u>149,596</u>
		<u>153,110</u>	<u>149,596</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Expenditures	B-15	<u>704,385</u>	<u>778,885</u>
		<u>704,385</u>	<u>778,885</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM FUND (UNAUDITED)</b>			
Reserve for Length of Service Award Program	B	<u>2,109,914</u>	<u>2,461,877</u>
		<u>2,109,914</u>	<u>2,461,877</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,475,335</u>	<u>\$ 11,956,153</u>

**BOROUGH OF OAKLAND  
STATEMENT OF REVENUES-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 289,539	\$ 289,539	\$ 289,643	\$ 104
Interest on Deposits	<u>-</u>	<u>-</u>	<u>3,573</u>	<u>3,573</u>
	<u>\$ 289,539</u>	<u>\$ 289,539</u>	<u>\$ 293,216</u>	<u>\$ 3,677</u>

## EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Variance</u>
Debt Service				
Payment of Bond Principal	\$ 106,716	\$ 106,716	\$ 106,716	
Other Expenses	<u>182,823</u>	<u>182,823</u>	<u>182,823</u>	<u>-</u>
	<u>\$ 289,539</u>	<u>\$ 289,539</u>	<u>\$ 289,539</u>	<u>\$ -</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 9,719,107	\$ 9,831,267
Deferred Charges to Future Taxation			
Funded	C-5	21,895,000	23,670,000
Unfunded	C-6	4,547,699	4,547,699
Grants Receivable	C-7	<u>3,881,282</u>	<u>2,618,436</u>
		<u>\$ 40,043,088</u>	<u>\$ 40,667,402</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-8	\$ 21,895,000	\$ 23,670,000
Improvement Authorizations			
Funded	C-9	10,204,473	6,345,206
Unfunded	C-9	3,466,882	4,547,699
Accounts Payable	C-10	2,613,179	3,238,921
Due to Current Fund	C-4	946	
Reserve for Payment of Debt Service	C-13	1,381,047	1,572,331
Reserve for Preliminary Costs	C-14		9,000
Capital Improvement Fund	C-12	460,168	529,852
Fund Balance	C-1	<u>21,393</u>	<u>754,393</u>
		<u>\$ 40,043,088</u>	<u>\$ 40,667,402</u>

There were bonds and notes authorized but not issued of \$4,547,699 and \$4,547,699 at December 31, 2022 and 2021 respectively (Exhibit C-15).

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 754,393	\$ 606,054
Increased by:		
Cancelled Improvement Authorizations	<u>-</u>	<u>148,339</u>
	754,393	754,393
Decreased by:		
Appropriated to Finance Improvement Authorizations	<u>733,000</u>	<u>-</u>
Balance, December 31	<u>\$ 21,393</u>	<u>\$ 754,393</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

<b>ASSETS</b>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>OPERATING FUND</b>			
Cash	D-5	\$ 1,855,121	\$ 2,153,798
Change Fund	D	<u>50</u>	<u>50</u>
		<u>1,855,171</u>	<u>2,153,848</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-7	<u>336,162</u>	<u>186,166</u>
		<u>2,191,333</u>	<u>2,340,014</u>
<b>CAPITAL FUND</b>			
Cash	D-5,D-6	2,216,437	2,154,056
Grants Receivable	D-23	113,000	
Fixed Capital	D-9	13,951,458	13,869,176
Fixed Capital Authorized and Uncompleted	D-12	<u>2,895,000</u>	<u>1,805,000</u>
		<u>19,175,895</u>	<u>17,828,232</u>
Total Assets		<u>\$ 21,367,228</u>	<u>\$ 20,168,246</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**  
**(Continued)**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Liabilities			
Appropriation Reserves	D-4,D-13	\$ 117,932	\$ 217,789
Accounts Payable	D-14	155,654	152,651
Reserve for Rate Stabilization	D-10	210,000	360,000
Accrued Interest Payable on Bonds	D-19	<u>2,376</u>	<u>2,714</u>
		485,962	733,154
Reserve for Receivables	D	336,162	186,166
Fund Balance	D-1	<u>1,369,209</u>	<u>1,420,694</u>
		<u>2,191,333</u>	<u>2,340,014</u>
<b>CAPITAL FUND</b>			
Serial Bonds Payable	D-18	945,000	1,080,000
Accounts Payable	D-8	580,969	674,585
Improvement Authorization			
Funded	D-15	990,280	664,155
Reserves for			
Amortization	D-20	13,006,458	11,882,671
Deferred Amortization	D-11	2,895,000	2,334,142
Payment of Debt	D-21	5,000	169,230
Capital Improvement Fund	D-16	703,188	709,291
Fund Balance	D-2	<u>50,000</u>	<u>314,158</u>
		<u>19,175,895</u>	<u>17,828,232</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 21,367,228</u>	<u>\$ 20,168,246</u>

There were bonds and notes authorized but not issued in the amount of \$-0- and \$377,363 at December 31, 2022 and 2021 (Exhibit D-24).



**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES AND OTHER INCOME</b>		
Fund Balance Anticipated	\$ 556,603	\$ 577,363
Rents	2,280,622	2,217,243
Miscellaneous	47,134	16,585
Surplus - Water Capital Utility Fund	64,158	
Reserve for Rate Stabilization	150,000	
Reserve for Debt Service - Water Capital Utility Fund	164,230	
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	<u>232,679</u>	<u>167,164</u>
	<u>3,495,426</u>	<u>2,978,355</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operating	1,502,500	1,693,500
Capital Improvements	807,897	582,244
Debt Service	167,231	171,282
Deferred Charges and Statutory Expenditures	512,363	135,000
Refund of Prior Year Revenue	<u>317</u>	<u>2,495</u>
	<u>2,990,308</u>	<u>2,584,521</u>
Excess in Revenue	505,118	393,834
Fund Balance, January 1	<u>1,420,694</u>	<u>1,604,223</u>
	1,925,812	1,998,057
Decreased by:		
Utilization as Anticipated Revenue	<u>556,603</u>	<u>577,363</u>
Fund Balance, December 31	<u>\$ 1,369,209</u>	<u>\$ 1,420,694</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 314,158	\$ 314,158
Decreased by:		
Appropriated to Finance Improvement Authorizations	200,000	
Utilized as Revenue in Water Operating Fund	<u>64,158</u>	<u>-</u>
	264,158	-
Balance, December 31	<u>\$ 50,000</u>	<u>\$ 314,158</u>

EXHIBIT D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 556,603	\$ 556,603	
Rents	2,050,000	2,280,622	\$ 230,622
Reserve for Rate Stabilization	150,000	150,000	-
Water Capital Surplus	64,158	64,158	-
Water Capital Reserve for Payment of Debt	164,230	164,230	-
Miscellaneous	<u>5,000</u>	<u>47,134</u>	<u>42,134</u>
	<u>\$ 2,989,991</u>	<u>\$ 3,262,747</u>	<u>\$ 272,756</u>
Analysis of Miscellaneous Revenues			
Interest on Investments and Deposits		\$ 29,147	
Other Miscellaneous		<u>17,987</u>	
		<u>\$ 47,134</u>	
Analysis of Miscellaneous Revenues			
Cash Receipts		\$ 30,263	
Due from Water Utility Capital Fund		<u>16,871</u>	
		<u>\$ 47,134</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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	\$ 742,500	\$ 742,500	\$ 722,861	\$ 19,639
Other Expenses	760,000	760,000	682,892	77,108
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	707,897	707,897	707,897	-
Capital Outlay	100,000	100,000	82,282	17,718
<b>DEBT SERVICE</b>				
Payment of Bond Principal	135,000	135,000	135,000	-
Interest on Bonds	32,231	32,231	32,231	-
<b>DEFERRED CHARGES</b>				
Deferred Charges - Unfunded Ordinances	377,363	377,363	377,363	
<b>STATUTORY EXPENDITURES</b>				
Public Employees Retirement System	79,000	79,000	79,000	-
Social Security System	56,000	56,000	52,533	3,467
	<u>\$ 2,989,991</u>	<u>\$ 2,989,991</u>	<u>\$ 2,872,059</u>	<u>\$ 117,932</u>
			Cash Disbursed	\$ 2,724,972
			Accounts Payable	114,856
			Accrued Interest on Bonds	<u>32,231</u>
				<u>\$ 2,872,059</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, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	E-5	\$ 584,932	\$ 565,822
Change Fund	E	<u>25</u>	<u>25</u>
		584,957	565,847
Receivables with Full Reserves			
Consumer Accounts Receivable	E-7	<u>134,067</u>	<u>77,263</u>
Deferred Charges			
Overexpenditure of Appropriation	E-15	<u>1,247</u>	<u>-</u>
		<u>720,271</u>	<u>643,110</u>
<b>CAPITAL FUND</b>			
Cash	E-5,E-6	443,488	403,670
NJEIT Loan Receivable	E-21	6,978,526	
Due from Sewer Utility Operating Fund	E-8	1,890	
Fixed Capital	E	330,929	304,100
Fixed Capital Authorized and Uncompleted	E-16	<u>8,089,641</u>	<u>6,315,798</u>
		<u>15,844,474</u>	<u>7,023,568</u>
Total Assets		<u>\$ 16,564,745</u>	<u>\$ 7,666,678</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	E-4,E-10	\$ 32,109	\$ 146,233
Encumbrances Payable	E-11	60,047	43,056
Accrued Interest on Bonds and Notes	E-12	277	982
Due to Sewer Utility Capital Fund	E-8	1,890	
Due to Current Fund	A-20	240,995	87,690
Reserve for Sewer Rate Stabilization	E	<u>79,000</u>	<u>79,000</u>
		414,318	356,961
Reserve for Receivables	E	134,067	77,263
Fund Balance	E-1	<u>171,886</u>	<u>208,886</u>
		<u>720,271</u>	<u>643,110</u>
<b>CAPITAL FUND</b>			
Encumbrances Payable	E-9	5,091,330	537,945
Improvement Authorizations			
Funded	E-18		9,328
Unfunded	E-18	1,295,874	5,226,326
Serial Bonds Payable	E-17	110,000	125,000
Bond Anticipation Notes	E-23	230,000	720,000
New Jersey Infrastructure Bank Note Payable	E-22	7,681,070	
Reserve for Amortization	E-14	220,929	179,100
Deferred Reserve for Amortization	E-13		36,157
Due to Other Trust Fund	B-9	1,000,000	
Reserve for Debt Service	E	60,000	60,000
Capital Improvement Fund	E-19	136,635	120,064
Reserve for Preliminary Expenses	E-20		340
Fund Balance	E-2	<u>18,636</u>	<u>9,308</u>
		<u>15,844,474</u>	<u>7,023,568</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 16,564,745</u>	<u>\$ 7,666,678</u>

There were bonds and notes authorized but not issued in the amount of \$178,571 and \$5,559,641 at December 31, 2022 and 2021. (Exhibit E-24).

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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>		
Operating Surplus Anticipated	\$ 37,000	\$ 25,000
Sewer Rents	416,973	413,452
Non-Budget Revenue	7,438	800
Other Credits		
Unexpended Balance of Appropriation Reserves	<u>56,233</u>	<u>88,438</u>
 Total Income	 <u>517,644</u>	 <u>527,690</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operating	493,500	567,144
Capital Improvements	16,231	19,937
Debt Service	<u>19,584</u>	<u>21,363</u>
 Total Expenditures	 <u>529,315</u>	 <u>608,444</u>
 Excess (Deficit) in Revenue	 (11,671)	 (80,754)
Adjustments to Income Before Fund Balance		
Realized from General Budget for Anticipated Deficit	<u>11,671</u>	<u>80,754</u>
 Fund Balance, January 1	 208,886	 233,886
Decreased by:		
Utilization as Anticipated Revenue	<u>37,000</u>	<u>25,000</u>
 Fund Balance, December 31	 <u>\$ 171,886</u>	 <u>\$ 208,886</u>

**BOROUGH OF OAKLAND**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - SEWER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 9,308	\$ 9,308
Increased by:		
Funded Improvement Authorizations Cancelled	<u>9,328</u>	<u>-</u>
Balance, December 31	<u>\$ 18,636</u>	<u>\$ 9,308</u>

## EXHIBIT E-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 37,000	\$ 37,000	
Sewer Rents	413,178	416,973	\$ 3,795
Deficit (General Budget)	<u>84,222</u>	<u>11,671</u>	<u>(72,551)</u>
	<u>\$ 534,400</u>	<u>\$ 465,644</u>	<u>\$ (68,756)</u>
Non Budget			
Miscellaneous		2,775	
Interest Earned Due from Sewer Utility Capital Fund		<u>4,663</u>	
		<u>\$ 473,082</u>	

**BOROUGH OF OAKLAND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<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>	<u>Overexpended</u>
<b>OPERATING</b>						
Other Expenses	\$ 493,500	\$ 493,500	\$ 461,391	\$ 32,109		
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	16,231	16,231	16,231			
<b>DEBT SERVICE</b>						
Payment of Bond Principal	15,000	15,000	15,000			
Payment of Note Principal	5,085	5,085			\$ 5,085	
Interest on Bonds	3,738	3,738	3,738			
Interest on Notes	846	846	2,093	-	-	\$ 1,247
	<u>\$ 534,400</u>	<u>\$ 534,400</u>	<u>\$ 498,453</u>	<u>\$ 32,109</u>	<u>\$ 5,085</u>	<u>\$ 1,247</u>
Cash Disbursed			\$ 430,685			
Due to Sewer Utility Capital Fund			1,890			
Accrued Interest on Bonds and Notes			5,831			
Encumbrances Payable			60,047			
			<u>\$ 498,453</u>			



**BOROUGH OF OAKLAND**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Land	\$ 26,942,000	\$ 26,942,000
Buildings and Building Improvements	10,007,047	9,734,851
Machinery and Equipment	<u>11,605,622</u>	<u>10,086,326</u>
 Total Assets	 <u>\$ 48,554,669</u>	 <u>\$ 46,763,177</u>
 <b>FUND BALANCE</b>		
 Investment in General Fixed Assets	 <u>\$ 48,554,669</u>	 <u>\$ 46,763,177</u>

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2022 AND 2021**

**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, 2022 AND 2021**

**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, 2021 balances to conform to the December 31, 2022 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, 2022 AND 2021**

**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.

**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.

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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

**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.

**Reserve for Uncollected Taxes** – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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

**Pensions** – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

**Other Post-Employment Benefits (OPEB)** – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

**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, 2022 AND 2021**

**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 Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

**1977 Appropriation "CAP":** The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

**2010 Levy "CAP":** The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

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 2022 and 2021 the Borough Council increased the original budget by \$309,723 and \$660,317. The 2022 increases were funded by additional aid allotted to the Borough. The 2021 increase was attributable to a special emergency authorization for the revaluation of real property and additional aid awarded to the Borough. In addition, the governing body approved several budget transfers during 2022 and 2021.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2022</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Sewer Utility Operating Fund			
Debt Service			
Interest on Notes	\$846	\$2,093	\$1,247
<u>2021</u>			
None			

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

**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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2022 and 2021, the book value of the Borough's deposits were \$32,099,328 and \$32,893,441 and bank and brokerage firm balances of the Borough's deposits amounted to \$34,115,389 and \$33,530,992, 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>2022</u>	<u>2021</u>
Insured	\$ 30,997,866	\$ 31,595,519
Uninsured and Collateralized	<u>3,117,523</u>	<u>1,935,473</u>
	<u>\$ 34,115,389</u>	<u>\$ 33,530,992</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**A. Cash Deposits (Continued)**

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, 2022 and 2021, the Borough's bank balances of \$3,117,523 and \$1,935,473 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust		
department but not in the Borough's name	\$ 3,117,523	\$ 1,935,473

**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.

As of December 31, 2022 and 2021, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2022</u>	<u>2021</u>
Investment:		
Length of Service Awards Program		
Lincoln Financial (Unaudited)	\$ 2,021,166	\$ 2,404,802

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 credit risk. As of December 31, 2022 and 2021, \$2,021,166 and \$2,404,802 of the Borough's investments was exposed to custodial credit risk as follows:

<u>Uninsured and Collateralized:</u>	<u>2022</u>	<u>2021</u>
Collateral held by pledging financial institution's trust		
department not in the Borough's name (Unaudited)	\$ 2,021,166	\$ 2,404,802

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**B. Investments (Continued)**

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2022 and 2021, the Borough's investment in Lincoln Financial Group was rated A1 by Moody's Investors Services.

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2022 and 2021 are categorized as Level 2.

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

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

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Utility</u>		<u>Total</u>
		<u>Water</u>	<u>Sewer</u>	
<b><u>2022</u></b>				
Property Taxes	\$ 10,489			\$ 10,489
Tax Title Liens	198,299			198,299
Utility Rents	-	\$ 336,162	\$ 134,067	470,229
	<u>\$ 208,788</u>	<u>\$ 336,162</u>	<u>\$ 134,067</u>	<u>\$ 679,017</u>

In 2022, the Borough collected \$126,384 and \$263,429 from delinquent taxes and utility charges and fees, which represented 39% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2021.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Continued)**

Receivables at December 31, 2021 consisted of the following:

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

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

**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>2022</u>		<u>2021</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	\$ 241,941	\$ 1,000,000	\$ 87,690	\$ 15
Trust Funds				
Other Trust Fund	2,000,000			
Municipal Open Space			15	
General Capital Fund		946		
Sewer Utility Operating Fund		242,885		87,690
Sewer Utility Capital Fund	<u>1,890</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,243,831</u>	<u>\$ 2,243,831</u>	<u>\$ 87,705</u>	<u>\$ 87,705</u>

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

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance, December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Budgets
<b><u>2022</u></b>			
Current Fund			
Special Emergency Authorization (40A:4-55)	<u>\$ 160,000</u>	<u>\$ 40,000</u>	<u>\$ 120,000</u>
Sewer Utility Operating Fund			
Overexpenditure of Appropriations	<u>\$ 1,247</u>	<u>\$ -</u>	<u>\$ 1,247</u>
<b><u>2021</u></b>			
Current Fund			
Special Emergency Authorization (40A:4-55)	<u>\$ 200,000</u>	<u>\$ 40,000</u>	<u>\$ 160,000</u>

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Funds 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:

	2022		2021	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 4,055,909	\$ 1,940,000	\$ 3,619,854	\$ 1,870,000
Non-Cash Surplus	<u>1,176,799</u>	<u>-</u>	<u>1,044,647</u>	<u>-</u>
	<u>\$ 5,232,708</u>	<u>\$ 1,940,000</u>	<u>\$ 4,664,501</u>	<u>\$ 1,870,000</u>
Water Utility Operating Fund				
Cash Surplus	<u>\$ 1,369,209</u>	<u>\$ 435,000</u>	<u>\$ 1,420,694</u>	<u>\$ 556,603</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 170,639	\$ 101,778	\$ 208,886	\$ 37,000
Non-Cash Surplus	<u>1,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 171,886</u>	<u>\$ 101,778</u>	<u>\$ 208,886</u>	<u>\$ 37,000</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>
Land	\$ 26,942,000			\$ 26,942,000
Buildings and Building Improvements	9,734,851	\$ 272,196		10,007,047
Machinery and Equipment	10,086,326	1,519,296	-	11,605,622
	<u>\$ 46,763,177</u>	<u>\$ 1,791,492</u>	<u>\$ -</u>	<u>\$ 48,554,669</u>
	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
Land	\$ 26,856,400	\$ 85,600		\$ 26,942,000
Buildings and Building Improvements	9,284,701	450,150		9,734,851
Machinery and Equipment	9,635,859	450,467	-	10,086,326
	<u>\$ 45,776,960</u>	<u>\$ 986,217</u>	<u>\$ -</u>	<u>\$ 46,763,177</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, 2022 and 2021.

<b><u>Water Utility Capital Fund</u></b>	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>
Fixed Capital Unallocated	<u>\$ 13,869,176</u>	<u>\$ 82,282</u>	<u>\$ -</u>	<u>\$ 13,951,458</u>
	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
Fixed Capital Unallocated	<u>\$ 13,869,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,869,176</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 8 FIXED ASSETS (Continued)**

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

	Balance December 31, 2021	Additions	Reductions	Balance, December 31, 2022
<b><u>Sewer Utility Capital Fund</u></b>				
Fixed Capital				
Unallocated	\$ 304,100	\$ 26,829	\$ -	\$ 330,929
	Balance December 31, 2020	Additions	Reductions	Balance, December 31, 2021
Fixed Capital				
Unallocated	\$ 304,100	\$ -	\$ -	\$ 304,100

**NOTE 9 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2022</u>	<u>2021</u>
Issued		
General		
Bonds and Notes	\$ 21,895,000	\$ 23,670,000
Water Utility		
Bonds	945,000	1,080,000
Sewer Utility		
Bonds and Notes	8,021,070	845,000
Total Issued	30,861,070	25,595,000
Less Funds Temporarily Held to Pay Bonds and Notes	1,446,047	1,801,561
Net Debt Issued	29,415,023	23,793,439
Authorized But Not Issued		
General		
Bonds and Notes	4,547,699	4,547,699
Water Utility		
Bonds and Notes	-	377,363
Sewer Utility		
Bonds and Notes	178,571	5,559,641
Net Bonds and Notes Issued and Authorized But Not Issued	\$ 34,141,293	\$ 34,278,142



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and Report of Audit indicates a statutory net debt of .859% and 1.00% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
General Debt	\$ 26,442,699	\$ 1,381,047	\$ 25,061,652
School Debt	756,975	756,975	
Water and Sewer Utility Debt	<u>9,144,641</u>	<u>9,144,641</u>	<u>-</u>
Total	<u>\$ 36,344,315</u>	<u>\$ 11,282,663</u>	<u>\$ 25,061,652</u>

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

**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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 101,892,191	\$ 93,471,689
Less: Net Debt	<u>25,061,652</u>	<u>26,645,368</u>
Remaining Borrowing Power	<u>\$ 76,830,539</u>	<u>\$ 66,826,321</u>

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2022</u>	<u>2021</u>
\$14,235,000, 2015 Bonds, due in annual installments of \$1,025,000 to \$1,120,000 through December 1, 2029, interest at 3.00-3.125%	\$ 7,535,000	\$ 8,560,000
\$15,770,000, 2020 Bonds, due in annual installments of \$765,000 to \$1,030,000 through December 1, 2038, interest at 1.00-2.00%	<u>14,360,000</u>	<u>15,110,000</u>
	<u>\$ 21,895,000</u>	<u>\$ 23,670,000</u>

**Utility Bonds**

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

	<u>2022</u>	<u>2021</u>
<b>Water Utility</b>		
\$1,995,000, 2015 Bonds, due in annual installments of \$135,000 through December 1, 2029, interest at 3.00-3.125%	<u>\$ 945,000</u>	<u>\$ 1,080,000</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>\$ 110,000</u>	<u>\$ 125,000</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2022 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>	
2023	\$ 1,790,000	\$ 443,545	\$ 135,000	\$ 28,519	\$ 15,000	\$ 3,325	\$ 2,415,389
2024	1,830,000	405,145	135,000	24,469	15,000	2,875	2,412,489
2025	1,845,000	365,845	135,000	20,419	15,000	2,425	2,383,689
2026	1,890,000	326,395	135,000	16,369	15,000	1,975	2,384,739
2027	1,930,000	285,995	135,000	12,319	15,000	1,525	2,379,839
2028-2032	6,700,000	892,030	270,000	12,488	35,000	1,700	7,911,218
2033-2037	4,880,000	399,000					5,279,000
2038	1,030,000	20,600	-	-	-	-	1,050,600
	<u>\$ 21,895,000</u>	<u>\$ 3,138,555</u>	<u>\$ 945,000</u>	<u>\$ 114,583</u>	<u>\$ 110,000</u>	<u>\$ 13,825</u>	<u>\$ 26,216,963</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<u>General Capital Fund</u>					
Bonds Payable	<u>\$ 23,670,000</u>	<u>\$ -</u>	<u>\$ 1,775,000</u>	<u>\$ 21,895,000</u>	<u>\$ 1,790,000</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	<u>\$ 1,080,000</u>	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ 945,000</u>	<u>\$ 135,000</u>
<u>Sewer Utility Capital Fund</u>					
Bonds Payable	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 110,000</u>	<u>\$ 15,000</u>

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

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

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

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

**Bond Anticipation Notes**

	Rate (%)	Maturity Date	Balance December 31, <u>2021</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2022</u>
<u>Sewer Utility Capital Fund</u>						
Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	0.34%	4/1/2022	\$ 300,000		\$ 300,000	
	1.05%	7/1/2022		\$ 300,000	300,000	
Infiltration and Inflow Reduction to the Skyview Collection System	0.34%	4/1/2022	420,000		420,000	
	1.05%	7/1/2022		420,000	420,000	
	2.56%	6/30/2023	-	230,000	-	\$ 230,000
Total Sewer Utility Capital Fund			\$ 720,000	\$ 950,000	\$ 1,440,000	\$ 230,000
	Rate (%)	Maturity Date	Balance December 31, <u>2020</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2021</u>
<u>Sewer Utility Capital Fund</u>						
Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	0.55%	12/11/2021	\$ 300,000		\$ 300,000	
	0.34%	4/1/2022		\$ 300,000		\$ 300,000
Infiltration and Inflow Reduction to the Skyview Collection System	0.34%	4/1/2022	-	420,000	-	420,000
Total Sewer Utility Capital Fund			\$ 300,000	\$ 720,000	\$ 300,000	\$ 720,000

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Bond Anticipation Notes (Continued)**

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

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

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

	<u>Remaining Commitment</u>	<u>Estimated Date of Acquisition/ Completion</u>
<u>2022</u>		
Sewer Treatment Plant Decommissioning Project	\$ 4,770,765	2023
2022 Road Program	911,532	2023
2020 Road Program	43,136	2023
Skyview/Hibrook Sanitary Sewer Line Project	42,083	2023
2021 Road Program	178,682	2023
Ramapo Valley Road Pedestrian Safety Imprvts	613,301	2023
Data Communications Products and Services	66,585	2023
Great Oak Park Band Shell Project	123,500	2023
Soon's Field Pumping Station Generator Project	193,000	2023
Acquisition of (2) Police Vehicles	84,780	2023
Acquisition of Fire Dept Vehicle	73,695	2023

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (Continued)**

2021

E-One Cycone II Ladder Truck	\$ 1,198,522	2022
Radio Communications System	55,343	2022
2020 Road Program	43,136	2023
Skyview/Hibrook Sanitary Sewer Line Project	42,083	2022
2021 Road Program	321,205	2023
Ramapo Valley Road Pedestrian Safety Imprvts	613,872	2022
2022 Ford Utility Police Vehicle	32,991	2022
2022 Ford Utility Police Vehicle	32,991	2022
Doty/Lakeview Water Main Improvements	343,885	2022
Grandview/Mountainview Water Main Imprvts	309,988	2022
2022 Ford Utility Police Vehicle	37,311	2022

**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 \$1,895,654 and \$1,879,940 at December 31, 2022 and 2021, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2022 and 2021, the Borough has reserved in the Other Trust Fund \$259,417 and \$300,130, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**Temporary Financing**

The Borough's temporary financing for the years ended December 31, 2022 and 2021 were as follows:

<u>Purpose</u>	Balance, December 31, <u>2021</u>	<u>Issued</u>	<u>Retired</u>	Balance, December 31, <u>2022</u>
<b><u>Intergovernmental Loans</u></b>				
New Jersey Infrastructure				
Bank (NJ I-Bank) - Temporary Loan	\$ -	\$ 7,681,070	\$ -	\$ 7,681,070
<u>Purpose</u>	Balance, December 31, <u>2020</u>	<u>Issued</u>	<u>Retired</u>	Balance, December 31, <u>2021</u>
None				

The purpose of the NJ I-Bank Loans is to provide resources for the decommissioning and conversion of various sanitary sewer treatment plants to pump stations and the construction of force mains to connect to the Northwest Bergen County Utilities Authority Treatment System. The note bears interest at a variable rate adjusted monthly. The maturity date of the note will be determined upon project completion.

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**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, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
Compensated Absences	\$ 1,879,940	\$ 15,714		\$ 1,895,654	
Judgements Payable	253,034		\$ 84,345	168,689	\$ 84,345
NJ I-Bank Loan Payable		7,681,070		7,681,070	
Net OPEB Obligation	36,389,631		158,456	36,231,175	
Net Pension Liability					
PERS (1)	5,298,825			5,298,825	
PFRS (1)	6,140,766	-	-	6,140,766	-
Total Other Long-Term Liabilities	<u>\$ 49,962,196</u>	<u>\$ 7,696,784</u>	<u>\$ 242,801</u>	<u>\$ 57,416,179</u>	<u>\$ 84,345</u>

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
Compensated Absences	\$ 1,761,710	\$ 118,230		\$ 1,879,940	
Judgements Payable	337,379		\$ 84,345	253,034	\$ 84,345
Net OPEB Obligation	37,404,819		1,015,188	36,389,631	
Net Pension Liability					
PERS	7,009,845		1,711,020	5,298,825	
PFRS	11,573,800	-	5,433,034	6,140,766	-
Total Other Long-Term Liabilities	<u>\$ 58,087,553</u>	<u>\$ 118,230</u>	<u>\$ 8,243,587</u>	<u>\$ 49,962,196</u>	<u>\$ 84,345</u>

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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) Annual Comprehensive Financial Report (ACFR) 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.

**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) Annual Comprehensive Financial Report (ACFR) 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.

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



**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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

Service retirement benefits of 1/55<sup>th</sup> 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<sup>th</sup> 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 on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment 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.

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.

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

**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/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 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.

**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 2022 and 2021 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 2022, 2021 and 2020 were equal to the required contributions.

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

**Employer and Employee Pension Contributions (Continued)**

During the years ended December 31, 2022, 2021, and 2020, 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>
2022	\$ 979,162	\$ 523,829	\$ 6,585
2021	1,000,665	470,242	11,216
2020	906,450	398,455	10,242

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$-0- and \$791 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.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2021, the Borough reported a liability of \$5,298,825 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough's proportionate share was .04473 percent, which was an increase of .00175 percent from its proportionate share measured as of June 30, 2020 of .04298 percent.

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

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

For the year ended December 31, 2021, the pension system has determined the Borough's pension benefit to be \$665,498, for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$470,242. At December 31, 2021, 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:

	<b>2021</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 83,569	\$ 37,933
Changes of Assumptions	27,596	1,886,416
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		1,395,850
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>610,356</u>	<u>199,243</u>
Total	<u>\$ 721,521</u>	<u>\$ 3,519,442</u>

At December 31, 2021 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>
2022	\$ (1,151,326)
2023	(799,778)
2024	(471,247)
2025	(383,269)
2026	7,699
Thereafter	<u>-</u>
	<u>\$ (2,797,921)</u>

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

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

***Mortality Rates***

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation 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**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<b><u>2021</u></b>	<b><u>1% Decrease (6.00%)</u></b>	<b><u>Current Discount Rate (7.00%)</u></b>	<b><u>1% Increase (8.00%)</u></b>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 7,215,925</u>	<u>\$ 5,298,825</u>	<u>\$ 3,671,894</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

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

At December 31, 2021, the Borough reported a liability of \$6,140,766, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough's proportionate share was .08401 percent, which was a decrease of .00556 percent from its proportionate share measured as of June 30, 2020 of .08957 percent.

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

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

For the year ended December 31, 2021, the pension system has determined the Borough pension benefit to be \$1,103,748 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$1,000,665. At December 31, 2021, 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:

	<b>2021</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 70,059	\$ 735,600
Changes of Assumptions	32,676	1,840,360
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,616,780
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>24,656</u>	<u>1,178,019</u>
Total	<u>\$ 127,391</u>	<u>\$ 6,370,759</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (2,016,923)
2023	(1,533,784)
2024	(1,223,777)
2025	(1,176,252)
2026	(250,111)
Thereafter	<u>(42,521)</u>
	<u>\$ (6,243,368)</u>



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

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

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b><u>2021</u></b>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 9,324,561</u>	<u>\$ 6,140,766</u>	<u>\$ 3,490,600</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

***Special Funding Situation – PFRS***

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

At December 31, 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,727,089. For the year ended December 31, 2021, 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 \$192,347 which is less than the actual contribution the State made on behalf of the Borough of \$150,031. At December 31, 2021 (measurement date June 30, 2021) the State's share of the PFRS net pension liability attributable to the Borough was .08401 percent, which was a decrease of .00556 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .08957 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

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

***Pension Plan Fiduciary Net Position***

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

**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, 2022 and 2021, the following employees were covered by postemployment health care benefits:

	<u>2022</u>	<u>2021</u>
Active Employees	73	65
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>54</u>	<u>49</u>
	<u>127</u>	<u>114</u>

At December 31, 2022 and 2021, the Borough’s total OPEB liabilities were \$36,231,175 and \$36,389,631, respectively. Net OPEB liability was measured as of December 31, 2022 and December 31, 2021, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2022 and 2021, the Borough has determined it’s OPEB expense to be \$1,721,740 and \$1,681,673, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Borough’s financial statements of \$1,082,467 and \$965,230, respectively. At December 31, 2022 and 2021, 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, 2022 and 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,310,979			
Changes of Assumptions	4,860,818	\$ 2,768,072	\$ 5,396,952	\$ 1,195,497
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>\$ 6,171,797</u>	<u>\$ 2,768,072</u>	<u>\$ 5,396,952</u>	<u>\$ 1,195,497</u>

At December 31, 2022 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>
2023	\$ 392,460
2024	392,460
2025	392,460
2026	392,460
2027	392,460
Thereafter	<u>1,441,425</u>
	<u>\$ 3,403,725</u>

***Actuarial Assumptions***

The Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the December 31, 2022 measurement date as determined by an actuarial valuation. The total OPEB liability reported for the year ended December 31, 2021 was based on the December 31, 2021 measurement date as determined by an actuarial valuation. his 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)**

<i>Mortality</i>	<i>December 31, 2021 - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement December 31, 2022 - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>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</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.06% Based on the Bond Buyer 20 Index December 31, 2021 3.72% Based on the Bond Buyer 20 Index December 31, 2022</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.3% in 2022, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.5% in 2022, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- 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 2022 medical, prescription drug and dental 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 (44) and scaled to each age based on the medical cost aging factors until age 65. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are not applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we 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. 2022 salaries were reported as \$6.115 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, 2022 and 2021 based on measurement dates of December 31, 2022 and December 31, 2021, respectively are as follows:

	<b>Total OPEB Liability 2022</b>	<b>Total OPEB Liability 2021</b>
Balance - Beginning of Year	\$ 36,389,631	\$ 37,404,819
Changes for the Year:		
Service Cost	\$ 578,878	\$ 463,895
Interest on the Total OPEB Liability	750,402	792,585
Differences Between Expected and Actual Experience	1,426,169	
Changes in Assumptions	(1,831,439)	(1,306,438)
Benefit Payments	(1,082,466)	(965,230)
Net Changes	(158,456)	(1,015,188)
Balance - End of Year	\$ 36,231,175	\$ 36,389,631

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

The following presents the Borough's net OPEB liability as of December 31, 2022 and 2021 calculated using the discount rate of 3.72% and 2.06%, 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 2.72% and 1.06% or 1-percentage-point higher 4.72% and 3.06%, respectively, than the current rate:

	<b>1% Decrease (2.72%)</b>	<b>Current Discount Rate (3.72%)</b>	<b>1% Increase (4.72%)</b>
<b><u>2022</u></b>			
Net OPEB Liability	\$ 40,466,649	\$ 36,231,175	\$ 32,785,871
	<b>1% Decrease (1.06%)</b>	<b>Current Discount Rate (2.06%)</b>	<b>1% Increase (3.06%)</b>
<b><u>2021</u></b>			
Net OPEB Liability	\$ 41,753,549	\$ 36,389,631	\$ 32,067,776

**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, 2022 and 2021 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>
<b><u>2022</u></b>			
Net OPEB Liability	\$ <u>33,242,852</u>	\$ <u>36,231,175</u>	\$ <u>39,465,037</u>
	<u>1%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rates</u>	<u>1%</u> <u>Increase</u>
<b><u>2021</u></b>			
Net OPEB Liability	\$ <u>32,482,877</u>	\$ <u>36,389,631</u>	\$ <u>41,146,169</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**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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>
2022	\$ 11,457	\$ 9,030	\$ 152,772
2021	10,676	365	149,596
2020	13,610	9,902	139,102

**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, 2022 and 2021. 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, 2022 and 2021, the Borough reserved \$344,691 and \$337,709, 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, 2022 and 2021, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.



**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**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, 2022 and 2021, 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 Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 23, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Oakland approved the adoption of the Plan at the general election held in November 2000.

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

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

The Borough of Oakland has contributed \$1,709 and \$1,585 for 2022 and 2021, respectively, for each eligible volunteer fire department and or first aid corp. member into the Plan. The total Borough contributions were \$88,748 and \$57,075 for 2022 and 2021, respectively.

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

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**BOROUGH OF OAKLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 18 LEASES RECEIVABLE**

On March 6, 2015 the Borough amended the original lease dated December 21, 1989 leasing tower space to a third party. The amended lease is for 5 years and the lease renews for four (4) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease within ninety (90) days of expiration. The Borough will receive annual payments of \$61,938 to \$82,584. The Borough recognized \$82,584 and \$82,584 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$4,485 and \$6,054, respectively. As of December 31, 2022 and 2021 the Borough's receivable for lease payments, exclusive of future interest earnings of \$140,700 and \$218,799, respectively, for the lease term ending September 30, 2024.

The future lease revenue principal and interest payments as of December 31, 2022 were as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 79,700	\$ 2,884	\$ 82,584
2024	<u>61,000</u>	<u>938</u>	<u>61,938</u>
Total	<u>\$ 140,700</u>	<u>\$ 3,822</u>	<u>\$ 144,522</u>

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

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 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.

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

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

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

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

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

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

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

**BOROUGH OF OAKLAND  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$1,352,946 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$1,352,000 of the funds in 2022 to finance the cost of the Streets and Road Program in general capital ordinance No. 885/897. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**NOTE 20 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On June 30, 2023 the Borough issued bond anticipation notes in the amount of \$230,000 to temporarily finance expenditures related to sewer utility capital projects. The Borough has awarded the sale of said notes to Amboy Bank at an interest rate of 4.40%. These notes dated June 30, 2023 will mature on April 30, 2024.

**Debt Authorized**

On April 12, 2023 the Borough adopted a bond ordinance authorizing the issuance \$3,600,000 in Bonds or bond anticipation notes to fund various public improvements for the water utility. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

**BOROUGH OF OAKLAND  
STATEMENT OF CURRENT CASH**

Balance, December 31, 2021		\$ 8,290,242
Increased by Receipts:		
Taxes Receivable	\$ 67,836,056	
Tax Title Liens	109,962	
Prepaid Taxes	603,008	
Tax Overpayments	111,286	
Grants Receivable	232,072	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	65,724	
Revenue Accounts Receivable	4,141,218	
Non-Budget Revenue	79,319	
Receipts from Animal Control Trust Fund	143	
Receipts from Other Trust Fund	1,032,886	
Receipts from Municipal Open Space Trust Fund	106,716	
Receipts from General Capital Fund	263,242	
Unappropriated Grant Reserves	708,278	
Reserve for Municipal Relief Fund	68,448	
State of NJ Fees	24,189	
		<u>75,382,547</u>
		83,672,789
Decreased by Disbursements:		
2022 Budget Appropriations	19,717,262	
2021 Appropriation Reserves	193,762	
Appropriated Grant Reserves	149,001	
Tax Overpayments	99,590	
Accounts Payable	1,103,334	
County Taxes Payable	6,868,192	
Local District School Taxes Payable	31,706,066	
Regional School Taxes Payable	13,091,514	
Reserve for Tax Appeals	73,018	
Payments to General Capital Fund	1,352,946	
Payments to Municipal Open Space Trust Fund	289,658	
Payments to Sewer Utility Operating Fund	84,222	
State of NJ Fees Payable	29,727	
		<u>74,758,292</u>
Balance, December 31, 2022		<u>\$ 8,914,497</u>

**BOROUGH OF OAKLAND  
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</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, 2021	\$ 8,994
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 6,500
Veterans' Deductions Per Tax Billings	<u>62,000</u>
	<u>68,500</u>
	77,494
Decreased by:	
Receipts from State of New Jersey	65,724
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector	<u>5,750</u>
	<u>71,474</u>
Balance, December 31, 2022	<u>\$ 6,020</u>

**BOROUGH OF OAKLAND  
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	Balance, December 31, <u>2021</u>	<u>2022 Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	<u>Cancelled</u>	Balance, December 31, <u>2022</u>
				<u>2021</u>	<u>2022</u>			
2021	\$ 16,422				\$ 16,422			
2022	-	\$ 68,613,410	\$ 5,750	\$ 592,683	\$ 67,819,634	\$ 68,500	\$ 127,854	\$ 10,489
	<u>\$ 16,422</u>	<u>\$ 68,613,410</u>	<u>\$ 5,750</u>	<u>\$ 592,683</u>	<u>\$ 67,836,056</u>	<u>\$ 68,500</u>	<u>\$ 127,854</u>	<u>\$ 10,489</u>

**Analysis of 2022 Property Tax Levy**

Tax Yield				
General Purpose Tax				
Added Taxes (54:4-63.1 et seq.)				
			\$ 68,588,758	
			24,652	
				<u>\$ 68,613,410</u>
Tax Levy				
Local School District Tax				
Regional High School Tax				
County Tax				
County Open Space Tax				
County Added and Omitted Taxes				
			272,132	
			2,474	
				51,660,444
Local Tax for Municipal Purposes				
Minimum Library Tax				
Municipal Open Space Tax				
Municipal Open Space Tax Added				
Additional Municipal Taxes				
			15,720,531	
			920,718	
			289,539	
			104	
			22,074	
				<u>16,952,966</u>
				<u>\$ 68,613,410</u>

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

Balance, December 31, 2021	\$ 308,261
Decreased by:	
Collections	<u>109,962</u>
Balance, December 31, 2022	<u>\$ 198,299</u>

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Grants <u>Awarded</u>	<u>Receipts</u>	<u>Cancelled</u>	Balance, December 31, <u>2022</u>
Municipal Alliance Grant	\$ 11,500	\$ 4,507	\$ 4,346	\$ 161	\$ 11,500
Sustainable Jersey Grant	4,000				4,000
Highlands - Plan Conformance	174,668				174,668
Highlands - Transfer Development Rights	4,824				4,824
CDBG - CV3 Senior Center Chairs		11,000			11,000
BMED - Employee Wellness - 2019	1,796			1,796	
BMED - Employee Wellness - 2020	5,798			5,798	
BMED - Employee Wellness - 2021	10,000		4,780	5,220	
BMED - Employee Wellness - 2022		10,000			10,000
Clean Communities - Mini		600	300		300
BCUA Recycling	3,000				3,000
Roots for Rivers - 2019	2,760			5	2,755
Recycling Tonnage Grant		25,038	25,038		
Community Garden Grant	7,244				7,244
Roots for Rivers - 2020	2,172			172	2,000
Police Body Worn Cameras Grant	52,988				52,988
Safe Routes to School	70,202				70,202
County of Bergen - Roosevelt Riverfront	79,534				79,534
National Opioid Grant		11,099	11,089		10
Bergen County Tennis	33,500				33,500
Great Oak Band Shell	40,200	40,000			80,200
CDBG - Water Main	75,000				75,000
Community Forestry Grant	21,788				21,788
Senior Center Upgrades	42,191				42,191
Driving While Impaired	6,000		782	5,218	
Library HVAC		76,000	76,000		
CDBG - Senior Citizen Center	119,316				119,316
FEMA - Public Assistance - Allerman Brook		104,282	104,282		
NRCS Allerman Brook Removal		137,587			137,587
Fire Assistance - Wild Life Equipment		5,000	5,000		
Body Armor Replacement Fund	4,577				4,577
Bulletproof Vest Grant	3,092	455	455		3,092
Bergen County Open Space					
Ramapo Valley Park	40,000				40,000
Van Allen/Stream House	19,503	-	-	-	19,503
	<u>\$ 835,653</u>	<u>\$ 425,568</u>	<u>\$ 232,072</u>	<u>\$ 18,370</u>	<u>\$ 1,010,779</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF PROPERTY ACQUIRED FOR TAXES**

Balance, December 31, 2021 \$ 1,140,550

Balance, December 31, 2022 \$ 1,140,550

**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2022</u>
Licenses				
Alcoholic Beverage		\$ 24,650	\$ 24,650	
Other		35,479	35,479	
Fees and Permits		159,154	159,154	
Construction Code Official				
Fees and Permits		192,604	192,604	
Recreation				
Fees and Permits		529,124	529,124	
Municipal Court				
Fines and Costs	\$ 14,149	194,737	194,270	\$ 14,616
Interest and Costs on Taxes		82,041	82,041	
Interest on Investments and Deposits		86,165	86,165	
Energy Receipts Tax		1,312,169	1,312,169	
Uniform Fire Safety Act		126,426	126,426	
Cellular Tower Lease		204,210	204,210	
Cablevision Franchise Fee		109,059	109,059	
Verizon Franchise Fee		73,759	73,759	
Real Property Lease		82,584	82,584	
Sale of Recyclables		11,411	11,411	
Shared Service Agreement - School Crossing Guards		5,509	5,509	
Off Duty Police Officers Administrative Fees		51,276	51,276	
Pension Reimbursement - Library		49,000	49,000	
Pension Reimbursement - Water Utility		79,000	79,000	
Recreation/CAP Field Contribution		9,595	9,595	
Sale of Municipal Assets		456,903	456,903	
Health Benefit Reserve		250,000	250,000	
Tree Permit Fees	-	16,830	16,830	-
	<u>\$ 14,149</u>	<u>\$ 4,141,685</u>	<u>\$ 4,141,218</u>	<u>\$ 14,616</u>

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

	Balance, December 31, 2021	Transfers	Cancelled Payables	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages						
General Administration	\$ 2,055			\$ 2,055		\$ 2,055
General Services	7,200			7,200	\$ 6,200	1,000
Mayor and Council	1,129			1,129	1	1,128
Municipal Clerk	40			40		40
Elections	58			58		58
Financial Administration	2,483		\$ 2	2,485		2,485
Tax Assessment	2,189			2,189		2,189
Revenue Administration	2,750			2,750		2,750
Land Use Administration	943			943		943
Zoning Board of Adjustment	838			838		838
Police	175,442			175,442	9,457	165,985
Flood Control Committee	355			355		355
Fire	15,871			15,871		15,871
Streets and Road Maintenance	5,976			5,976		5,976
Snow Removal	55,334			55,334		55,334
Solid Waste Collection	2,191			2,191		2,191
Buildings and Grounds	5,229			5,229	788	4,441
Vehicle Maintenance	2,789			2,789		2,789
Environmental Health Services Commission	4			4		4
Board of Health	1,539			1,539		1,539
Board of Recreation Commissioners	7,022			7,022		7,022
Senior Citizens Activities	8,335			8,335		8,335
Municipal Court	12,609			12,609		12,609
Uniform Construction Code	57,187	\$ (11,000)	48	46,235		46,235
Stormwater Management	120	-	-	120	-	120
Total Salaries and Wages	369,688	(11,000)	50	358,738	16,446	342,292
Other Expenses						
General Administration	3,064		290	3,354		3,354
Communication Committee	2,585		115	2,700		2,700
General Services	10,306			10,306	978	9,328
Mayor and Council	181		8,908	9,089		9,089
Municipal Clerk	2,161	11,000		13,161	9,561	3,600
Elections	362			362		362
Financial Administration	3,772		56	3,828		3,828
Information Technology	12,353			12,353	9,068	3,285
Audit Services	537			537		537
Revenue Administration	1,385			1,385	1,385	-
Tax Assessment Administration	27		1,847	1,874		1,874
Legal Services and Costs	11,860		55,484	67,344		67,344
Engineering Services	13,850		11,381	25,231		25,231
Land Use Administration	1,061		204	1,265		1,265
Zoning Board of Adjustment	1,281			1,281		1,281
Insurance						
General Liability			3,911	3,911		3,911
Other Insurance	19,738		234	19,972	12,962	7,010
Workmans Compensation			9,959	9,959		9,959
Employee Group Health Employee Waiver	26,252			26,252	25,492	760
Employee Group Insurance	31,188		32,233	63,421		63,421
Police	57,102		5,765	62,867		62,867
Flood Control Committee	1,500			1,500		1,500
Office of Emergency Management	7,750			7,750		7,750

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

	Balance, December 31, 2021	Transfers	Cancelled Payables	Balance After Modification	Expended	Balance Lapsed
Other Expenses (Continued)						
Fire	\$ 3,921		\$ 12,281	\$ 16,202		\$ 16,202
Streets and Road Maintenance	19,585			19,585	\$ 3,762	15,823
Snow Removal	668		3,516	4,184		4,184
Shade Tree Commission	9,544		940	10,484		10,484
Solid Waste Collection	151,076		86,078	237,154		237,154
Buildings and Grounds	1,361		11,002	12,363		12,363
Vehicle Maintenance	125		14,104	14,229		14,229
Board of Health	1,365		2,097	3,462		3,462
Environmental Health Services Commission	400			400		400
Board of Recreation Commissioners	1,035		13,432	14,467		14,467
Senior Citizens Activities	12,234		2,333	14,567		14,567
Municipal Court	4,081			4,081	247	3,834
Public Defender	1,600		3,900	5,500		5,500
Municipal Prosecutor	1,050		150	1,200		1,200
Uniform Construction Code	261		920	1,181		1,181
Gasoline	4,000		16,744	20,744		20,744
Electricity	10,305			10,305	7,373	2,932
Natural Gas	5,087		110	5,197		5,197
Street Lighting	22,668			22,668	13,398	9,270
Telephone	11,704		724	12,428		12,428
Contingent	5,000			5,000		5,000
Social Security	3,480			3,480		3,480
Defined Contribution Retirement Program	4,784			4,784		4,784
Length of Service Awards Program	92,000			92,000	55,489	36,511
Stormwater Management	13,190			13,190	1,198	11,992
911 System	-		61	61		61
Maintenance of Free Public Library	36,157			36,157	36,157	-
Matching Fund for Grants	2,000	-	-	2,000	246	1,754
Total Other Expenses	626,996	11,000	298,779	936,775	177,316	759,459
	<u>\$ 996,684</u>	<u>\$ -</u>	<u>\$ 298,829</u>	<u>\$ 1,295,513</u>	<u>\$ 193,762</u>	<u>\$ 1,101,751</u>

**BOROUGH OF OAKLAND  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2021		\$ 1,422,100
Increased by:		
Charges to 2022 Budget Appropriation	\$ 833,608	
Charges to Appropriated Grant Reserves	<u>120,122</u>	
		<u>953,730</u>
		2,375,830
Decreased by:		
Cash Disbursements	1,103,334	
Payables Restored to Appropriation Reserves	<u>298,829</u>	
		<u>1,402,163</u>
Balance, December 31, 2022		<u>\$ 973,667</u>

EXHIBIT A-14

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2021	\$ 592,683
Increased by:	
2023 Taxes Collected	<u>603,008</u>
	1,195,691
Decreased by:	
Applied to 2022 Taxes Receivable	<u>592,683</u>
Balance, December 31, 2022	<u>\$ 603,008</u>

EXHIBIT A-15

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2021	\$ 65,243
Increased by:	
Overpayments Collected	<u>111,286</u>
	176,529
Decreased by:	
Refunds	<u>99,590</u>
Balance, December 31, 2022	<u>\$ 76,939</u>

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

Balance, December 31, 2021		\$ 7,802
Increased by:		
Tax Levy:		
County Taxes	\$ 6,588,258	
County Open Space Preservation	272,132	
Added and Omitted Taxes	<u>2,474</u>	
		<u>6,862,864</u>
		6,870,666
Decreased by:		
Payments		<u>6,868,192</u>
Balance, December 31, 2022		<u>\$ 2,474</u>

EXHIBIT A-17

**STATEMENT OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**

Increased by:		
Levy - Calendar Year		<u>\$ 31,706,066</u>
Decreased by:		
Payments		<u>\$ 31,706,066</u>

EXHIBIT A-18

**STATEMENT OF REGIONAL HIGH SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year		<u>\$ 13,091,514</u>
Decreased by:		
Payments		<u>\$ 13,091,514</u>

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

Balance, December 31, 2021	\$ 337,709
Increased by:	
Budget Appropriation	<u>80,000</u>
	417,709
Decreased by:	
Tax Refunds	<u>73,018</u>
Balance, December 31, 2022	<u>\$ 344,691</u>

EXHIBIT A-20

**STATEMENT OF DUE FROM SEWER UTILITY OPERATING FUND**

Balance, December 31, 2021	\$ 87,690
Increased by:	
Payments to Sewer Utility Operating Fund	\$ 84,222
2021 Anticipated Deficit Returned to Current Fund	<u>80,754</u>
	<u>164,976</u>
	252,666
Decreased by:	
Anticipated Sewer Deficit included in Current Fund Budget	<u>11,671</u>
Balance, December 31, 2022	<u>\$ 240,995</u>

**BOROUGH OF OAKLAND**  
**STATEMENT OF APPROPRIATED GRANT RESERVES -**  
**PUBLIC AND PRIVATE PROGRAMS**

	Balance, December 31, 2022	Transferred from 2022 Appropriations	Paid or Charged	Canceled	Balance, December 31, 2022
NJ State Police OEM Grant	\$ 8,008				\$ 8,008
Recycling Tonnage Grant	12,791	\$ 25,038	\$ (626)		38,455
Clean Communities	35,680	27,659	12,118		51,221
Clean Communities Mini	221	600	106		715
Police Body Armor	2,219	1,480	1,005		2,694
Bulletproof Vest Grant	21	455			476
Drunk Driving Enforcement Fund	8,732		2,316		6,416
Alcohol Education and Rehabilitation	1,249				1,249
Municipal Alliance Grant					
State Share	24,988	4,507	5,823	\$ 161	23,511
Local Share	209	1,127	129		1,207
CDBG - Emergency Generators - Senior Center	7,316				7,316
BMED - Employee Wellness - 2022		10,000	3,353		6,647
BMED - Employee Wellness - 2021	5,466			5,466	-
BC 200 Club - Oakland Police Department - Bicycle		5,000	5,000		-
Audobon Society Grant	3		3		-
Roots for Rivers	177			177	-
Highlands - Plan Conformance	90,135				90,135
BMED - Employee Wellness - 2020	7,348			7,348	-
Radon Awareness Grant	2,000				2,000
Community Garden Grant	606		575		31
Fire Assistance - Wild Life Equipment		5,000	5,000		-
Police Body Worn Camera Grant	12,228		3,142		9,086
County of Bergen - Roosevelt Riverfront	79,534				79,534
CDBG - CV3 Senior Center Chairs		11,000	11,000		-
Brotherton Tennis	63,500				63,500
Great Oak Band Shell	40,200	40,000	80,200		-
FEMA - Public Assistance - Allerman Brook		104,282			104,282
NRCS Allerman Brook Removal		137,587			137,587
Community Forestry Grant	21,788		21,788		-
Senior Center Upgrades	42,191		42,191		-
Driving While Impaired	5,219			5,218	1
National Opiod Grant		11,099			11,099
Library HVAC		76,000	76,000		-
Bergen County Open Space					
Ramapo Valley Park	28,741				28,741
Van Allen/Stream House	352				352
NJ Motor Vehicle Service Police Fees	24,285	-	-	-	24,285
	<u>\$ 525,207</u>	<u>\$ 460,834</u>	<u>\$ 269,123</u>	<u>\$ 18,370</u>	<u>\$ 698,548</u>
Cash Disbursements			\$ 149,001		
Accounts Payable			<u>120,122</u>		
			<u>\$ 269,123</u>		



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

	Balance, December 31, 2021	Cash Received	Decreases	Balance, December 31, 2022
Clean Communities Grant	\$ 27,659	\$ 28,126	\$ 27,659	\$ 28,126
American Rescue Plan	676,473	676,473	1,352,000	946
Body Armor Grant	1,480	1,950	1,480	1,950
CDBG		1,729		1,729
BC 200 Club - Oakland Police Department - Bicycle	5,000	-	5,000	-
	<u>\$ 710,612</u>	<u>\$ 708,278</u>	<u>\$ 1,386,139</u>	<u>\$ 32,751</u>
Anticipated in 2022 Budget			\$ 34,139	
Payments to General Capital Fund			<u>1,352,000</u>	
			<u>\$ 1,386,139</u>	

EXHIBIT A-23

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

	Total	UCC Fees	Marriage License Fees
Balance, December 31, 2021	\$ 12,583	\$ 12,310	\$ 273
Increased by:			
Cash Received	<u>24,189</u>	<u>24,189</u>	<u>-</u>
	36,772	36,499	273
Decreased by:			
Payments to State of New Jersey	<u>29,727</u>	<u>29,727</u>	<u>-</u>
Balance, December 31, 2022	<u>\$ 7,045</u>	<u>\$ 6,772</u>	<u>\$ 273</u>

EXHIBIT A-24

**STATEMENT OF DEFERRED CHARGES - SPECIAL EMERGENCY**

Purpose	Amount Authorized	1/5 of Amount Authorized	Balance, December 31, 2021	Amount in 2022 Budget	Balance, December 31, 2022
Revaluation of Real Property - June 23, 2021	\$ 200,000	\$ 40,000	<u>\$ 200,000</u>	<u>\$ 40,000</u>	<u>\$ 160,000</u>

**BOROUGH OF OAKLAND  
STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND**

Increased by:  
Cash Receipts

\$ 68,448

Balance, December 31, 2022

\$ 68,448

## **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, 2021	\$	23,121	\$	8,542,624	\$	149,596	\$	778,870
Increased by Receipts:								
Interest on Investments and Deposits	\$	143	\$	32,886	\$	749	\$	3,573
Employee Payroll Deductions				14,365,776		11,457		
Developer's Escrow and Other Reserves				2,914,032				
State Dog License Fees		1,556						
Animal Control Fees		15,363						
Receipts Due to Current Fund							289,658	
Receipts from Current Fund							-	
Health Benefits		-		171,443		-		
		<u>17,062</u>		<u>17,484,137</u>		<u>12,206</u>		<u>293,231</u>
		40,183		26,026,761		161,802		1,072,101
Decreased by Disbursements:								
Expenditures Under R.S. 4:19-15.11		11,320						
Payments to Current Fund		143		1,032,886			106,716	
Payments to State of New Jersey		1,556			8,692			
Developer's Escrow and Other Reserves				2,011,651				
Payroll Deductions Payable				14,220,099				
Payments to General Capital Fund							240,000	
Payments to Sewer Utility Capital Fund				1,000,000				
Reserve for Health Benefit Claims				281,413				
Municipal Open Space Expenditures		-		-		-	21,000	
		<u>13,019</u>		<u>18,546,049</u>		<u>8,692</u>		<u>367,716</u>
Balance, December 31, 2022	\$	<u>27,164</u>	\$	<u>7,480,712</u>	\$	<u>153,110</u>	\$	<u>704,385</u>

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

Balance, December 31, 2021	\$ 30
Increased by:	
State Fees Collected	<u>1,556</u>
	1,586
Decreased by:	
Payments to State of New Jersey	<u>1,556</u>
Balance, December 31, 2022	<u>\$ 30</u>

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

Increased by:	
Interest and Deposits	\$ 143
Decreased by:	
Payments to Current Fund	<u>143</u>
Balance, December 31, 2022	<u>\$ -</u>

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

Balance, December 31, 2021	\$ 23,141
Increased by:	
Cash Receipts	<u>15,363</u>
	38,504
Decreased by:	
Expenditures Under R.S. 4:19 - 15.11	<u>11,320</u>
Balance, December 31, 2022	<u>\$ 27,184</u>

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

Increased by:	
Unemployment Claims Due to State of New Jersey	\$ 9,030
Decreased by:	
Payments to State of New Jersey	<u>8,692</u>
Balance, December 31, 2022	<u><u>\$ 338</u></u>

## EXHIBIT B-8

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

Balance, December 31, 2021	\$ 149,596
Increased by:	
Employee Payroll Deductions	\$ 11,457
Interest on Deposits	<u>749</u>
	<u>12,206</u>
	161,802
Decreased by:	
Benefits Due State of New Jersey	<u>9,030</u>
Balance, December 31, 2022	<u><u>\$ 152,772</u></u>

## EXHIBIT B-9

**STATEMENT OF DUE FROM SEWER UTILITY CAPITAL FUND  
OTHER TRUST FUND**

Increased by:	
Payments to Sewer Utility Capital Fund	<u>\$ 1,000,000</u>
Balance, December 31, 2022	<u><u>\$ 1,000,000</u></u>

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

Increased by:		
Payments to Current Fund	\$	1,032,886
Decreased by:		
Interest on Investments		<u>32,886</u>
Balance, December 31, 2022	\$	<u>1,000,000</u>

EXHIBIT B-11

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

	Balance, December 31, <u>2021</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2022</u>
Planning Board Escrow	\$ 219,882	\$ 79,817	\$ 81,504	\$ 218,195
Board of Adjustment Escrow	100,350	52,930	41,406	111,874
Soil Movement	30,255	3,470		33,725
Performance Bonds	220,434	20,064	7,230	233,268
Escrow Funds	77,623	4,303	20,417	61,509
Public Events	112,211	43,648	40,009	115,850
Public Events - Banner Program	312			312
Donations	240	9,026		9,266
Donations - Dog Park	17,551			17,551
Donations - Oakland Police Department - PPE	2,738			2,738
Donations - Oakland Police Department Honor Guard	290			290
Board of Health - Marriage License	3,105		585	2,520
Communications	10,085	11,325	17,641	3,769
Recycling Containers	6,589	1,674	4,025	4,238
Municipal Alliance	29,203	9,273	8,940	29,536
Recreation	107,751	46,960	15,132	139,579
Municipal Court - POAA	745	112	600	257
Public Defender	3,231	50		3,281
Storm Recovery	240,032	65,211	16,625	288,618
Off Duty Police Officer	52,662		52,622	40
Junior Police Academy	7,745	12,250	9,869	10,126
Donations - Oakland Police Department Outreach	2,600			2,600
Active Shooter Program	47	7,512	5,367	2,192
Municipal Court Ticket Refunds	105	49,973	50,078	-
Redemption of Liens	1,167,152	2,270,532	1,401,095	2,036,589
Accumulated Absences	300,130	175,657	216,370	259,417
Flexible Spending	40,053	11,873	10,273	41,653
COAH	<u>745,113</u>	<u>38,372</u>	<u>11,863</u>	<u>771,622</u>
	<u>\$ 3,498,234</u>	<u>\$ 2,914,032</u>	<u>\$ 2,011,651</u>	<u>\$ 4,400,615</u>

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

Balance, December 31, 2021	\$ 4,987,870
Increased by:	
Cash Receipts	<u>171,443</u>
	5,159,313
Decreased by:	
Cash Disbursements	<u>281,413</u>
Balance, December 31, 2022	<u>\$ 4,877,900</u>

EXHIBIT B-13

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

Balance, December 31, 2021	\$ 56,520
Increased by:	
Cash Receipts	<u>14,365,776</u>
	14,422,296
Decreased by:	
Cash Disbursements	<u>14,220,099</u>
Balance, December 31, 2022	<u>\$ 202,197</u>

EXHIBIT B-14

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

Balance, December 31, 2021	\$ 15
Increased by:	
2022 Tax Levy	\$ 289,539
2022 Added Tax Levy	104
Payments to Current Fund	<u>106,716</u>
	396,359
	396,374
Decreased by:	
Receipts from Current Fund	289,658
Anticipated as Current Fund Revenue	<u>106,716</u>
	396,374
Balance, December 31, 2022	<u>\$ -</u>



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

Balance, December 31, 2021		\$ 778,885
Increased by:		
2022 Tax Levy	\$ 289,539	
2022 Added Tax Levy	104	
Interest on Investments and Deposits	<u>3,573</u>	
		<u>293,216</u>
		1,072,101
Decreased by:		
Anticipated as Current Fund Revenue	106,716	
Payments to General Capital Fund	240,000	
Expenditures	<u>21,000</u>	
		<u>367,716</u>
Balance, December 31, 2022		<u>\$ 704,385</u>

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2021		\$ 9,831,267
Increased by:		
Receipts from Current Fund	\$ 1,352,946	
Interest on Investments and Deposits	71,958	
Grants Receivable	259,292	
Receipts from Municipal Open Space Trust Fund	240,000	
Capital Improvement Fund	<u>1,142,370</u>	
		<u>3,066,566</u>
		12,897,833
Decreased by Disbursements:		
Improvement Authorizations	1,080,901	
Accounts Payable	1,834,583	
Payments to Current Fund	<u>263,242</u>	
		<u>3,178,726</u>
Balance, December 31, 2022		<u>\$ 9,719,107</u>

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

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 21,393
Capital Improvement Fund	460,168
Grants Receivable	(3,881,282)
Accounts Payable	2,613,179
Due to Current Fund	946
Reserve for Payment of Debt Service	1,381,047

Improvement Authorizations:

Ord. No.	<u>Improvement Description</u>	
09-607	Acquisition of Real Property	34,211
13-690	Recreation Improvements	163,547
14-704	Various Public Improvements	411,838
15-718	Various Public Improvements	10,584
16-742	Various Public Improvements	84,127
16-743	Various Public Improvements	663,927
17-749	Renovation of the Oakland Public Library	11,149
17-760	Various Public Improvements and Acquisitions	35,444
17-761/20-804	Various Public Improvements and Acquisition of New Communication Equipment	559,491
18-770	Various Public Improvements and Acquisitions	48,224
18-771	Various Public Improvements	444,735
19-786/19-798	Various Public Improvements and Acquisitions	5,208
19-787	Various Public Improvements	100,361
20-809	Various Public Improvements and Acquisitions	121,393
20-810	Various Public Improvements and Acquisitions	3,031,149
21-829	Replacement of Patriot's Way Bridge	52,526
21-831	Various Public Improvements and Acquisitions	237,777
21-855	Various Public Improvements	(1,080,817)
22-882	Various Public Improvements and Acquisitions	65,724
22-885/22-897	Various Public Improvements and Acquisitions	<u>4,123,058</u>
		<u>\$ 9,719,107</u>

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

Increased by:		
Interest on Investments	\$	71,958
Anticipated Current Fund Revenue - Reserve for Payment of Debt Service		191,284
Receipts from Current Fund		<u>1,352,946</u>
	\$	1,616,188
Decreased by:		
Payments to Current Fund		263,242
Capital Grants deposited in Current Fund		<u>1,352,000</u>
		<u>1,615,242</u>
Balance, December 31, 2022	\$	<u>946</u>

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

Balance, December 31, 2021	\$	23,670,000
Decreased by:		
2022 Budget Appropriation		
Bond Principal		<u>1,775,000</u>
Balance, December 31, 2022	\$	<u>21,895,000</u>

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

Ord. No.	Improvement Description	Analysis of Balance			
		Balance, December 31, 2021	Balance, December 31, 2022	Expenditures	Unexpended Improvement Authorizations
15-718	Various Public Improvements	\$ 249,000	\$ 249,000		\$ 249,000
16-743	Various Public Improvements	45,000	45,000		45,000
17-761	Various Public Improvements and Acquisition of New Communication Equipment	150,000	150,000		150,000
18-771	Various Public Improvements	869,335	869,335		869,335
20-810	Various Public Improvements and Acquisitions	687,364	687,364		687,364
21-829	Replacement of Patriot's Way Bridge	1,047,000	1,047,000		1,047,000
21-855	Various Public Improvements	<u>1,500,000</u>	<u>1,500,000</u>	<u>\$ 1,080,817</u>	<u>419,183</u>
		<u>\$ 4,547,699</u>	<u>\$ 4,547,699</u>	<u>\$ 1,080,817</u>	<u>\$ 3,466,882</u>

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

	Balance <u>December 31, 2021</u>	Grant <u>Awards</u>	Grant <u>Receipts</u>	Funded by Capital <u>Improvement Fund</u>	Balance, <u>December 31, 2022</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 Treasury - American Rescue Plan Act (Passed Through State of New Jersey)					
Ord. No. 22-885/22-897 Streets and Road Program		\$ 1,352,000	\$ 1,352,000		
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	20,959			\$ 20,959	
Ord. No. 16-743 Various Public Improvements	1,764,950				1,764,950
Ord. No. 19-787 Various Public Improvements - Van Allen House	150,000		118,765		31,235
Bergen County Park Improvement Grant					
Ord. No. 22-885/22-897 Roosevelt Park Improvements		87,000			87,000
Ord. No. 22-885/22-897 Truman Field Improvements		200,000			200,000
Bergen County Flood Plain Acquisition Grant					
Ord. No. 22-885/22-897 Flood Buyouts-Phase 3 Lenape Lane		1,228,750			1,228,750
Bergen County Historical Preservation Trust Fund					
Ord. No. 16-748 Van Allen House Improvements	140,527		140,527		
Ord. No. 22-885/22-897 Van Allen House Interior	-	27,347	-	-	27,347
	<u>\$ 2,618,436</u>	<u>\$ 2,895,097</u>	<u>\$ 1,611,292</u>	<u>\$ 20,959</u>	<u>\$ 3,881,282</u>
Deposited in Current Fund			\$ 1,352,000		
Grant Receipts			259,292		
			<u>\$ 1,611,292</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, 2022</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>		<u>Decreased</u>	<u>Balance, December 31, 2022</u>	
			<u>Date</u>	<u>Amount</u>						
General Improvement Bonds	5/15/2015	14,235,000	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	\$ 8,560,000	\$ 1,025,000	\$ 7,535,000		
General Improvement Bonds	12/1/2020	15,770,000	12/1/2023	765,000	1.00					
			12/1/2024	780,000	1.00					
			12/1/2025	795,000	1.00					
			12/1/2026	815,000	1.00					
			12/1/2027	830,000	1.00					
			12/1/2028	845,000	1.00					
			12/1/2029	875,000	1.00					
			12/1/2030	900,000	1.15					
			12/1/2031	915,000	1.30					
			12/1/2032	930,000	2.00					
			12/1/2033	945,000	2.00					
			12/1/2034	960,000	2.00					
			12/1/2035	975,000	2.00					
			12/1/2036	990,000	2.00					
			12/1/2037	1,010,000	2.00					
			12/1/2038	1,030,000	2.00	15,110,000	750,000	14,360,000		
						<u>\$ 23,670,000</u>	<u>\$ 1,775,000</u>	<u>\$ 21,895,000</u>		



**BOROUGH OF OAKLAND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

2022 Authorizations

Ord. No.	Improvement Description	Balance, December 31, 2021		Capital Impvt. Fund	Fund Balance	Open Space Trust Fund	Grants Receivable	Accounts Payable Restored	Cancelled	Paid or Charged	Balance, December 31, 2022	
		Funded	Unfunded								Funded	Unfunded
09-607	Acquisition of Real Property	\$ 46,836								\$ 12,625	\$ 34,211	
13-690	Recreation Improvements	162,976						\$ 571			163,547	
14-704	Various Public Improvements	417,184							\$ 5,346		411,838	
15-718	Various Public Improvements	11,338	\$ 249,000							754	10,584	\$ 249,000
16-741	Various Public Improvements	1,508								1,508	-	
16-742	Various Public Improvements	89,769								5,642	84,127	
16-743	Various Public Improvements	667,407	45,000							3,480	663,927	45,000
17-749	Renovation of the Oakland Public Library	11,149									11,149	
17-760	Various Public Improvements and Acquisitions	35,444									35,444	
17-761/20-804	Various Public Improvements and Acquisition of New Communication Equipment	279,108	150,000					280,383			559,491	150,000
18-770	Various Public Improvements and Acquisitions	48,224									48,224	
18-771	Various Public Improvements	447,267	869,335							2,532	444,735	869,335
19-786/19-798	Various Public Improvements and Acquisitions	15,794							9,098	1,488	5,208	
19-787	Various Public Improvements	239,361								139,000	100,361	
20-809	Various Public Improvements and Acquisitions	165,752							12,479	31,880	121,393	
20-810	Various Public Improvements and Acquisitions	3,119,026	687,364							87,877	3,031,149	687,364
21-829	Replacement of Patriot's Way Bridge	52,526	1,047,000								52,526	1,047,000
21-831	Various Public Improvements and Acquisitions	413,876							190	175,909	237,777	
21-855	Various Public Improvements	119,183	1,500,000							1,200,000		419,183
21-856	Various Public Improvements and Acquisitions	1,478							1,478			
22-882	Various Public Improvements and Acquisitions				\$ 333,000					267,276	65,724	
22-885/22-897	Various Public Improvements and Acquisitions	-	-	\$ 1,230,153	400,000	\$ 240,000	\$ 2,895,097	-	1,467	640,725	4,123,058	-
		<u>\$ 6,345,206</u>	<u>\$ 4,547,699</u>	<u>\$ 1,230,153</u>	<u>\$ 733,000</u>	<u>\$ 240,000</u>	<u>\$ 2,895,097</u>	<u>\$ 280,954</u>	<u>\$ 30,058</u>	<u>\$ 2,570,696</u>	<u>\$ 10,204,473</u>	<u>\$ 3,466,882</u>
									Capital Improvement Fund	<u>\$ 30,058</u>		
										Cash Disbursements	\$ 1,080,901	
										Accounts Payable	<u>1,489,795</u>	
											<u>\$ 2,570,696</u>	

**BOROUGH OF OAKLAND  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2021		\$ 3,238,921
Increased by:		
Charges to Improvement Authorizations		<u>1,489,795</u>
		4,728,716
Decreased by:		
Accounts Payable Restored to Improvement Authorizations	\$ 280,954	
Cash Disbursements	<u>1,834,583</u>	<u>2,115,537</u>
Balance, December 31, 2022		<u>\$ 2,613,179</u>
	Improvement Authorizations	\$ 2,578,257
	Reserve for Preliminary Expenses	<u>34,922</u>
		<u>\$ 2,613,179</u>

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

Increased by:		
Appropriation to Finance Improvement Authorization		\$ 240,000
Decreased by:		
Cash Receipts		<u>240,000</u>
Balance, December 31, 2022		<u>\$ -</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2021		\$ 529,852
Increased by:		
Transfer from Reserve for Preliminary Expenses	\$ 9,000	
Improvement Authorizations Canceled	30,058	
2022 Budget Appropriation	<u>1,142,370</u>	<u>1,181,428</u>
		1,711,280
Decreased by:		
Grants Receivable Canceled	20,959	
Appropriation to Finance Improvement Authorizations	<u>1,230,153</u>	<u>1,251,112</u>
Balance, December 31, 2022		<u>\$ 460,168</u>

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

Balance, December 31, 2021	\$ 1,572,331
Decreased by:	
Anticipated as Revenue in Current Fund Budget	<u>191,284</u>
Balance, December 31, 2022	<u>\$ 1,381,047</u>

**STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES**

Balance, December 31, 2021	\$ 9,000
Decreased by:	
Transfer to Capital Improvement Fund	<u>9,000</u>
Balance, December 31, 2022	<u>\$ -</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2021	Balance, December 31, 2022
15-718	Various Improvements	\$ 249,000	\$ 249,000
16-743	Van Allen House Improvements	45,000	45,000
17-761	Various Public Improvements and Acquisition of New Communication Equipment	150,000	150,000
18-771	Various Public Improvements	869,335	869,335
20-810	Various Public Improvements and Acquisitions	687,364	687,364
21-829	Replacement of Patriot's Way Bridge	1,047,000	1,047,000
21-855	Various Public Improvements	<u>1,500,000</u>	<u>1,500,000</u>
		<u>\$ 4,547,699</u>	<u>\$ 4,547,699</u>

**WATER UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	\$ 2,153,798	\$ 2,154,056
Increased by:		
Consumer Accounts Receivable	\$ 2,280,622	
Interest on Deposits		\$ 16,871
Anticipated Revenue - Water Utility Capital		
Reserve for Debt Service	164,230	
Receipts from Water Utility Capital Fund	64,158	
Miscellaneous	30,263	
Grant Receipts		75,000
Capital Improvement Fund		707,897
Deferred Charges - Unfunded		377,363
Receipts from Water Utility Capital Fund	<u>16,871</u>	<u>-</u>
	<u>2,556,144</u>	<u>1,177,131</u>
	4,709,942	3,331,187
Decreased by:		
2022 Budget Appropriations	2,724,972	
2021 Appropriation Reserves	96,963	
Accounts Payable		636,899
Payments to Water Utility Operating Fund		228,388
Refund of Prior Year Revenue	317	
Reserve for Preliminary Expenses		10,003
Improvement Authorizations		222,589
Interest on Bonds	32,569	
Payments to Water Utility Operating Fund	<u>-</u>	<u>16,871</u>
	<u>2,854,821</u>	<u>1,114,750</u>
Balance, December 31, 2022	<u>\$ 1,855,121</u>	<u>\$ 2,216,437</u>

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

	Balance, December 31, <u>2022</u>
Fund Balance	\$ 50,000
Capital Improvement Fund	703,188
Accounts Payable	580,969
Grants Receivable	(113,000)
Reserve for Payment of Debt	5,000
Ord.	
<u>No.</u> <u>Improvement Description</u>	
18-774   Various Water System Upgrades	40,258
21-833   Various Public Improvements and Acq.	428,022
22-886   Various Public Improvements and Acq	<u>522,000</u>
	<u>\$ 2,216,437</u>

EXHIBIT D-7

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

Balance, December 31, 2021	\$ 186,166
Increased by:	
Water Rents Levied	<u>2,430,618</u>
	2,616,784
Decreased by:	
Cash Receipts	<u>2,280,622</u>
Balance, December 31, 2022	<u>\$ 336,162</u>

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

Balance, December 31, 2021	\$ 674,585
Increased By:	
Charges to Improvement Authorizations	\$ 541,286
Charges to Reserve for Preliminary Expenses	<u>1,997</u>
	<u>543,283</u>
	1,217,868
Decreased by:	
Cash Disbursements	<u>636,899</u>
Balance, December 31, 2022	<u>\$ 580,969</u>

EXHIBIT D-9

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

Balance, December 31, 2021	\$ 13,869,176
Increased by:	
Capital Outlay Charges in Water Operating Budget	<u>82,282</u>
Balance, December 31, 2022	<u>\$ 13,951,458</u>

EXHIBIT D-10

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

Balance, December 31, 2021	\$ 360,000
Decreased By:	
Anticipated as Revenue in Water Utility Operating Budget	<u>150,000</u>
Balance, December 31, 2022	<u>\$ 210,000</u>

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

Balance, December 31, 2021	\$ 2,334,142
Increased by:	
2022 Improvement Authorization	<u>1,090,000</u>
	3,424,142
Decreased By:	
Transferred to Reserve for Amortization	<u>529,142</u>
Balance, December 31, 2022	<u>\$ 2,895,000</u>

EXHIBIT D-12

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

Ord. No.	Improvement Description	Balance, December 31, 2021	2022 Improvement Authorization	Balance, December 31, 2022
18-774	Various Water System Upgrades	\$ 205,000		\$ 205,000
21-833	Various Public Improvements and Acq.	1,600,000		1,600,000
22-874	Iroquois Pump Station Upgrade		\$ 400,000	400,000
22-886	Various Public Improvements and Acq	<u>-</u>	<u>690,000</u>	<u>690,000</u>
		<u>\$ 1,805,000</u>	<u>\$ 1,090,000</u>	<u>\$ 2,895,000</u>

EXHIBIT D-13

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

	Balance, December 31, 2021	Budget After Modifications	Expended	Balance Lapsed
Operating				
Salaries and Wages	\$ 72,435	\$ 72,435		\$ 72,435
Other Expenses	141,779	294,430	\$ 137,761	156,669
Statutory Expenditures				
Social Security	<u>3,575</u>	<u>3,575</u>	<u>-</u>	<u>3,575</u>
	<u>\$ 217,789</u>	<u>\$ 370,440</u>	<u>\$ 137,761</u>	<u>\$ 232,679</u>
Appropriation Reserves		\$ 217,789		
Payables Restored		<u>152,651</u>		
		<u>\$ 370,440</u>		
Transfer to Accounts Payable			\$ 40,798	
Cash Disbursements			<u>96,963</u>	
			<u>\$ 137,761</u>	



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

Balance, December 31, 2021	\$ 152,651
Increased by:	
Charges to 2022 Appropriations	\$ 114,856
Transferred from 2021 Appropriation Reserves	<u>40,798</u>
	<u>155,654</u>
	308,305
Decreased by:	
Payables Restored to Appropriation Reserves	<u>152,651</u>
Balance, December 31, 2022	<u>\$ 155,654</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2021 Funded	2022 Authorizations			Paid or Charged	Balance December 31, 2022 Funded
			Capital Improvement Fund	Fund Balance	Grants Receivable		
18-774	Various Water System Upgrades	\$ 40,258					\$ 40,258
21-833	Various Public Improvements and Acq.	623,897				\$ 195,875	428,022
22-874	Iroquois Pump Station Upgrade		\$ 200,000	\$ 200,000		400,000	-
22-886	Various Public Improvements and Acq	<u>-</u>	<u>577,000</u>	<u>-</u>	<u>\$ 113,000</u>	<u>168,000</u>	<u>522,000</u>
		<u>\$ 664,155</u>	<u>\$ 777,000</u>	<u>\$ 200,000</u>	<u>\$ 113,000</u>	<u>\$ 763,875</u>	<u>\$ 990,280</u>
	Cash Disbursements					\$ 222,589	
	Accounts Payable					<u>541,286</u>	
						<u>\$ 763,875</u>	

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

Balance, December 31, 2021		\$ 709,291
Increased by:		
Budget Appropriation	\$ 707,897	
Grants Received	<u>75,000</u>	
		<u>782,897</u>
		1,492,188
Decreased by:		
Reserve for Preliminary Expenses	12,000	
Appropriated to Finance Improvement Authorizations	<u>777,000</u>	
		<u>789,000</u>
Balance, December 31, 2022		<u><u>\$ 703,188</u></u>

EXHIBIT D-17

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

Increased by:		
Interest on Deposits		\$ 16,871
Decreased by:		
Payments to Water Utility Operating Fund		<u>16,871</u>
Balance, December 31, 2022		<u><u>\$ -</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, 2022</u>		<u>Interest Rate</u>		<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>			<u>December 31, 2021</u>		<u>December 31, 2022</u>
Water Bonds	6/1/2015	\$ 1,995,000	12/1/2023-28	\$ 135,000	3.000	%			
			12/1/2029	135,000	3.125		<u>\$ 1,080,000</u>	<u>\$ 135,000</u>	<u>\$ 945,000</u>
							<u>\$ 1,080,000</u>	<u>\$ 135,000</u>	<u>\$ 945,000</u>

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

Balance, December 31, 2021	\$ 2,714
Increased by:	
Budget Appropriation	
Interest on Bonds	<u>32,231</u>
	34,945
Decreased by:	
Interest Paid	<u>32,569</u>
Balance, December 31, 2022	<u><u>\$ 2,376</u></u>

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

Balance, December 31, 2021	\$ 11,882,671
Increased by:	
Budget Appropriation - Ordinance #06-539 & #07-563	\$ 377,363
Transferred from Deferred Reserve for Amortization	529,142
Capital Outlay - Water Utility Operating Budget	82,282
Serial Bonds Retired	<u>135,000</u>
	<u>1,123,787</u>
Balance, December 31, 2022	<u><u>\$ 13,006,458</u></u>

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

Balance, December 31, 2021	\$ 169,230
Increased by:	
Anticipated Revenue in Water Operating Utility Budget	<u>164,230</u>
Balance, December 31, 2022	<u><u>\$ 5,000</u></u>

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

Increased by:			
Transfer from Capital Improvement Fund		\$	12,000
Decreased by:			
Accounts Payable		\$	1,997
Cash Disbursements			<u>10,003</u>
			<u>12,000</u>
Balance, December 31, 2022		\$	<u><u>-</u></u>

EXHIBIT D-23

**STATEMENT OF GRANTS RECEIVABLE**  
**WATER UTILITY CAPITAL FUND**

Increased by:			
Grant Awarded - Bergen County CDBG - Ordinance # 22-886		\$	<u>113,000</u>
Balance, December 31, 2022		\$	<u><u>113,000</u></u>

EXHIBIT D-24

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

<u>Ord.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	Funded by <u>Budget</u>	Balance December 31, <u>2022</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>-</u>
		<u>\$ 377,363</u>	<u>\$ 377,363</u>	<u>\$ -</u>

**SEWER UTILITY FUND**

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2021	\$ 565,822	\$ 403,670
Increased by Receipts:		
Interest on Investments and Deposits		\$ 4,663
Sewer Rents	\$ 416,973	
Non-Budget Revenue	2,775	
Receipts from Current Fund	84,222	
Receipts from Other Trust Fund		1,000,000
Capital Improvement Fund		16,231
NJEIT Loan Receivable		702,544
Receipts from Sewer Utility Capital Fund	<u>4,663</u>	<u>-</u>
	<u>508,633</u>	<u>1,723,438</u>
	1,074,455	2,127,108
Decreased by Disbursements:		
2022 Budget Appropriations	430,685	
2021 Appropriation Reserves	52,302	
Improvement Authorizations		1,078,357
Encumbrances Payable		108,710
Bond Anticipation Notes		490,000
Interest on Bonds and Notes	6,536	
Payments for Sewer Utility Operating Fund		1,890
Payments to Sewer Utility Operating Fund	<u>-</u>	<u>4,663</u>
	<u>489,523</u>	<u>1,683,620</u>
Balance, December 31, 2022	<u>\$ 584,932</u>	<u>\$ 443,488</u>

**BOROUGH OF OAKLAND  
ANALYSIS OF SEWER UTILITY CAPITAL CASH  
AS OF DECEMBER 31, 2022**

Fund Balance	\$ 18,636
Capital Improvement Fund	136,635
Encumbrances Payable	5,091,330
Reserve for Payment of Debt	60,000
NJEIT Loan Receivable	(6,978,526)
Due to Other Trust Fund	1,000,000
Due from Sewer Utility Operating Fund	(1,890)

Ord. No.	<u>Improvement Description</u>	
11-638	Various Public Improvements	(59,641)
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	6,421
20-817, 22-876	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>1,170,523</u>
		<u>\$ 443,488</u>

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

Balance, December 31, 2021	\$ 77,263
Increased by:	
Sewer Rents Levied	<u>473,777</u>
	551,040
Decreased by:	
Cash Received	<u>416,973</u>
Balance, December 31, 2022	<u>\$ 134,067</u>



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

Increased by:		
Payments for Sewer Utility Operating Fund	\$ 1,890	
Receipts from Sewer Utility Capital Fund	<u>4,663</u>	
		\$ 6,553
Decreased by:		
Interest on Deposits		<u>4,663</u>
Balance, December 31, 2022		<u>\$ 1,890</u>

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

Balance, December 31, 2021		\$ 537,945
Increased by:		
Charges to Improvement Authorizations		<u>4,662,095</u>
		5,200,040
Decreased by:		
Cash Disbursements		<u>108,710</u>
Balance, December 31, 2022		<u>\$ 5,091,330</u>
	Improvement Authorizations	\$ 5,070,395
	Reserve for Preliminary Expenses	<u>20,935</u>
		<u>\$ 5,091,330</u>

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

	Balance December 31, <u>2021</u>	Modified <u>Balance</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Other Expenses	\$ 146,233	\$ 189,289	\$ 52,302	\$ 136,987
	<u>\$ 146,233</u>	<u>\$ 189,289</u>	<u>\$ 52,302</u>	<u>\$ 136,987</u>
Appropriation Reserves		\$ 146,233		
Payables Restored		<u>43,056</u>		
		<u>\$ 189,289</u>		
Due to Current Fund				\$ 80,754
Sewer Operations				<u>56,233</u>
				<u>\$ 136,987</u>

EXHIBIT E-11

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

Balance, December 31, 2021	\$ 43,056
Increased by:	
Charges to 2022 Budget Appropriations	<u>60,047</u>
	103,103
Decreased by:	
Payables Restored to Appropriation Reserves	<u>43,056</u>
Balance, December 31, 2022	<u>\$ 60,047</u>

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

Balance, December 31, 2021	\$ 982
Increased by:	
Budget Appropriation	
Interest on Bonds and Notes	<u>5,831</u>
	6,813
Decreased by:	
Interest Paid on Sewer Bonds and Notes	<u>6,536</u>
Balance, December 31, 2022	<u>\$ 277</u>

EXHIBIT E-13

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Transfer to</u> <u>Reserve for</u> <u>Amortization</u>	<u>Authorizations</u> <u>Cancelled</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
08-575	Various Public Improvements	\$ 26,157	\$ 24,411	\$ 1,746	
08-584	Various Public Improvements	<u>10,000</u>	<u>2,418</u>	<u>7,582</u>	-
		<u>\$ 36,157</u>	<u>\$ 26,829</u>	<u>\$ 9,328</u>	<u>\$ -</u>

EXHIBIT E-14

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

Balance, December 31, 2021	\$ 179,100
Increased by:	
Serial Bonds Retired	\$ 15,000
Transfer from Deferred Reserve for Amortization	<u>26,829</u>
	<u>41,829</u>
Balance, December 31, 2022	<u>\$ 220,929</u>

**BOROUGH OF OAKLAND  
STATEMENT OF DEFERRED CHARGES  
SEWER UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2021</u>	Amount Resulting in <u>2022</u>	Balance, December 31, <u>2022</u>
Overexpenditure of Appropriations	\$ -	\$ 1,247	\$ 1,247

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Transferred to Fixed Capital	Authorizations Cancelled	Balance, December 31, <u>2022</u>
08-575	Various Public Improvements	\$ 26,157		\$ 24,411	\$ 1,746	
08-584	Various Public Improvements	10,000		2,418	7,582	
11-638	Various Public Improvements	59,641				\$ 59,641
18-775	Engineering Phases of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to the Northeast Bergen County Utilities Authority Treatment System	300,000				300,000
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	420,000			190,000	230,000
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 Syst	5,500,000	\$ 2,000,000	-	-	7,500,000
		<u>\$ 6,315,798</u>	<u>\$ 2,000,000</u>	<u>\$ 26,829</u>	<u>\$ 199,328</u>	<u>\$ 8,089,641</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31,</u>		<u>Balance, December 31,</u>
			<u>Date</u>	<u>Amount</u>		<u>2021</u>	<u>Decreased</u>	<u>2022</u>
Sewer Bonds	6/1/2015	\$ 230,000	12/1/2023-28	\$ 15,000	3.000%	\$ 125,000	\$ 15,000	\$ 110,000
			12/1/2029	20,000	3.125	\$ 125,000	\$ 15,000	\$ 110,000

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2021</u>		<u>2022 Authorizations</u>	<u>Paid or Charged</u>	<u>Authorizations Cancelled</u>	<u>Balance, December 31, 2022</u>	
		<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
08-575	Various Sewer Improvements	\$ 1,746				\$ 1,746		
08-584	Various Sewer Improvements	7,582				7,582		
20-815	Infiltration and Inflow Reduction to the Skyview Collection System		\$ 197,101		\$ 680	190,000		\$ 6,421
18-775/20-817/22-876	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	-	5,029,225	\$ 2,000,000	5,739,772	-	-	1,289,453
		<u>\$ 9,328</u>	<u>\$ 5,226,326</u>	<u>\$ 2,000,000</u>	<u>\$ 5,740,452</u>	<u>\$ 199,328</u>	<u>\$ -</u>	<u>\$ 1,295,874</u>
					Cash Disbursements	\$ 1,078,357		
					Encumbrances Payable	4,662,095		
						<u>\$ 5,740,452</u>		
					Fund Balance	\$ 9,328		
					Fixed Capital Authorized and Uncompleted	190,000		
						<u>\$ 199,328</u>		

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

Balance, December 31, 2021		\$ 120,064
Increased by:		
Budget Appropriation	\$ 16,231	
Transfer from Reserve for Preliminary Expenses	<u>340</u>	
		<u>16,571</u>
Balance, December 31, 2022		<u>\$ 136,635</u>

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

Balance, December 31, 2021	\$ 340
Decreased by:	
Transfer to Capital Improvement Fund	<u>340</u>
Balance, December 31, 2022	<u>\$ -</u>

**STATEMENT OF NJEIT LOAN RECEIVABLE  
SEWER UTILITY CAPITAL FUND**

Increased by:		
NJEIT Loan Award	\$ 7,681,070	
Decreased by:		
Cash Receipts	<u>702,544</u>	
Balance, December 31, 2022		<u>\$ 6,978,526</u>

**STATEMENT OF NJ INFRASTRUCTURE BANK NOTE PAYABLE  
SEWER UTILITY CAPITAL FUND**

Increased by:		
NJEIT Loan Award	<u>\$ 7,681,070</u>	
Balance, December 31, 2022		<u>\$ 7,681,070</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</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	11/23/2021 4/1/2022	4/1/2022 7/1/2022	0.34 1.05	% \$ 300,000	\$ 300,000	\$ 300,000 300,000	
20-815	Infiltration and Inflow Reduction to the Skyview Collection System	11/23/2021	11/23/2021 4/1/2022 7/1/2022	4/1/2022 7/1/2022 6/30/2023	0.34 1.05 2.56	420,000 - <u>720,000</u>	420,000 230,000 <u>950,000</u>	420,000 420,000 <u>1,440,000</u>	\$ 230,000
						Paid with Capital Cash Renewals		\$ 490,000 950,000 <u>1,440,000</u>	

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

<u>Ord.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2021</u>	<u>2022 Authorizations</u>	<u>Notes Paid by Capital Cash</u>	<u>New Jersey Infrastructure Note Issued</u>	<u>Authorizations Canceled</u>	<u>Balance, December 31, 2022</u>
11-638	Various Sewer Improvements	\$ 59,641					\$ 59,641
20-815	Infiltration and Inflow Reduction to the Skyview Collection System			\$ 190,000		\$ 190,000	
20-817, 22-876	Construction Phase of the Decommissioning and Conversion of Various Sanitary Sewer Treatment Plants to Pump Stations and the Construction of Force Mains to Connect to The Northwest Bergen County Utilities Authority Treatment System	<u>5,500,000</u>	<u>\$ 2,000,000</u>	<u>300,000</u>	<u>\$ 7,681,070</u>	<u>-</u>	<u>118,930</u>
		<u>\$5,559,641</u>	<u>\$ 2,000,000</u>	<u>\$ 490,000</u>	<u>\$ 7,681,070</u>	<u>\$ 190,000</u>	<u>\$ 178,571</u>

**BOROUGH OF OAKLAND**  
**BERGEN COUNTY**

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**PART II**  
**GOVERNMENT AUDITING STANDARDS**





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## 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  
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, 2022, and the related notes to the financial statements, and have issued our report thereon dated July 26, 2023. 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.

#### Report on Internal Control over Financial Reporting

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

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

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

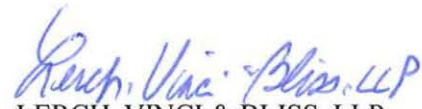
### **Report on Compliance and Other Matters**

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

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

### **Purpose of this Report**

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

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
July 26, 2023

**BOROUGH OF OAKLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Grant <u>Year</u>	Federal CFDA <u>Number</u>	Award <u>Amount</u>	2022 Grant <u>Receipts</u>	Balance, December 31, <u>2021</u>	Revenue <u>Realized</u>	<u>Expenditures</u>	Balance, December 31, <u>2022</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)	\$ 325,000
Performance Partnership Grant - Radon Program	2021	66.605	2,000		2,000			2,000	
State Forestry Grant - Fire Assistance	2022	10.698	5,000	\$ 5,000		\$ 5,000	\$ 5,000	-	5,000
Community Development Block Grant:									
Purchase of Emergency Generators - Senior Center	2019	14.219	119,316		7,316			7,316	112,000
Senior Center Chairs	2022	14.219	11,000			11,000	11,000	-	11,000
U.S. Dept. of Treasury									
Passed Thru the State of New Jersey Department of Community Affairs									
American Rescue Plan - Ord 22-885/897 Streets and Roads Program	2021	21.027	1,352,946	676,473		1,352,946	273,807	1,079,139	273,807
U.S. Department of Homeland Security									
Passed Thru the State of New Jersey Division of Law and Public Safety									
Coronavirus Relief Fund	2022	21.019	28,074	28,074		28,074	28,074		28,074
Public Assistance Grant - Hurricane IDA	2022	97.036	115,019	115,019		115,019	115,019		115,019
Public Assistance Grant - Coronavirus Pandemic	2022	97.036	37,118	37,118		37,118	37,118		37,118
Bulletproof Vest Grant	2022	16.607	455	455		455		455	-
Bulletproof Vest Grant	2021	16.607	458		21			21	4,979
NJ State Police OEM Grant	2015	93.671	5,000		3,008			3,008	1,992
NJ State Police OEM Grant	2016	93.671	5,000		5,000	-	-	5,000	-
					<u>\$ (307,655)</u>	<u>\$ 1,549,612</u>	<u>\$ 470,018</u>	<u>\$ 771,939</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, 2022**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts (Memo)</u>	<u>Balance, December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2022</u>	<u>(Memo Only) Cumulative Expenditures</u>
<u>State of New Jersey - Department of Environmental Protection</u>										
Clean Communities Grant	042-4900-765-1789000	2022	\$ 27,659			\$ 27,659			\$ 27,659	
		2021	25,993		\$ 25,993		\$ 2,431		23,562	\$ 2,431
		2020	28,829		9,687		9,687		-	28,829
Highlands - Plan Conformance	NA	2015	230,150		(155,461)				(155,461)	230,150
		2015	230,150		90,135				90,135	140,015
		2009	50,000		(19,207)				(19,207)	50,000
Community Forestry Grant	NA	2021	21,788		21,788		\$ 21,788		-	21,788
Highlands - Transfer Developmental Rights	NA	2009	25,000		(4,824)				(4,824)	
Recycling Tonnage Grant	042-752-6020	2022	25,038	\$ 25,038		25,038			25,038	-
		2021	42,067		12,791			\$ 626	13,417	28,650
Roots for Rivers	NA	2020	2,788		177			(177)	-	2,611
<u>State of New Jersey - Department of Law and Public Safety</u>										
Body Armor Replacement Fund	066-1020-718-001	2021	2,219		2,219		1,005		1,214	1,005
		2022	1,480			1,480			1,480	-
Drunk Driving Enforcement Fund	1110-448031020-22	2021	6,502		6,502		86		6,416	86
		2017	1,369		1,369		1,369		-	1,369
		2016	9,752		861		861		-	9,752
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2021	454		454				454	
		2019	322		322				322	-
		2018	366		366				366	-
		2016	236		107				107	129
Police Body Worn Camera Grant	N/A	2021	52,988		12,228		3,142		9,086	43,902
Driving While Impaired	N/A	2021	6,000		5,219		5,218		1	5,999
<u>State of New Jersey - Association of Environmental Commissions</u>										
ANJEC Sustainable Communities Land Use Grant	NA	2012	8,000		(4,000)				(4,000)	8,000
<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	4,346	5,236		5,075	(161)	-	9,715
		2020	9,876		9,876		748		9,128	748
		2021	9,876		9,876				9,876	-
		2022	4,507		-	4,507	-	-	4,507	-
					<u>\$ 31,714</u>	<u>\$ 58,684</u>	<u>\$ 51,410</u>	<u>\$ 288</u>	<u>\$ 39,276</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, 2022**

**NOTE 1 REPORTING ENTITY**

The Borough of Oakland (the "Borough") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough's Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Borough conform to the accounting principles and practices prescribed 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough's summary of significant accounting policies are described in Note 1 to the Borough's Financial Statements.

**NOTE 4 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	\$ 196,666	\$ 58,684	\$ 255,350
General Capital Fund	<u>1,352,946</u>	<u>-</u>	<u>1,352,946</u>
Total Financial Awards	<u>\$ 1,549,612</u>	<u>\$ 58,684</u>	<u>\$ 1,608,296</u>

**BOROUGH OF OAKLAND**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2022**

**NOTE 5 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.

**NOTE 6 STATE LOANS OUTSTANDING**

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough’s state loans outstanding at December 31, 2022, which is not required to be reported on the schedules of expenditures of state financial assistance, is as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
NJEIT - Oakland Sewer System Improvements	5340418-06	<u>\$ 7,681,070</u>

**BOROUGH OF OAKLAND  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

*Part I – Summary of Auditor's Results*

**Financial Statements**

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

**Federal Awards Section - NOT APPLICABLE**

**State Awards Section - NOT APPLICABLE**

**BOROUGH OF OAKLAND  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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, 2022**

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, 2022**

**BOROUGH OF OAKLAND  
SUPPORTING DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Tax Rate</u></b>	<u>\$2.352</u>	<u>\$3.070</u>	<u>\$2.999</u>
<b><u>Apportionment of Tax Rate</u></b>			
Municipal	.538	.692	.677
Municipal Library	.032	.040	.040
Municipal Open Space Tax	.010	.010	.010
Regional High School	.449	.588	.572
Local School	1.087	1.437	1.399
County (Includes County Open Space Tax)	.236	.303	.301

**Assessed Valuation Basis**

2022	<u>\$2,917,123,943</u>	
2021	<u>\$2,173,541,643</u>	
2020		<u>\$2,175,282,943</u>

**Comparison Of Tax Levies And Current Collections**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 68,613,410	\$ 68,475,067	99.80%
2021	66,802,366	66,662,887	99.79%
2020	65,281,426	65,107,390	99.73%

**Delinquent Taxes**

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

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2022	\$ 10,489	\$ 198,299	\$ 208,788	0.30%
2021	16,422	308,261	324,683	0.49%
2020	7,364	357,196	364,560	0.56%

**BOROUGH OF OAKLAND  
SUPPORTING DATA**

**Property Acquired By Tax Title Lien Foreclosure**

No properties have been acquired in 2022 by foreclosure or deed, as a result of liquidation of tax title lien.

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

<u>Year</u>	<u>Amount</u>
2022	\$1,140,550
2021	1,140,550
2020	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	2022	\$5,232,708	\$1,940,000
	2021	4,664,501	1,870,000
	2020	4,454,989	1,925,000
	2019	4,339,172	1,555,000
	2018	4,461,264	1,510,000
Water Utility Operating Fund	2022	\$1,369,209	\$435,000
	2021	1,420,694	556,603
	2020	1,604,223	577,363
	2019	1,453,330	200,000
	2018	1,645,757	265,000
Sewer Utility Operating Fund	2022	\$171,886	\$101,778
	2021	208,886	37,000
	2020	233,886	25,000
	2019	203,638	105,000
	2018	343,200	180,000

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

## **BOROUGH OF OAKLAND SUPPLEMENTARY DATA**

### **GENERAL COMMENTS**

#### **Current Year Findings**

The 2022 Sewer Utility budget appropriation for Interest on Notes was overexpended \$1,247 at December 31, 2022. This is a result of an audit adjustment; therefore, an audit recommendation is not warranted.

Our audit noted that documentation supporting the financial information included the annual Uniform Construction Code (UCC) was not available for audit. In addition, the amount reported for indirect costs was understated. It is recommended that the annual UCC Report agree with the Borough's budget reports and that the documentation supporting the Report be available for audit.

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

Our audit revealed that the fixed asset inventory report was not updated for additions and deletions that occurred in 2022. It is recommended that the fixed asset inventory report be updated annually to include all capital additions and deletions.

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$44,000 except by contract or agreement."

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

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

- Iroquois Pumping Station Improvements
- Sewer Treatment Plant Decommissioning Project
- Great Oak Park Bank Shell Project
- Soon's Field Pumping Station Generator Replacement
- 2022 Road Program
- Solid Waste, Recycling and Vegetative Waste Collection

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.

**BOROUGH OF OAKLAND  
SUPPLEMENTARY DATA**

**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 2, 2022 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. The fixed asset inventory report be updated annually to include all capital additions and deletions.
- 2. The annual UCC Report agree with the Borough's budget reports and that the documentation supporting the Report be available for audit.

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